

ANNUAL & INTEGRATED REPORT 2018-19



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



Visit our GCPL
Annual & Integrated Report microsite



This Annual & Integrated Report has been
printed on **eco-friendly** paper.

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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 (Listing Obligations and Disclosure Requirements) Regulations, 2015; Companies Act, 2013; and Secretarial Standards. Since fiscal year 2015-16, we have also been publishing a Global Sustainability Report, which follows the Global Reporting Initiative (GRI) framework. This year, we have transitioned to Integrated Reporting, in line with the International Integrated Reporting Council (IIRC) framework.

Content of the report

Through integrated reporting, we aim to share an overview of our financial and non-financial performance that has helped create short-term and long-term value 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 KPIs
- Interconnectedness between our material issues, strategies, performance, and value creation
- Financial and statutory reports

Reporting period

All information, financial and non-financial, is reported for the period from April 1, 2018 to March 31, 2019. For our performance on sustainability, we have also incorporated comparative figures for the previous year (fiscal year 2017-18) and baseline year (fiscal year 2010-11 except for statutory financials), for a holistic view.

Scope and boundary

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

Approach to materiality

Regular and meaningful conversations with our primary stakeholders have helped us identify and monitor our material issues and business risks. The GCPL Risk Committee, along with strategy and business teams, keeps a close watch on the latest trends to proactively identify and work on mitigation strategies and growth opportunities.

Management committee endorsement and assurance

At the meeting held on October 10, 2018, the GCPL Management Committee recommended that we adopt the Integrated Reporting framework for our Annual Report. The Management Committee has been involved in the process of drafting this report and fully endorses its contents.

OUR COMPANY

Godrej Consumer Products is a leading emerging markets company. As part of the over 122-year young Godrej Group, we are fortunate to have a proud legacy built on the strong values of trust, integrity and respect for others. At the same time, we are growing fast and have exciting, ambitious aspirations.

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

We rank among the largest household insecticide and hair care players in emerging markets. In household insecticides, we are the leader in India and Indonesia and are expanding our footprint in Africa. We are the leader in serving the hair care needs of women of African descent, the number one player in hair colour in India and Sub Saharan Africa, and among the leading players in Latin America. We rank number two in soaps in India, are the number one player in air fresheners in India and Indonesia, and a leader in wet tissues in Indonesia.

But for us, it is very important that besides our strong financial performance and innovative, much-loved products,



we remain a good company. Approximately 23 per cent of the promoter holding in the Godrej Group is held in trusts that invest in the environment, health and education. We are also bringing together our passion and purpose to make a difference through our Good & Green approach to create a more inclusive and greener India.

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



BOARD OF DIRECTORS



Nisaba Godrej
Executive Chairperson

● △



Nadir Godrej
Non-Executive Director

△ C ● C



Adi Godrej
Chairman Emeritus

●



Tanya Dubash
Non-Executive Director

△



Vivek Gambhir
Managing Director
& CEO

● △ ●



Pirojsha Godrej
Non-Executive Director

●

Board Committees

- Nomination and Remuneration Committee
- Audit Committee
- Risk Management Committee
- △ CSR Committee
- Stakeholders Relationship Committee
- C Chairman



Jamshyd N Godrej
Non-Executive Director



Pippa Tubman Armerding
Independent Director



Aman Mehta
Independent Director



Narendra Ambwani
Independent Director



Ndidi Nwuneli
Independent Director



Bharat Doshi
Independent Director



Ireena Vittal
Independent Director



Omkar Goswami
Independent Director



Sumeet Narang
Independent Director*



* Effective April 1, 2019



A MESSAGE FROM NISABA GODREJ

Dear shareholders,

I am pleased to share with you, our first integrated and annual report. It details our strategic approach and how we aim to create sustainable value for all our stakeholders. You can read more about this, and the resultant outcomes and impact, in the subsequent sections. We will continue to adhere to strong standards of governance and provide you with updates on our company and performance, both through this report and other forums.

At GCPL, we are very inspired and excited by our purpose of bringing the goodness of health and beauty to consumers in emerging markets. This is what guides our choices as we build a leading FMCG player in Asia, Africa and Latin America. We believe there is tremendous opportunity to leverage our global category insights and unique multi-local approach to create long-term growth in the countries where we do business. More importantly, we can do so while helping solve significant global problems, including protecting consumers from vector borne diseases. We are fortunate to draw from the incredible 122-year legacy of the Godrej Group, deeply rooted in sustainability and giving back to our communities. We are taking this forward by creating shared value through our Good & Green commitments.

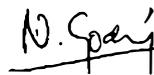
Fiscal year 2018-19 was a mixed bag. While we continued to put strong building blocks in place for the future through investments in innovation, people and digital, our overall performance fell short of our aspirations. We are taking a number of corrective actions to address this in the months ahead. Our teams are deeply committed to driving these efforts. They continue to show admirable resilience and agility in responding to the macroeconomic challenges in many of our geographies. I am confident that together, we will deliver a stronger fiscal year 2019-20.

We are ramping up our innovation pipeline and finding new and exciting ways to delight our consumers with differentiated, superior quality and affordable products. Design thinking is core to our approach and we are using empathy, rapid prototyping and visualisation to reimagine our brands and portfolios.

Alongside this, we are building capabilities in Research & Development and Design, and collaborating with different global partners to tap into emerging, cutting-edge technologies. Through advanced analytics and digital, we are transforming our approach to marketing, go-to-market and supply chain, and becoming more future-ready.

The Godrej Way (which is what we call our values) is at the heart of all that we do. This is our most powerful and differentiated asset; it is what grounds us and makes us who we are. We will continue to use this as our cultural cornerstone, and you will continue to see it reflected as we grow and evolve as a company.

This message would not be complete without a big thank you to our passionate team members across the globe, who are building a stronger, more purposeful GCPL every day. To all our customers, business partners, shareholders, investors and communities, my sincere gratitude for your trust and support through the years. At Godrej, we often say that we are only as good as what we do next. So, I look forward to your continued partnership as we craft the best years of GCPL.



Nisaba Godrej

Executive Chairperson



IN CONVERSATION WITH VIVEK GAMBHIR

Tell us about the GCPL purpose and why this is important.

At GCPL, we are united and inspired by our shared purpose of 'Bringing the goodness of health and beauty to consumers in emerging markets'. Together with our values of Trust, Be Bold, Own It, Create Delight, Be Humble and Show Respect, this makes up 'The Godrej Way' - the cultural cornerstone that guides our choices and actions. It defines why we exist as a company, how we add value and how we bring meaning to what we do.

There is a perceptible shift today in what our employees, customers and investors expect from us as a business. Of course, we must meet growth targets and objectives, but more importantly, we must do so while ensuring we do good for our communities and the environment – placing people and planet alongside profit, as we say at Godrej.

People want to work at companies where they find meaning and are making a difference, while also growing in their careers. Consumers want great quality and affordable prices, but they also want to spend on brands that are committed to larger causes. Investors are increasingly seeing more stable, long-term returns associated with companies with holistic, responsible world views.

As we get larger and more global, we need to ensure that current and future generations of Godrejites fully embrace and live our distinctive purpose and values. So, our leadership team is spending a lot of time reflecting on how to become more deliberate in defining and embedding our purpose in our choices and actions. You will continue to see this translate into how we craft our strategy, build our brands, inspire our people and give back to our communities.

How has your India business performed in the last year?

We continued to make good strides in becoming more purposeful, agile, innovative and future-ready. However, in

terms of financial results, we fell short of our expectations. While we continued to deliver strong profits and increased profit margins to industry leading levels, it was a challenging year for top line growth. Our soaps, hair colour and air freshener categories performed relatively well. However, our largest category, Household Insecticides, was significantly impacted by a surge in illegal and unsafe mosquito incense sticks, and an unfavourable season. We are taking numerous corrective actions to recover our performance over the next year.

This has been an active year on innovations, with multiple new products launched across categories. Godrej protekt mr. magic handwash is the first ever powder-to-liquid handwash, designed to be more environmentally sustainable, while also democratising the low penetrated handwash category. We extended our Cinthol portfolio to foray into the growing male grooming category, with a range of multi-benefit products for the face, body, hair and beard. Through Godrej Nupur Natural Henna Based Hair Colour, we are extending our strong henna play to the herbal-based powder hair colour segment. In Goodknight, we introduced Power Chip, an electric solution infused with unique gel technology, a higher efficacy liquid vapouriser and 100 per cent natural mosquito repellent incense sticks.

How has your journey been, in scaling up your presence in Africa, Middle East and the USA?

Performance in our Africa, Middle East and USA cluster was a mixed bag, owing to multiple macroeconomic challenges. While overall performance was impacted by the weakness in South Africa, our West Africa and USA businesses continued to deliver strong growth and Kenya is showing good signs of recovery.

Africa remains a key strategic focus, in terms of both business size today and potential for the future. We are very excited about building a leading home and personal care company, with delightfully designed, superior quality, affordable products tailored to African consumer needs. We are putting

“We are democratising categories and making superior quality, delightfully designed products available at affordable prices.”

a lot of building blocks in place to scale up this business. In fact, our largest investment as a company, of ₹4,000 crore, is in Africa. We are confident that these focused efforts and strong on-ground execution will translate into stronger top line and bottom line growth.

The acquisition of Strength of Nature in the USA catapulted us to become one of the largest global players in hair care for women of African descent. Today, this category contributes to 21 per cent of our revenues. However, it is still very underserved in product innovation and brand delight, opening up a significant opportunity for us to leverage our skills and drive global leadership.

Brand building and innovation are critical priorities. Over the last year, we rolled out an extensive relaunch of our Darling brand, the leader in hair extensions in the subcontinent. We developed a new brand architecture and innovation platforms, and refreshed our communication and digital strategies to position Darling as more modern and fashion-forward. The brand metrics are looking very favourable in Kenya and Nigeria. We will continue driving focus on this relaunch to ensure pan-Africa success.

We are also scaling up our Wet Hair portfolio and cross-pollinating products between our Africa and USA businesses. There is huge potential in creating this complementary portfolio, and you will continue to see a lot of exciting innovation focus here.

Our investments in infrastructure, manufacturing and a focused R&D team for Africa, are key enablers of our ambitious aspirations. We are also building up an impactful employer brand, adding strong local talent and ensuring that we have the right leadership in place.

Your Indonesia business is turning around after a difficult couple of years. Tell us more about this.

Our Indonesia business has picked up its growth momentum and is outperforming the industry in a tough macroeconomic environment. The team has worked on a range of levers to drive this turnaround, and responded well to the competitive intensity and challenging market conditions.

It is encouraging to see the improvement in our household insecticides business, where our HIT brand, the category leader, continues to gain market share. We are driving a strong focus on brand building, ramping up our innovation pipeline and investing in marketing and trade promotion, across categories. Some of our recent launches like HIT anti roach spray, cross pollinated from India to expand our presence in Household Insecticides, and the HIT Magic Expert Piramida (a paper-based mosquito repellent) introduced to disrupt the coils segment, are being well received.

The first leg of our extensive go-to-market transformation has also started showing impact. Building this backbone is a multi-year investment and critical to driving stronger performance in the years ahead.

What are you doing to innovate and build new growth engines?

Innovation is our lifeblood as a company. As category leaders, we must keep innovating and finding new ways to grow our categories. Especially given our emerging markets focus, we are democratising categories and making superior quality, delightfully designed products available at affordable prices. We are also pursuing attractive adjacencies and creating new vectors of growth to broaden our portfolio. At the core of this is design thinking. We are using the tools of empathy, rapid prototyping and visualisation to reimagine our brands and create new ones.

The number of new products launched annually in the last 2 years has doubled. New products launched in the last 5 years account for over 20 per cent of the India business. Innovation rates in India and Indonesia are 30 per cent and 50 per cent higher, respectively, than last year. Air Care, a category that we launched in India in 2012, has evolved into a fourth core category for us, globally. We are now leaders in air fresheners in India and Indonesia. We are also building up a strong focus in Hair Care for women of African origin, and are among the largest global players in this category.

We have an integrated platform, RIDE (Research & Development + Innovation + Design + Expertise), to streamline and expedite our innovation process. Our focused global innovation team offers design thinking strategic input for brand architecture, enables cross-pollination and sharing, and evaluates patents and new technologies in the consumer goods space.

We are also investing in technology and skills. We have a state-of-the-art global Research & Development (R&D) centre at our headquarters in Mumbai, supported by local R&D centres in our different geographies. Our in-house global Design Lab integrates design thinking and transforms product capabilities. This is something that is normally outsourced in FMCG, but we believe it is very strategic to have it internally. Through our different strategic global partnerships, we are also leveraging various cutting-edge technologies and processes.

How are you leveraging digital in your business?

We have accelerated our focus on becoming more 'digitally fit'. Our global digital partnerships, commitment to first-class online user experience and shift to consumer-driven content, are showing encouraging results. We are tracking a 53 per cent increase in digital reach, and cost per engagement is

2x lower than that in the previous year. Through this, and with our investments in digital infrastructure and training, we are laying strong foundations to hold us in good stead in a rapidly changing digital landscape.

Our Global Digi Cell brings together digital marketers from across geographies to share ideas and learning. We also partner with other internal and external teams on digital priorities.

We are leveraging relationships with global partners like Google, Facebook and Shopalyst to accelerate learning and experimentation. Last year, I joined some of our team members in immersive sessions at the Google and Facebook global headquarters and met a variety of consumer-facing start-ups to build an understanding of digital-first thinking.

As part of the focus to strengthen our digital ecosystem, 70 per cent of our brand websites have been redesigned for improved consumer user experience, organic traffic and conversion. The average time spent on each site has improved significantly and bounce rate reduced due to more engaging content.

One noteworthy initiative is the Black Hair Hub, our unbranded consumer website, dedicated to hair needs of women of African origin. It includes articles, images, and how-to videos to help and inspire and has been a big success; 6,50,000 site visits over the year, over a million page views, and 18 per cent of returning visitors. While this platform offers us the ability to talk about our brands, our focus is on gaining an unvarnished perspective on consumers - the problems they face and the trends they are interested in. Our ambition is for it to become the number one online hair resource for women of African origin.

“ Our hallmark has always been our unique culture of trust, agility and empowerment. ”

At the Black Box, our physical digital command centre at our headquarters in Mumbai, we monitor live digital activity across our brands, respond to issues and gather consumer insights.

To build up our focus on e-commerce, we have set up an e-commerce business for India with separate P&L accountability. This structure will allow us to be more agile and deliver the consumer focus required to win. In specific, we are targeting growth from e-commerce focused product innovation and digital native brands, in addition to our current portfolio. To enable this, we have a dedicated digital team, the E-Com Cell, a team of in-country e-commerce specialists, charged with rapidly growing online sales.

How are you rethinking your go-to-market approach?

Emerging markets will power global consumption and growth over the next couple of decades. This is why we have centred our growth strategy on these markets and in particular, the emergent consuming class. As incomes rise, purchasing power improves and these markets mature, new distribution systems are enabling greater reach. To leverage this, we are ramping up our go-to-market strategy and reach across geographies.

Direct distribution reach in India has improved to 1.3 million outlets. Our 'Rural One' focus and specific rural demand influencing programmes resulted in rural growth being over 2x of that in urban traditional trade. Middle India (cities with a population between 1,00,000 and 10,00,000) is an emerging focus to drive higher growth. We are also focusing more intensely on outlet segmentation, shopper insights and a differential service approach for channels such as modern trade, chemists, wholesalers and cash & carry.

We are rolling out a phased go-to-market transformation in Indonesia. The first phase included streamlining and simplifying channel models, strengthening channel partnerships, improving wholesale efficiency and indirect coverage.

We are also using predictive analytics for better decision-making across different initiatives. In India, this enables optimised trade spends for better returns, smaller cluster localised planning and predictive suggestions for salespeople on ground. We are trying to further optimise time spent and delivery routes through GPS-enabled maps. Across Africa, we are using hand-held devices to expand coverage and improve brand visibility. In Kenya, we have introduced sales bots for automated order booking, and in Nigeria, we are using analytics to improve cross-selling and up-selling basis previous buying patterns. In our USA business, Electronic Data Interchange helps improve connectivity with large retailers like Walmart and Target. Through our new analytics portal in Indonesia, team members can track and optimise key imperatives.

Our different partner engagement programmes with distributors in India and Indonesia and salon partners in Africa are helping build stronger connect and drive common goals.

Tell us about the work you are doing in next gen automation in supply chain.

We are exploring a lot of exciting opportunities in Industry 4.0 and making longer-term investments in next gen automation and capabilities to build a more dynamic global supply chain. We are leveraging the Internet of Things in manufacturing and logistics. We are also exploring opportunities in agile manufacturing through smart automation and robotics. Through this, we are already seeing very encouraging results in better productivity, greater accuracy, safety and efficiency.

We continue to implement best practices across geographies and are trying to become more agile in responding to constantly changing consumer demand. Given our focus on agile fulfilment, we are mapping cutting-edge replenishment practices. Our significantly high fill rates for key geographies are industry benchmarks. We are also finding ways to improve the 'freshness' of our products, like the project on bar coding shippers in India, which has helped improve logistics and product traceability.

What are some of the steps taken to strengthen the culture at GCPL?

Our hallmark has always been our unique culture of trust, agility and empowerment. This is core to who we are and how we do business. Most of our international growth has been through acquisitions and, unlike traditional multinationals, we have a multi-local operating model, centred on values-based partnering and operational autonomy at the local level. This helps sustain the agile, entrepreneurial spirit that made these companies successful, while providing the benefits of processes and scale that GCPL brings. Continuing to successfully strike this balance, even as we become larger and more complex, is critical. We are building stronger collaboration across geography cluster and function teams through shared accountability and clearly defined ways of working.

Project Nimble is a self-managed team of young leaders who work on ideas across functions to make GCPL more agile. As part of the 10xers Programme, cross-functional teams work on challenging business-critical projects in Finance, HR, Planning, Marketing and Analytics. Both are great examples of how we are engaging young leaders to take accountability and drive change.

To build a stronger culture of experimentation and idea generation, we launched 'I Am Ardeshir', a large-scale innovation challenge named after our founder, Ardeshir Godrej, for Godrejites and our key external partners. It was a big success and threw open several new ideas for consideration. We are also trying to incorporate much more rapid prototyping and experimentation in how we approach different processes.

What are you doing to foster a more inclusive GCPL?

Becoming more diverse and inclusive is critical to realising our ambition of being a leading multi-local FMCG player. We are building diversity in different ways - through our businesses and teams that work across different continents, in the future-ready skills of digital, design, analytics, consumer insights, research and innovation, and how we adapt people policies and processes. We have clearly articulated diversity goals, which are tracked by the Diversity Council for the Godrej Group, which meets every quarter.

Developing more women leaders and building equal gender representation in our teams is a key priority. Over the last few years, the percentage of women in GCPL has increased to ~26 per cent and the percentage of women in senior leadership (Vice President and above) to ~19 per cent today.

We continue to review our policies and infrastructure to create a more enabling workplace for women. Through Careers 2.0, our second careers programme, we provide women who have taken a career break a chance to return to the workplace. Multiple flexible work, part-time, and work from home options help women manage time more effectively. Our Caregiver Travel Policy enables new mothers to bring a caregiver and children up to a year old for necessary work-related travel.

“As leaders in household insecticides, we believe it is important that we partner the Government of India in the pledge to eliminate malaria by 2030.”

Our commitment to diversity extends to our board of directors as well. The number of women on the GCPL board has increased from one in 2007 to five today. We are very proud that along with Godrej Agrovet, GCPL has the most women directors in any Indian listed company.

We see tremendous opportunity in leveraging cultural diversity as we build up our business in Sub Saharan Africa. We have set up a separate Diversity Champions Council, specific to the subcontinent, that spearheads targeted interactive sessions to build appreciation and awareness.

Our well-defined equal opportunity policy and a gender neutral anti-harassment policy protect the rights of our lesbian, gay, bisexual, transgender, queer and intersex (LGBTQI) team members. We have extended medical benefits like hospitalisation cover to domestic partners of Godrejites. This also covers same sex dependents, AIDS patients and fertility treatments. Our adoption policy is designed with a gender neutral primary caregiver in mind.

We recently introduced a Gender Affirmation Policy for our team members who wish to undergo gender transition. We are also reviewing amenities and infrastructure facilities for LGBTQI team members. In December 2018, we launched a 'Manifesto for Trans Inclusion in the Indian Workplace'. Through this, we aim to bring to light the position and circumstances of trans people in Indian society, and how corporate India can take action to better them.

GCPL has always had a strong sustainability focus. What are you doing to enhance this?

We are fortunate to be part of the Godrej Group, with a strong legacy of actively championing social responsibility and being deeply committed to driving social progress in our communities. Through 'Godrej Good & Green' we are

playing our part in creating a more inclusive and greener planet. This is guided by our 'shared value' approach which links business success to social progress.

We have aligned our sustainability initiatives with the United Nations' Sustainable Development Goals, the Government of India's social development priorities, and the needs of our local communities. Our CSR Committee regularly reviews and provides strategic inputs on these programmes.

Skilling youth is high on our agenda. We collaborate with non-profit organisations and social enterprises on employability training programmes in beauty and hair care for young people from low-income communities. Since fiscal year 2013, we have trained 3,05,101 youth in India and Kenya in skills that will enhance their earning potential. An independent impact assessment of Salon-i, our flagship vocational training programme for women in hair and beauty, showed that over half our trainees take up employment and over a quarter work from home in beauty-related trades. The Social Return on Investment (SROI) study of our Beautypreneur programme on beauty and wellness entrepreneurship for women, measured an overall social return of ₹6.46 on the programme for every rupee invested.

Environmental sustainability is key to our manufacturing processes and supply chain. We are implementing several initiatives to reduce specific energy and water consumption across our manufacturing locations. We have also set targets for improvement on environmental aspects, including achieving zero waste to landfill and carbon neutrality. In addition to these Green targets, we have identified sustainable packaging targets for our India business. By fiscal year 2025, we aim to reduce packaging consumption per unit of production by 20 per cent, have 100 per cent of packaging material as recyclable, reusable, recoverable or

compostable, and use at least 10 per cent post-consumer recycled content in plastic packaging.

Our efforts on solid waste management extend beyond our manufacturing plants and immediate areas of operations, to include local communities. We are partnering with local municipal corporations and commissioning multiple community waste management projects across India.

To ensure that our sustainability commitments extend across the value chain, we collaborate closely with our partners to drive sustainable practices across their businesses as well. All GCPL suppliers are required to align with our sustainable procurement policy. This draws from internationally recognised standards and details our partnership expectations around integrity, human rights, health and safety, environmental sustainability and community development.

As leaders in household insecticides, we believe it is important that we partner the Government of India in the pledge to eliminate malaria by 2030. In 2016, we launched Project EMBED (Elimination of Mosquito Borne Endemic Diseases) to improve the knowledge and awareness of communities through behaviour change campaigns and empower them to take charge of their own protection. EMBED currently addresses 45 per cent of the malaria burden in Madhya Pradesh, a state with one of the highest burdens of malaria in India. The programme is spread across nine districts, 3,000 villages, 7 lakh households, and 35 lakh people. Our internal data suggests that in Phase 1 districts, between 2015 and 2017, there has been a 70-86 per cent decrease in the Annual Parasitic Index (API) in intervention villages, as compared to a 40-50 per cent decrease in API in non-intervention villages.

What do you think you could have done better last year?

We remain steadfast in our journey to be a leading FMCG player in emerging markets and to delight our consumers with affordable, high-quality and innovative products. This year too, we continued to make good progress in putting many of the necessary building blocks in place. However, our top line growth in India in the second half of the year was below our expectations. In Africa, we need to do better to drive more sustainable and consistent profitable growth. In Latin America, we need to get more agile in navigating the challenging environment. The potential of our portfolio remains very exciting and the opportunities are tremendous. We now need to ensure that we can fire on all cylinders.

What are your key priorities for the year ahead?

We are committed to driving five key priorities to try to become better as an organisation in our journey to become a leading emerging markets focused multi-local FMCG player:

1. Reinvigorate top line and volume led growth and deliver sustained profitable growth
2. Step up our efforts on disruptive innovations
3. Instil a deeper sense of purpose in our brands and ways of working
4. Better leverage the power of digital
5. Sharpen our focus on developing and inspiring our key talent

01

MANAGEMENT DISCUSSION & ANALYSIS

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OUR BUSINESS MODEL

INPUTS



Financial Capital

- Equity, profits re-invested, investments in assets, brands



Manufactured Capital

- Dispersed manufacturing clusters
- Global and local R&D centres
- Agile manufacturing through smart automation and Internet of Things



Intellectual Capital

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



Human Capital

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



Social & Relationship Capital

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



Natural Capital

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

BUSINESS PROCESS

PURPOSE

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

VALUES

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

VISION

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

STRATEGY

- **3x3 approach**
- **Multi-local approach**
- **7 Strategic Pillars:**
 - Extending leadership in our core categories and geographies
 - Accelerating innovation and building purposeful brands
 - Leveraging digital
 - Enhancing go-to-market
 - Making our supply chain best-in-class
 - Fostering an inclusive, agile and high-performance culture
 - Building a more inclusive and greener world

OUTPUTS



Financial Capital

- Comparable consolidated revenue growth of **7%**
- Comparable consolidated net profit increase of **40%**
- **₹15 per share** of dividend paid to shareholders



Manufactured Capital

- India obsolescence reduced to **0.06%**
- Saved over **₹2.80 crore** in FY19 through sustainable manufacturing



Intellectual Capital

- New products launched in India in the last 5 years contribute to over **20%** of sales
- Innovation rates in India and Indonesia are **30%** and **50%** higher, respectively, than the previous year
- **53%** increase in digital reach



Human Capital

- Consistently rank high on best places to work and internal engagement surveys
- **26%** women workforce; **19%** women in leadership
- **0** man days lost due to adverse industrial relations
- **54,046** employees and contract workers trained on safety
- **0.54** injury rate



Social & Relationship Capital

- Reached **1.3 million** outlets in India through direct distribution
- **305,101** young people trained across India and Kenya since FY13
- Reached **3.5 million** people as part of EMBED



Natural Capital

- **457 MT** hazardous waste
- **99.7%** reduction in waste generated/tonne production
- **10,000 MT** waste/annum diverted from landfill from community projects in India

OUTCOMES

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

[For details see page 32-38](#)

- Increased consumer reach

[For details see page 74-77](#)

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

[For details see page 31, 49, 65, 73, 81, 93, 111](#)

- Reduced fresh water use and emissions

[For details see page 117 & 120](#)

- Wealth generated from waste

[For details see page 118](#)

RISKS & OPPORTUNITIES

MATERIAL ASPECTS

RISKS

Political economy in geographies of operation

- Macroeconomic factors
- Exchange rate volatility
- Devaluation of local currency
- Political instability
- Compliance and regulatory changes
- Emerging regulations
- Inflation

Human capital

- Labour shortages due to industrial disputes and attrition of key staff
- Talent attraction and retention

Supply chain

- Labour intensive product portfolios in some geographies
 - Inadequate planning in procuring raw material
 - Inability to deliver material to the customer as per agreed delivery dates
-

OPPORTUNITIES

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

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

We have adopted best-in-class, globally-acclaimed people policies and processes, which celebrate diversity and inclusion.

Our focus in manufacturing and supply chain is on becoming future-ready. We are exploring interesting opportunities through Industry 4.0 and making future-ready investments to ramp up our different processes. We have seen encouraging results in improved productivity, greater accuracy, safety and efficiency. We continue to introduce best practices across geographies and are trying to become more agile in responding to constantly changing consumer needs. Core to our approach is how we build win-win relationships with all our partners. We partner closely to ensure capability development and alignment with our core values.

STRATEGIC PILLAR ALIGNMENT

- **Extending leadership in our core categories and geographies**
- **Enhancing go-to-market**

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

- **Making our supply chain best-in-class**

RISKS & OPPORTUNITIES

MATERIAL ASPECTS

RISKS

Social and environmental sustainability

- Environmental risks
- Dependence on natural resources
- Social licence to operate
- Community unrest
- Natural and man-made disasters

Competitive intensity

- Greater aggression by competitors
 - Competitive market conditions and new entrants in the market
 - Rapidly changing digital landscape
 - Product pricing strategy
 - Dependency on a few product categories to drive sales
-

OPPORTUNITIES

As a Group, we have always actively championed social and environmental responsibility. We are now exploring ways to further this commitment through shared value initiatives that create value for both society and business. Further, as part of our Good & Green vision, we have established five environmental sustainability goals to be achieved by fiscal year 2020-21 to reduce our carbon footprint. Our business continuity plans are in place to address any man-made or natural disasters and ensure business as usual.

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

STRATEGIC PILLAR ALIGNMENT

- **Building an inclusive and greener world**
- **Accelerating innovation and building purposeful brands**
- **Enhancing go-to-market**
- **Leveraging digital**

OTHER DISCLOSURES

A. Key Financial Ratios

	Consolidated		Standalone	
	FY19	FY18	FY19	FY18
Debtors turnover ratio	8.05	8.68	18.50	23.00
Inventory turnover ratio	6.52	6.60	9.30	9.20
Interest coverage ratio *	9.91	13.25	22.80	25.00
Current ratio	1.20	1.24	1.12	1.26
Debt equity ratio (including financial liabilities)	0.34	0.41	0.00	0.00
Operating profit margin (%)	19.27	20.13	26.59	24.70
Net profit margin (%) **	22.91	16.56	31.58	19.02
Return on networth (%) **	32.22	26.11	35.63	21.54

* Consolidated interest coverage ratio has been impacted due to increase in LIBOR and depreciation of INR against USD

** Variation in the ratio during the year is because the company has recognised tax credits in respect of Minimum Alternate Tax (MAT credit) of ₹609.87 crore (net of ₹24.71 crore of MAT credit utilised for the year ended March 31, 2019).

Formulae used for calculation of the ratios

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

B. Internal control systems and their adequacy

We have implemented an internal control framework to ensure all assets are safeguarded and protected against loss from unauthorised use or disposition, and transactions are authorised, recorded and reported correctly. The framework includes internal controls over financial reporting, which ensures the integrity of financial statements of the company and eliminates the possibility of frauds. Our Corporate Audit & Assurance department issues well documented operating procedures and authorities with adequate built-in controls. These are carried out at the beginning of any activity and during the process, to keep track of any major changes. As part of the audits, they also review the design of key

processes, from the point of view of adequacy of controls. Periodic reports – as part of continuous monitoring – are generated to identify exceptions through data analysis. The internal controls are tested for effectiveness, across all our locations and functions by the Corporate Audit team, which is reviewed by the management from time to time, for corrective action. Controls with respect to authorisation in underlying IT systems are also reviewed periodically to ensure users have access to only those transactions that their roles require. Our head office in Mumbai, offices across India, and all major factories follow an Information Security Management System and are ISO/IEC 27001:2013 certified.

OUR STRATEGIC PILLARS

I. Extending leadership in our core categories and geographies	28
II. Accelerating innovation and building purposeful brands	46
III. Leveraging digital	62
IV. Enhancing go-to-market	70
V. Making our supply chain best-in-class	78
VI. Fostering an inclusive, agile and high-performance culture	90
VII. Building a more inclusive and greener world	108

01 EXTENDING LEADERSHIP IN OUR CORE CATEGORIES AND GEOGRAPHIES





Goodknight Fabric Roll-On comprises a revolutionary formula that repels mosquitoes instantly

Strategic Priority

Extending leadership in our core categories and geographies

Capitals Impacted



Risks

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

Enablers

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

Key Focus Area

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

Value created

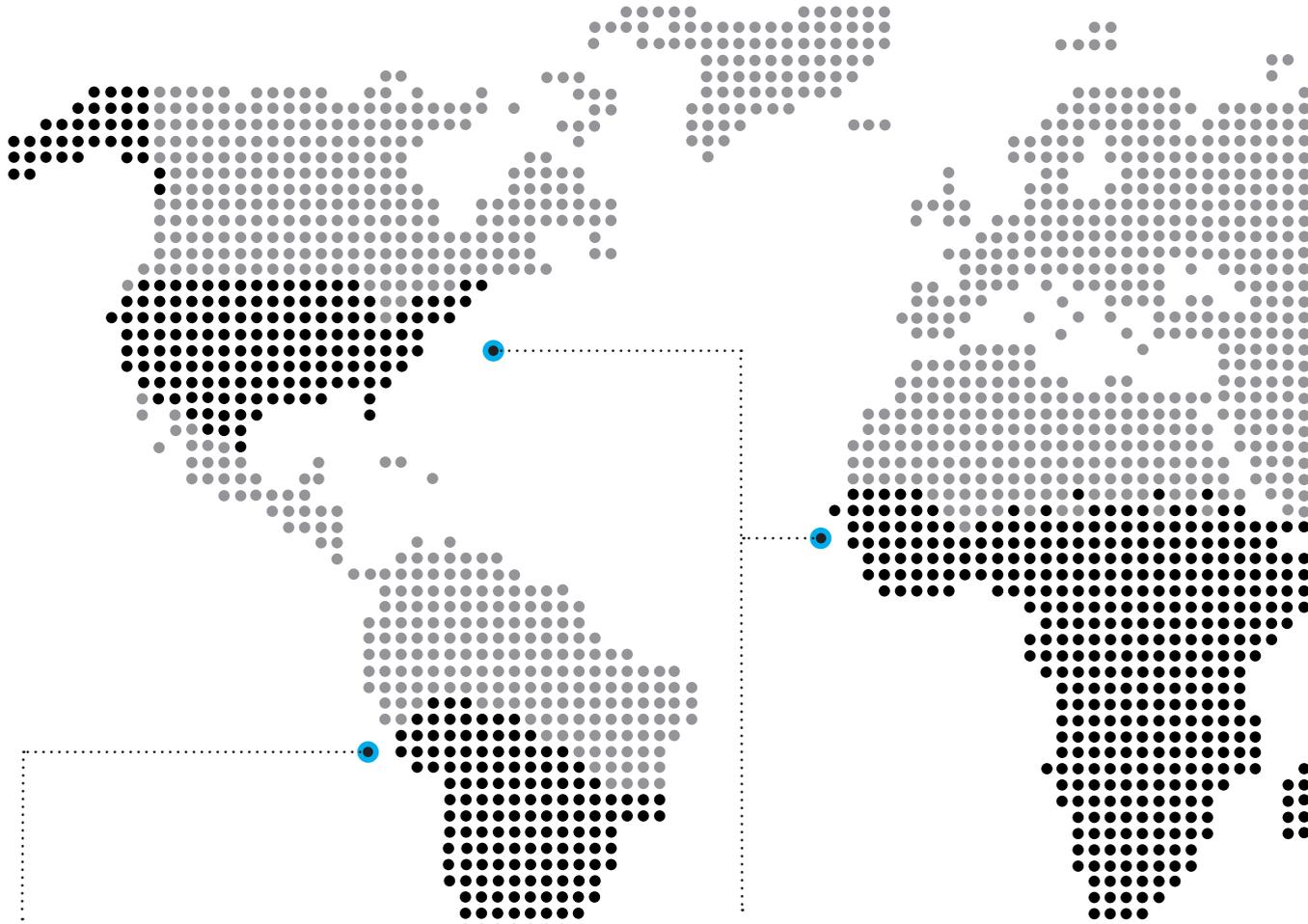
*We have enhanced value creation through organic and inorganic growth and in line with our 3 by 3 growth strategy. Consequently, **Social & Relationship Capital**, measured in leadership market positions, category penetration and consumption rates, has improved. This has led to our **Financial Capital**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

*Our multi-local strategy translates into serving diverse geographies, consumer preferences and socio-economic contexts. As a result, we have significantly diversified our **Human Capital**. Today, we have over 12,000 team members across 19 countries. We continue to build diversity as a competitive advantage.*

*In line with our approach to democratising categories, we are making world-class products available at affordable prices. We do this through ramping up our design-driven innovation capabilities and **Intellectual Capital**, measured through patents, brand valuation and R&D investments.*

OUR GLOBALISATION STRATEGY

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



LATIN AMERICA

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

AFRICA & USA

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



INDIA

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

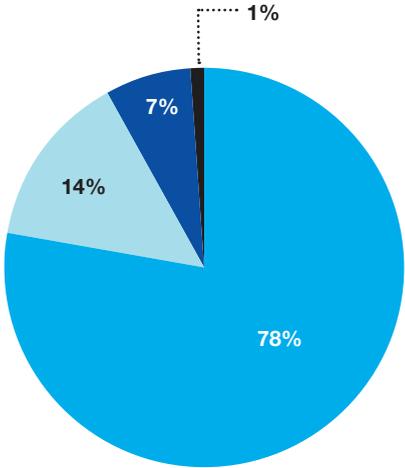
INDONESIA

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

A BROAD EMERGING MARKETS PORTFOLIO

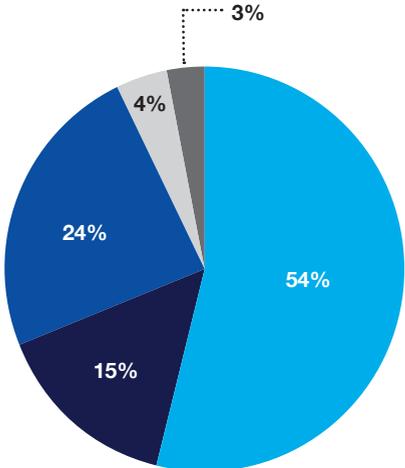
In fiscal year 2008-09, 22 per cent of our overall revenues came from international businesses. In fiscal year 2018-19, it is 46 per cent, with Indonesia and Africa accounting for 39 per cent. To drive more focus on emerging markets, in 2018, we divested our UK business.

Geography Salience (FY09)



- India
- UK
- South Africa
- Middle East

Geography Salience (FY19)

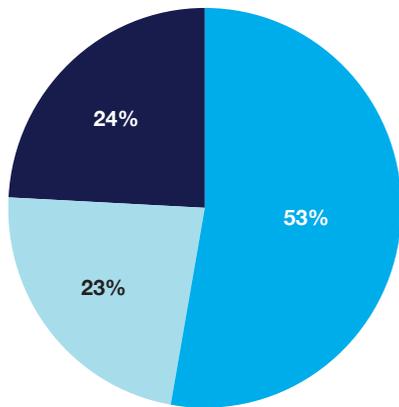


- India
- Indonesia
- Africa, USA and Middle East
- Latin America
- Others

A FOCUSED APPROACH TO CATEGORY CHOICES

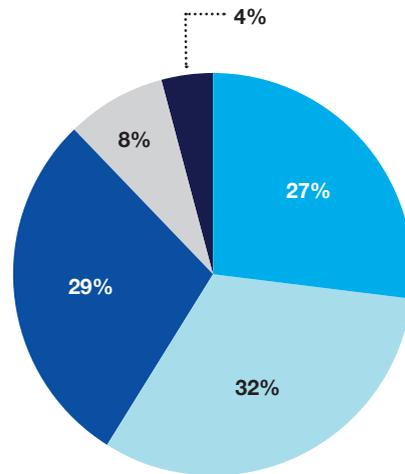
We have moved from an over 50 per cent soaps portfolio in 2009 to a more balanced and strategic category portfolio. Today, we have three core categories: household insecticides, personal wash, and hair care. We have entered into a new category to serve the hair care needs of African women. Air care, which we forayed into a few years ago in India, has now become the fourth global category for us.

Category Saliience (FY09)



- Personal wash
- Hair care
- Others

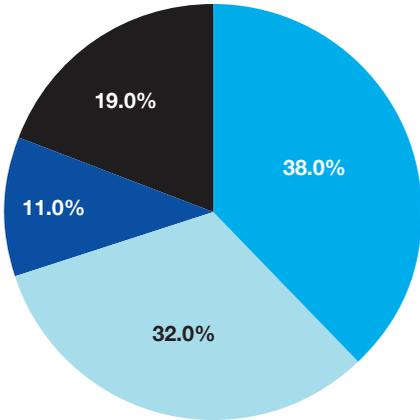
Category Saliience (FY19)



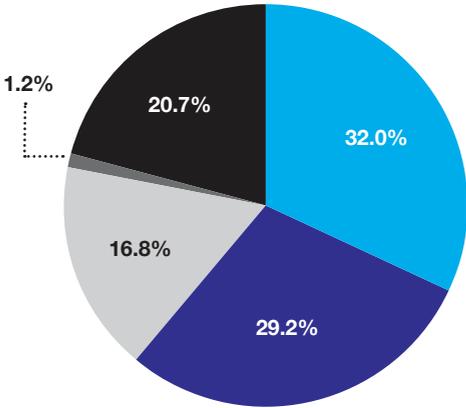
- Personal wash
- Hair care
- Household insecticides
- Air care
- Others

DIVERSIFIED CATEGORY PORTFOLIOS WITHIN GEOGRAPHIES

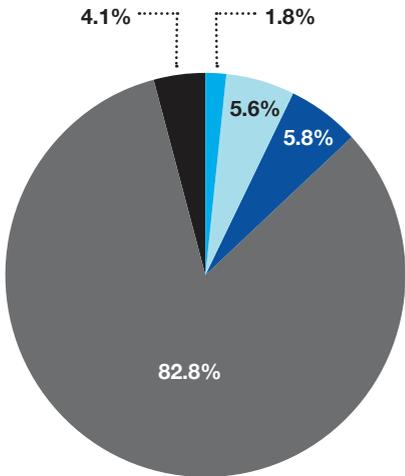
India (FY19)



Indonesia (FY19)



Africa, USA and Middle East (FY19)



- Household insecticides
- Soaps
- Hair colour
- Air care
- Personal care
- Hair care
- Others

A PORTFOLIO OF POWER BRANDS

₹ 1,000 Crore+



₹ 500-1,000 Crore



CINTHOL



₹ 250-500 Crore

ISSUE



AIR FRESHENER
Stella



Top 10 brands contribute ~70% of revenue

STRENGTHENED BRAND POSITIONS ACROSS KEY MARKETS AND GEOGRAPHIES

- >3/4 of portfolio comprises category leaders
- Gained market share in ~70% of portfolio in the last 2 years



INDIA & SAARC

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

Source: Management estimates

- #1

Household insecticides
- #1

Air fresheners
- #1

Hair colour
- #2

Soaps

PERSONAL CARE



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



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



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

HAIR CARE



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



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



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



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

HOME CARE



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



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



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

AIR CARE



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

SUB SAHARAN AFRICA & USA

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

Source: Management estimates

#1 Ethnic hair colour (Sub Saharan Africa)

#1 Hair extensions (Sub Saharan Africa)

#3 Caucasian hair colour (South Africa)

Leader in wet hair care (USA)



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



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



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



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



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



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



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

INDONESIA

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

Source: Management estimates

#1 Household insecticides

#1 Air fresheners

#1 Wet wipes



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



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



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



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

LATIN AMERICA

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

Source: *Nielsen, **Scntia

#1 Hair colour

#1 Depilatory products (Chile)

#1 Hair fixing sprays** (Argentina)

#3 Hair styling products* (Argentina)



Issue is the friend you can rely on for everything; innovative hair colour and care products, with the best quality at the best price



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



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



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



Pamela Grant, with a legacy of over 70 years in makeup, skincare, fragrances and hair colour, makes beauty more accessible because 'together, we are Conscious Beauty'

02

**ACCELERATING
INNOVATION AND
BUILDING PURPOSEFUL
BRANDS**





200ml

Godrej



protakt

mr.
magic

powder to liquid

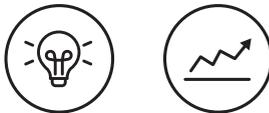
HANDWASH

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

Strategic Priorities

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

Capitals Impacted



Risks

- *Competitive market conditions*
- *New entrants into the market*

Enablers

- *Design thinking-led approach*
- *Integrated RIDE (Research & Development + Innovation + Design + Expertise) structure*
- *Investments in research & development*
- *In-house design lab*
- *Dedicated central Innovation team*

Key Focus Areas

- *A two-pronged approach to innovation: democratisation and creating new vectors of growth*
- *Leveraging our cross-functional RIDE (Research & Development + Innovation + Design + Expertise) structure*
- *Investments in design, technology, and skills*
- *Building global partnerships*
- *Fostering a culture of innovation*

Value created

*Our focus and investments in innovation and research & development have translated into the creation of significant **Intellectual Capital**.*

*Accelerating our innovation pipeline is critical to our success. Innovation rates in India and Indonesia are 50 per cent higher than those in the last year. The number of new products launched annually in the last 2 years has doubled. This translates into stronger **Financial Capital** metrics.*

-
- Number of new products launched annually in the last 2 years has **doubled**
 - Innovation rates in India and Indonesia are **30%** and **50%** higher, respectively, than the last year
 - New products launched in the last 5 years account for over **20%** of the India business
 - **17** new products launched over 5 years in India

A TWO-PRONGED APPROACH TO INNOVATION

Innovation is our lifeblood as a company, and we are very focused on driving innovation-led growth across our different categories. As category leaders, we believe that we must keep innovating and finding new ways to grow our categories. Especially in emerging markets, we are focused on democratising categories and making superior-quality, delightfully designed products available at affordable prices. We are also pursuing attractive adjacencies and creating new vectors of growth to broaden our portfolio.

We are using the design thinking tools of empathy, rapid prototyping, and visualisation to reimagine our brands and create new ones. To support this, we are also accelerating our innovation pipeline, ramping up capabilities, investing significantly in research & development, and cross-pollinating learning and products across geographies.

The number of new products launched annually in the last two years has doubled. The new products launched in the last five years account for over 20 per cent of the India business. Innovation rates in our India and Indonesia businesses are 30 per cent and 50 per cent higher, respectively, than the last year. Air care, a category that we launched in India in 2012, has globally evolved into the fourth core category for us. We are now leaders in air fresheners in India and Indonesia.

LEVERAGING OUR CROSS-FUNCTIONAL RIDE STRUCTURE

We have an integrated platform, RIDE (Research & Development + Innovation + Design + Expertise), to combine efforts of key functions involved in new product development. This platform streamlines and expedites innovation delivery, as well as ensures agile execution. Our central innovation team leads new product development in global categories across India, Indonesia, Africa, and the USA. They also offer design thinking strategic input for brand architecture, enable cross-pollination and sharing of product ideas and processes, and constantly evaluate patents and new technologies in the consumer goods space globally.

*Our Godrej Indonesia
R&D team*



INVESTMENTS IN DESIGN, TECHNOLOGY & SKILLS

We have set up a state-of-the-art global research & development (R&D) centre at our headquarters in Mumbai, supported by local R&D centres in our different geographies. Similar to this, we have global, local, and category-specific R&D teams who partner across geographies and share learnings.

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

FOSTERING A CULTURE OF INNOVATION

We are partnering across stakeholders to build a shared culture of innovation. Through 'I am Ardeshir', an innovation challenge named after Ardeshir Godrej, founder of the Godrej Group, we invited Godrejites from India and SAARC and key partners to come forward with product and process innovation ideas. We received 382 ideas from our team members and selected multiple ones to carry forward through our innovation pipeline. Our partners sent in over 100 ideas, and we selected three for further co-development.

BUILDING GLOBAL PARTNERSHIPS

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

Godrej Group Chairman, Adi Godrej, with our Global Design team in Mumbai





PROTEKT MR. MAGIC HANDWASH

India

- **First ever powder-to-liquid handwash**

Environmentally sustainable

Democratising the handwash category

- **Huge potential in the handwash category in India**

Handwash penetration is only ~10% compared to soap penetration of 99.9%

Handwash category growing at 15% CAGR over the last 3 years; potential to be ₹8,000 crore



CINTHOL MALE GROOMING RANGE

India

- Innovative, multi-beneficial, and functionally superior range to simplify your grooming regime**
 Products for face, body, hair, and beard
- Huge potential in the ₹100 crore male grooming category in India**
 Growing at 1.3x in the home and personal care category
- Go-to-market approach**
 Leverage strong pan-India distribution reach
 New e-commerce organisation to aid scale up



GODREJ NUPUR NATURAL HENNA BASED HAIR COLOUR

India

- **Foray into the herbal-based powder hair colour segment with India's largest henna brand**
Addresses white spaces in our portfolio
- **Entry into the second largest but very fragmented segment**
Opportunity size of ₹1,000 crore
- **Focus on consumer recruitment**
Affordable price point of ₹10



GOODKNIGHT NATURALS NEEM AGARBATTI

India

- 100% natural mosquito-repellent incense sticks infused with neem and turmeric to repel mosquitoes and provide effective protection
- Builds on the brand's market leadership position in household insecticides
- A safe and effective alternative to illegal, harmful products
- Affordable pricing of ₹15 for 10 sticks that burn for 3 hours each



HIT MAGIC EXPERT Indonesia

- Innovative paper pyramid format, breaks away from the limitations of existing mosquito coils, and available at the same price
- Forays into the USD 100+ million coils format
- 4x more efficacious than coils and safer, with 4x less smoke
- Infused with the revolutionary HIT TFT dot formula, kills even the most resilient mosquitoes



MITU BABY LIQUID POWDER Indonesia

- **Extension into a revolutionary liquid powder format**
- **Safer alternative to regular talcum powders**
- **Dust-free lotion texture**
- **Combination of active natural ingredients like pro-vitamin B5, talc, zinc and chamomile**
- **Subtle fragrance, perfect for babies**



DARLING

Sub Saharan Africa

- Darling fundamentally believes that an empowered woman is a force of change
- Hair plays a vital role in the self-confidence of women in Africa. The relaunch renewed focus on creating a range of trendy, great quality and surprisingly affordable hair for her every hair need.



TCB NATURALS THREE OIL SHEEN SPRAY

Sub Saharan Africa

- A disruptive multi-oil spray that provides natural shine and extra conditioning
- Comprehensive range of treatments for damage, dandruff, and dryness
- Enriched with olive, argan, and coconut oils; deeply conditions hair, making it soft, silky, and lustrous
- Revitalises dry and dull hair for healthier, natural, and long-lasting shine



ISSUE 3D GLOSS BLEACHING KITS AND TONALISERS

Argentina

- **Innovative hair colour; offers the best quality at the most affordable price**
- **Cutting-edge technology; a bleaching kit with a semi-permanent colour**
- **Includes ammonia-free bleaching powder to prevent hair damage**
- **Also comes in a fashionable grey shade; one of a kind in the semi-permanent segment**



AFRICAN PRIDE MOISTURE MIRACLE USA

- Taps into the USD 0.8 billion wet hair care market
- Quality comparable to that of premium brands, at an affordable price
- Unique ingredient stories inspired by real home remedies
- Delightful fragrances and superior moisture for coily (kinky) hair

03 **LEVERAGING
DIGITAL**

**BLACK
BOX** DIGITAL
COMMAND
CENTER





A social media dashboard displaying a grid of product images and user avatars. The interface includes navigation tabs and a search bar.



A social media feed showing tweets and user profiles. The tweets include text, images, and engagement metrics like retweets and replies.



An analytics dashboard featuring a map of India and a list of cities with their respective percentages. The cities listed are Ahmedabad (35%), Chandigarh (29%), Hyderabad (19%), Petal (10%), and Delhi (10%).

A word cloud containing various terms, including 'click', 'freshener', 'godrej', 'musk', 'vent', 'refill', 'costly', 'contact', 'nada', 'recharge', 'caused', 'purchase', 'details', 'discount', 'deals', and 'godrej'.

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

Strategic Priority

Building digital competencies, forging global partnerships, and using digital metrics to drive conversion

Capitals Impacted



Risks

- *Competitive market conditions*
- *Rapidly changing digital landscape*

Enablers

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

Key Focus Areas

- *Building dedicated digital teams*
- *Ramping up e-commerce*
- *Leveraging global partnerships*
- *Strengthening our digital ecosystem*
- *Investing in technology and infrastructure*
- *Crafting consumer-generated content*
- *Experimenting and improving reach*

Value created

*We are increasingly integrating digital capabilities with different aspects of our business - how we manufacture, go-to-market and engage with our consumers. Through these efforts, we are building stronger **Social & Relationship Capital** by way of partnerships and more meaningful consumer connect. In the last year, we clocked a 53 per cent increase in digital reach.*

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

-
- **53%** increase in digital reach
 - **70%** of brand websites redesigned for improved consumer user experience, organic traffic, and conversion
 - Cost per engagement **2x** lower than fiscal year 2017-18
 - Average time spent on each brand website improved significantly
 - **32%** increase in competency levels in search engine marketing and measurement

BUILDING DEDICATED DIGITAL TEAMS

Our Global Digi Cell brings together digital marketers from across geographies to share ideas and learning. In addition to this, we partner with other internal and external teams on digital priorities. Our online education tie-up with Circus Street resulted in a 32 per cent increase in competency levels in key areas of search engine marketing and measurement.

LEVERAGING GLOBAL PARTNERSHIPS

We are building and leveraging global partnerships (such as Google and Shopalyst) to accelerate learning and experimentation. Our strategic partnership with Facebook helps tap into best practices and beta trials of their crucial platforms. In September 2018, our core team participated in deep immersive sessions at Google and Facebook headquarters (at Mountain View and Palo Alto, respectively), bringing us closer to our key partners and revealing crucial consumer insights. They also attended sessions with a variety of consumer-facing start-ups to build an understanding of digital-first thinking.



*Our Digital team at the Google headquarters,
California*

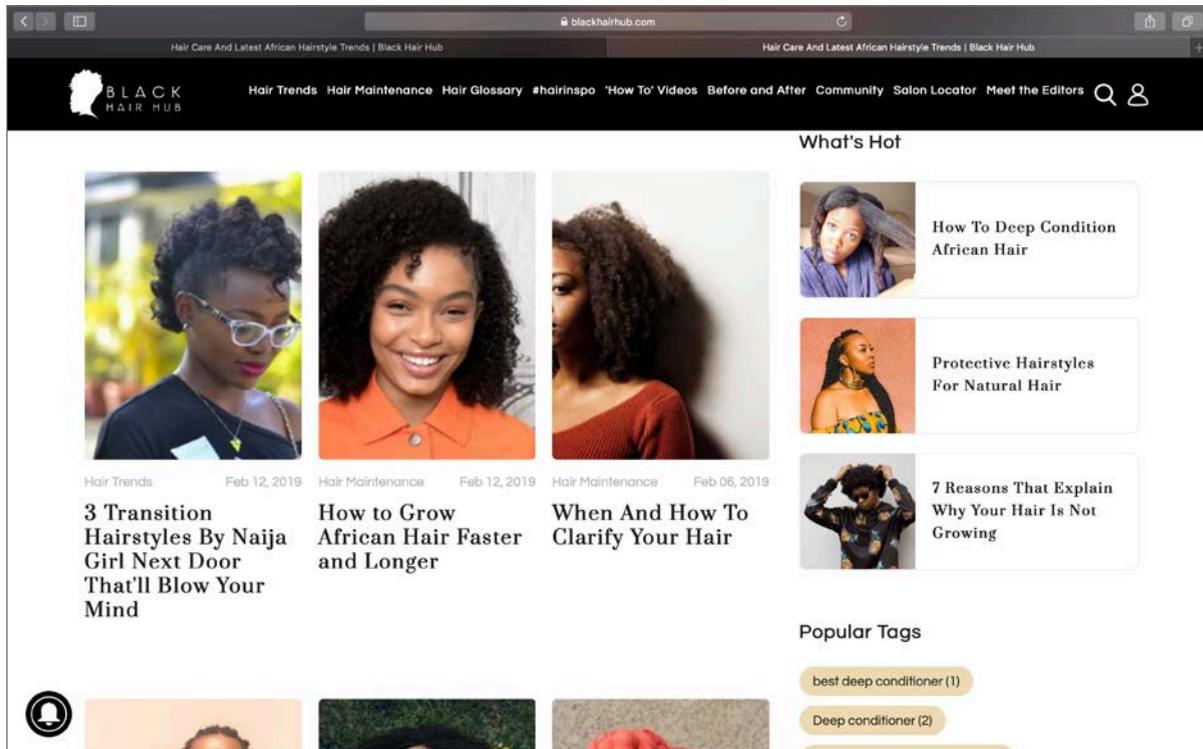
STRENGTHENING OUR DIGITAL ECOSYSTEM

Seventy per cent of our brand websites have been redesigned for improved consumer user experience, organic traffic, and conversion. The average time spent on each site has improved significantly. The bounce rate has reduced, primarily due to more engaging content and deeper linking of articles to drive prolonged engagement.

Launched last year, the Black Hair Hub is an unbranded, consumer website dedicated to black hair. The site includes articles, images, and how-to videos to help and inspire African women across the globe. It has been a big success, with a run rate of 80,000 visits per month and a 21 per cent revisit rate.

RAMPING UP E-COMMERCE

We have set up an e-commerce business for India with separate P&L accountability. This structure will allow us to be more agile and deliver the consumer focus required to win. Specifically, we are targeting growth from e-commerce-focused product innovation and digital native brands, in addition to our current portfolio. To enable this, we have a dedicated digital team, the 'Ecom Cell', a team of in-country e-commerce specialists, charged with rapidly growing online sales.



Black Hair Hub, our online magazine, showcases the latest trends in ethnic African hair

INVESTING IN TECHNOLOGY AND INFRASTRUCTURE

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

CRAFTING CONSUMER-GENERATED CONTENT

Peer-to-peer product recommendation is the holy grail of marketing ROI. Social media allows us to tap into this at scale. We have been working with influencers to get our products in front of our target demographic on the platforms where they spend time (Instagram, Facebook and YouTube). The consumer content that is generated is authentic and believable as well as in a tone and language that our consumers connect with. We continue to ramp this up and will be soon launching our internal production studio – The Light Box – which will enable us to engage influencers, celebrities and consumers alike to generate cost-effective, engaging and on-brand content.



Our Digital team won the prestigious 'Advertiser of the Year' award at the ECHO Asia 2018 Awards

EXPERIMENTING AND IMPROVING REACH

Improved targeting and content has resulted in a 53 per cent increase in digital reach. We have also started collecting first-party data to ensure further reach through a cost-effective and targeted approach. Furthermore, cost per engagement is 2x lower than that in fiscal year 2017-18. Our industry-leading social click-through rate (CTR) has improved due to a focus on consumer insight driven creatives and an increase in the use of consumer-generated content.

THE 24X7
AIR FRESHNER

An automatic fragrance diffuser that keep your home fresh all day, every day.

EXPLORE

matic pocket twist click spray

FOR
CAR

While you sweat it out on the roads, your car shall smell nothing like it.

*Our newly revamped
aer website*

04 ENHANCING GO-TO-MARKET

EXPERIENCE THE TOUCH OF
WITH THE GOODNESS
OF HONEY

with the goodness of natura
honey

NO.1 DOREJ NO.1
INDIA'S NO. 1 PUREST SOAP



SKU	30 gm Single	75 gm Hanger Pk.	60 gm PO4	75 gm PO3	75 gm PO4	100 gm B3G1F	150 gm B3G1F
MRP	₹ 5	₹ 10	₹ 30	₹ 30	₹ 40	₹ 68	₹ 90
CS	240	216	50	72	54	36	24

PRAKRUTI KA NIKHAR

*50 g + 50 ml + 2 conditioner



Samsung

Baratani Order

PRASABATI 202008 1430007

Order Summary

Value Target 100.00 Value Act 0%

Line Target 0 Line Act 0

PRODUCT

PRODUCT	QTY	AMOUNT
Indomie Goreng Lemak	12	36.00
On Original Ayam Sosis	3	36.00
On Lemak Sapi Goreng	72	36.00

Save & Continue

Go Back

Technology plays a key role in our journey towards building a future-ready sales system

Strategic Priority

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

Capitals Impacted



Risks

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

Enablers

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

Key Focus Areas

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

Value created

*Our agile go-to-market approach, tailored to specific geographic contexts, is the backbone of our business. By leveraging technology and analytics, innovating for local contexts and building more agility in our supply chain, we are able to serve our consumers with greater precision and purpose. We will continue to invest in enhancing our **Intellectual Capital**, making our **Manufactured Capital** more agile, and creating joint value with our partners to maximise **Social and Relationship Capital**. This, in turn, will translate into stronger **Financial Capital** value.*

-
- Strong direct distribution reach in India of **1.3 million** outlets
 - Expanded distribution reach in Indian rural markets to over **5.8 million** outlets
 - Rural growth over **2x** of urban traditional trade

ENHANCING OUR GO-TO-MARKET STRATEGY

Research shows that emerging markets will power global consumption and growth over the next couple of decades. This is a major reason why we have centred our growth strategy on targeting these markets and the emergent consuming class in them. As incomes rise, purchasing power improves and these markets mature; new distribution systems are enabling greater reach. To be able to leverage this, we are ramping up our go-to-market strategy and reach to go deeper and improve penetration.

In India, we strengthened direct distribution reach to 1.3 million outlets. We are driving availability through shopper insight-based visibility programmes for top outlets and restructured coverage norms to improve focus and service.

In Indonesia, we continued to strengthen our approach by simplifying our channel model, driving same store

growths, launching a loyalty programme 'Sahabat Godrej' to increase wholesale efficiency and indirect coverage, and using coverage expansion pilots in Sumatera to test our hypothesis.

We have been ramping up our go-to-market efforts across Africa. In West Africa, we are expanding coverage of satellite markets beyond the current markets that Darling serves directly. In addition, the team has started expanding coverage across North and West Nigeria, which were previously underserved by Darling. In Kenya, we are increasing direct coverage by on-boarding new wholesalers. This has shown positive results in up-country areas. In South Africa, the team continues to expand numeric and weighted distribution across general trade and modern trade.



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

LAYING THE FOUNDATIONS FOR FUTURE GROWTH PRIORITIES

1. Rural One

In India, we expanded our distribution reach in rural markets by over 1,00,000 outlets. Our village expansion programme, coupled with 'Pragati', the feeder wholesale programme, enabled overall reach to increase to over 5.8 million outlets (as measured by AC Nielsen). Specific rural demand-influencing programmes in identified states and distribution expansion efforts resulted in rural growth being over 2x of that in urban traditional trade.

2. Middle India

We are building a focus on Middle India (cities with a population between 1,00,000 and 10,00,000), a critical cluster for driving higher growth. We launched segmented go-to-market initiatives and close to doubled our differentiated sales approach to cover over 55,000 outlets. We also ramped up frontend sales strength by over 1.5x in this cluster.



Our strong direct distribution has helped us reach millions of outlets, enhancing our go-to market approach

RAMPING UP E-COMMERCE

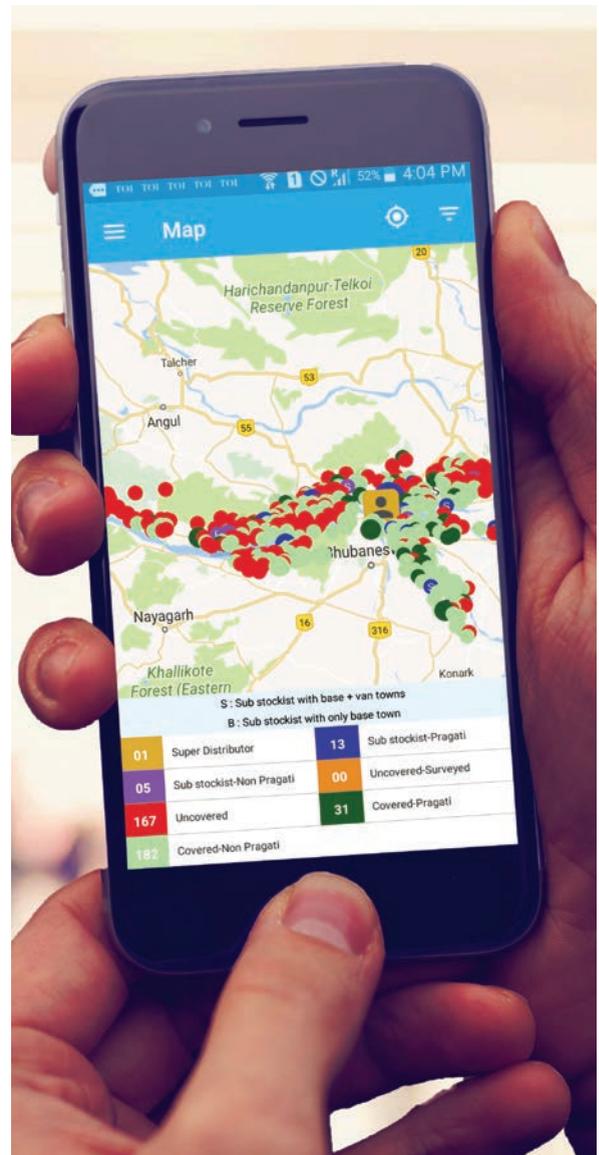
In line with our plans for establishing a strong e-commerce presence in India, we have set up an e-commerce business with separate P&L accountability. The aim is to build agility and deliver the consumer focus required to win in this fast-evolving space. We are targeting growth to come from e-commerce-focused product innovation and digital native brands, in addition to our current portfolio.

LEVERAGING TECHNOLOGY & ANALYTICS

We are using predictive analytics for better decision-making across different initiatives. In India, we are optimising trade spends for better returns through trade spend management tools. Through data analytics, we are enabling targeted smaller cluster-localised planning. Our upgraded hand-held terminals and predictive suggestions guide salespeople in markets. We are trying to further optimise the time spent and delivery routes through GPS-enabled maps. As part of experiments, we are piloting artificial intelligence and behavioural science-enabled capability building for frontline salespeople.

In Africa, leveraging hand-held devices for our sales team members and merchandisers has helped expand coverage and improve brand visibility across the subcontinent. In Kenya, we introduced sales bots for automated order booking. In Nigeria, we are using analytics to improve cross-selling, especially for must stock lists and up-selling basis previous buying patterns. Across the USA, electronic data interchange (EDI) helps improve connectivity with large retailers such as Walmart and Target.

Through 'SALES MOR', our analytics portal in Indonesia, we are helping sales team members track, review, and optimise productivity and other key sales KPIs.



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

FOSTERING WIN-WIN PARTNERSHIPS

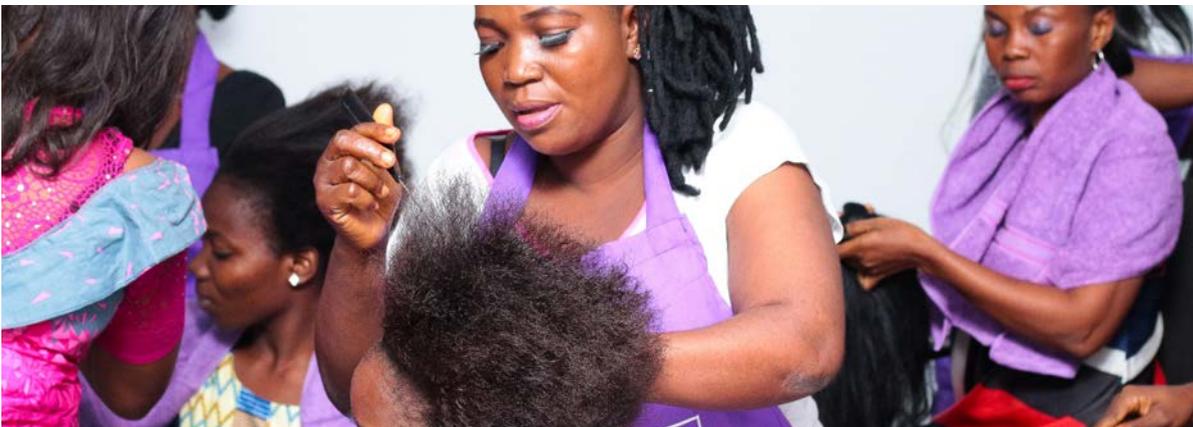
In India, we are enhancing engagement through customised partner engagement programmes to build stronger connect and drive common goals across the chain. We expanded 'Unnati' across key markets in urban India. Through this programme, we are building direct connection with our local area sales leadership teams. We host regular meetings to share feedback and updates. This, in turn, leads to more targeted planning and higher returns for them. The Net Promoter Score (NPS) survey gathers feedback to factor into our plans.

In Indonesia, our regional distributor network, comprising over 100 distributors, contributes approximately 40 per cent of total business. As an introductory step to better leverage these partnerships, we conducted extensive distributor management and ROI trainings for sales people. We also introduced a set of other initiatives, such as targeted incentives linked to business priorities and distributor financing. Our billing software boosts visibility and connectivity and simplified claim settlements.

Salons are key partners for us in Africa. Besides initiating training programmes for stylists, which helps them become self-employed, we have also introduced Salon connect programmes across markets. We conduct regular NPS surveys with trade partners in smaller markets who help distribute a range of GCPL products.



Our Godrej Indonesia Sales team at a workshop in Palembang



Partnering with hair salons in Nigeria

05 **MAKING OUR
SUPPLY CHAIN
BEST-IN-CLASS**





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

Strategic Priorities

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

Capitals Impacted



Risks

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

Enablers

- *Demand-driven supply chain*
- *Shop floor employee engagement*
- *Localised manufacturing technology*
- *Engagement with our business partners and suppliers*

Key Focus Areas

- *Customer service level*
- *Working capital and inventory*
- *Gross contribution margin improvement*
- *Sustainability of the process*

Value created

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

*We are enhancing **Intellectual Capital** by scaling up technology and capabilities and evolving best practices.*

*Smarter, safer work environments, in line with global standards, enable our team members to deliver more efficiently and improve **Human Capital**.*

*The resultant impact of reaching a wider consumer base and enhanced employee capabilities, together with close partnership with our suppliers, builds **Social & Relationship Capital**.*

*All our efforts are grounded in improving sustainability and making a positive impact on **Natural Capital**.*

-
- **0 man days lost** due to adverse industrial relations
 - **Saved over ₹2.80 crore** through sustainable manufacturing
 - India obsolescence reduced to **0.06%**
 - Stock availability in India is **98.43%**



Top: Inside GCPL's manufacturing facility for Mitu Baby in Indonesia

Bottom: A highly immersive procurement workshop at our Buenos Aires office

SUPPLY CHAIN STRATEGIC PRIORITIES

- Introducing best practices across geographies to become more agile
- Strengthening supply chain processes in international businesses
- Extending shop floor employee engagement initiatives to international businesses
- Global strategic sourcing with significant benefits to the bottom line
- Sustainable manufacturing and supply chain practices, resulting in significant improvements in energy and water consumption, carbon footprint, waste generation, and renewable energy
- Mapping cutting-edge replenishment practices to the advanced planning and optimisation module
- Responding to constantly changing consumer demand patterns, leading to high fill rates
- Improving 'freshness' of products at time of sale, better logistics practices, product traceability, and reduced obsolescence
- Enhancing manufacturing capacity across geographies through fresh investments and de-bottlenecking of capacities
- Piloting the 'Internet of Things' in manufacturing and logistics



Our Beleza factory in Mozambique, where we manufacture hair extensions

KEY FOCUS AREAS

CUSTOMER SERVICE

Introducing agile fulfilment initiatives to respond efficiently to changing consumer demands

We continuously focus on making our manufacturing delivery and logistics operations more agile in order to be able to respond to constantly changing consumer demand patterns.

We have achieved high fill rates in most of our key geographies. Fill rates range between 87 per cent and 99 per cent.

In Indonesia and Chile, we are collaborating with retailers to optimise and combine our supply chain planning process to

improve on-shelf availability of products and provide better consumer service.

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

Initiatives such as barcoding of shippers in India have helped improve logistics and product traceability. In the last three years, we have reduced obsolescence to 0.06 per cent.

Fill rates across geographies

Fill Rate	FY19	FY18
India	98.43%	97.90%
Indonesia	99.70%	98.70%
Argentina	99.00%	99.00%
Chile	97.00%	93.00%
Kenya	96.00%	96.00%
South Africa	94.00%	90.00%
Nigeria	87.00%	91.00%
Ghana	92.00%	96.00%
USA	93.00%	90.00%

WORKING CAPITAL & INVENTORY

Extending best practices and shop floor employee engagement globally

To become more competitive, we have adopted best-in-class manufacturing practices across our global supply chain, from procurement through manufacturing and shipping, including demand-driven supply chain, Theory of Constraints, total productive maintenance (TPM), lean, six sigma, kaizen, and low-cost automation. In fiscal year 2018-19, we extended these best practices to our recently acquired Strength of Nature business in the USA.

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



1. Total Quality Management

We drive total quality management through shop floor employee engagement initiatives. As part of this, we train all shop floor employees on TPM, lean, quality circles, task force, and kaizen. This year, we extended the programme to include our manufacturing plants in Tanzania and Mozambique.



Left and Right: Shopfloor engagement activities at our Godrej Latin America factories



2. Productivity Improvement

Inside our Beleza factory at Mozambique

In fiscal year 2018-19, we engaged with over 20,000 shop floor employees to improve the manufacturing process, productivity per person, and employee connections and relations.

Productivity improvement across locations

Country	Product	Improvement
India	Liquidator refills	27%
India	Hair colour crème sachet	18%
Tanzania	Braids	36.57%
Kenya	Crochet	23.07%
Mozambique	Dreads	73.55%
Nigeria	Natural twist	55%
Ghana	Weaves	47.05%
Indonesia	Aerosol Mega 1	4.20%

All team members are encouraged to suggest changes to improve process efficiency. We ran an employee suggestion scheme and got over 5,140 suggestions, 58 per cent of which were implementable. Thus far, we have implemented 59 per cent of the implementable suggestions, and the remaining are in process.

Our team members also registered 123 kaizens for performance improvement across our Africa and Indonesia manufacturing plants; of these, 118 have been implemented.

GROSS CONTRIBUTION MARGIN IMPROVEMENT

Making future-ready investments to further improve productivity

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

In fiscal year 2018-19, we implemented Internet of Things (IoT) at our Guwahati and Baddi manufacturing sites. This helped improve line productivity significantly and bring it closer to the rated capacity.

At Guwahati, we have installed computerised visual inspection technology for refill bottle lines. This has helped to reduce defects such as wick chipping, breakage, and half-filled bottles. At Malanpur, we have implemented IoT in the oil unloading section. This provides real-time data on steam consumption and helps optimise the process. Thus far, the process has saved over ₹55 lakh in reduced steam consumption.



Inside our largest soap manufacturing facility at Malanpur

SUSTAINABILITY OF THE PROCESS

Driving sustainability initiatives across manufacturing processes and the supply chain

As part of our Good & Green vision, we have identified five environmental sustainability goals to be achieved by fiscal year 2020-21: we aim to be carbon neutral, achieve water positivity, send zero waste to landfill, reduce specific energy consumption by 30 per cent, and have 30 per cent of total energy from renewable sources. Performance is guided and tracked by the sustainability team at the corporate centre and driven by manufacturing cluster heads and team members at each location. We track emissions and data calculations for all locations where we have 100 per cent operational control.

For details on our approach, process and performance, please refer to the [Building a more inclusive and greener world > Optimum use of natural resources \(Page 114\)](#)

As a global consumer business, we depend on multiple suppliers for various raw materials, intermediate goods, and other ancillary inputs. Thus, we need a sustainable supplier engagement approach that can help feed our scaled-up operations and fulfil customer demands while optimising costs.

We have defined our sustainability commitment expectations of suppliers, linked to our Good & Green goals. This is detailed in the GCPL Sustainable Procurement Policy. All our key suppliers are expected to align with this. The current environmental, social, and governance (ESG) parameters are also applicable to our existing suppliers. From fiscal year 2019-20 onwards, we intend to incorporate these

parameters as part of the supplier initiation protocol. We are committed to helping our suppliers make their operations more sustainable:

- We assist in reducing specific energy and specific water consumption, waste to landfill, and specific CO2 emissions
- We encourage them to identify and mitigate ESG concerns
- We help enhance process efficiency, reduce use of hazardous and toxic materials, and responsibly dispose toxic waste, if any
- We recommend the use of renewable sources of energy, wherever possible

We work with over 600 suppliers. As part of supplier assessments, we have evaluated 135 suppliers thus far (accounting for 60 per cent of our procurement spends) on being quality centred, ethically driven, green inspired, and socially focused. We collated qualitative and quantitative data and developed a composite score basis for responses. To drive continuous adherence, we have scheduled self declarations from suppliers as well as external audits, identified category-wise targets for them, and shared industry best practices and suggested actions.

We aim to cover suppliers amounting to 70 per cent of our procurement spends by fiscal year 2021-22. Additionally, sustainability assessment through a self declared questionnaire will become part of our new vendor initiation protocol.



Top: Institute of Supply Chain Management's 'Supply Chain Company of the Year Award 2018-19

Middle: 'Best Supply Chain Project' at NITIE's Lakshya Avartan

Bottom: 'Supply Chain Excellence in FMCG Distribution' at CNBC's Supply Chain Excellence Awards

06

FOSTERING AN INCLUSIVE, AGILE AND HIGH-PERFORMANCE CULTURE



LIVE
YOU

G

#

E



Godrej LOUD
Live out ur dream

NIRESH JAIN

CONGRATULATIONS
ON WINNING
GODREJ LOUD 2018!

N. Gupta

Godrej LOUD
Live out ur dream

VARUN BHARDWAJ

CONGRATULATIONS
ON WINNING
GODREJ LOUD 2018!

N. Gupta

Godrej LOUD
Live out ur dream

ABHINAV GUPTA

CONGRATULATIONS
ON WINNING
GODREJ LOUD 2018!

N. Gupta

GODREJ LOUD WINNERS

The winners of Godrej LOUD
(Live Out-Ur Dream) 2018

Strategic Priority

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

Capitals Impacted



Risks

- *Competitive market conditions and new entrants leading to attrition*

Enablers

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

Key Focus Areas

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

Value created

*We remain committed to building an inspiring place to work, with a culture around The Godrej Way, which encourages diversity, agility and experimentation. Through our various policies and processes, we are empowering our team members, enhancing capabilities in line with business ambitions, and thereby creating more impactful **Human Capital** and **Intellectual Capital**.*

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

-
- Consistently rank in the **top quartile** of best employers in internal employee engagement survey scores
 - **26%** women
 - **19%** women in senior leadership roles (Vice President and above)
 - **7,873** training man-hours
 - Workplace by Facebook helps engage and connect **2,700** people across geographies

LIVING 'THE GODREJ WAY'

A culture around 'The Godrej Way'

The Godrej Way, our purpose and values, is the cultural cornerstone that guides our choices and actions. As we get larger and more global, we need to ensure that the current and future generations of Godrejites fully embrace and live our distinctive purpose and values. So, over the last couple of years, our leadership team has travelled across geographies to share their perspectives with over 3,000 team members across 20 locations. These cascades were supplemented with smaller group workshops with local HR teams to enable deeper reflection and discussion. We have also integrated our values with key people policies and processes.



Our West Africa team defines how they will bring our purpose alive in the region

Our Employee Value Proposition

We take much pride in fostering an inspiring workplace with an agile and high-performance culture to attract, develop, and retain the best global talent. Our Employee Value Proposition has three pillars:



Your Canvas

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



Tough Love

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



Whole Self

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

Godrej Capability Factors

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



Top and Bottom: Our Godrej Indonesia and Godrej Argentina teams host workshops on the Godrej Capability Factors

Authentic conversations

Our senior leadership is engaging through different platforms, including town halls and one-on-one conversations. Workplace by Facebook helps engage and connect people across teams and geographies. We have been using it extensively to build alignment around strategies, share ideas and insights; get real-time feedback; and celebrate successes. We launched an in-house talk show this year called 'The Real Deal', which encourages people to talk openly about issues that they may not have otherwise. Our engagement levels on the platform are ahead of industry benchmarks.



Top: GCPL's Executive Chairperson, Nisaba Godrej, and Head - Talent and Leadership Development, Shailesh Deshpande, in an episode of 'The Real Deal', our in-house talk show

Bottom: Connecting our global teams on Workplace by Facebook, our in-house social media platform

BUILDING A CULTURE OF AGILITY, OWNERSHIP, AND EXPERIMENTATION

Becoming more agile

We are committed to building a more agile and innovative company. In April 2019, 120 of our senior team members from across geographies participated in a 2-day immersion with a leading professor of strategy from Harvard Business School on agility and experimentation. We used the insights from this in different projects and culture-building activities.



Top and Bottom: An evening of conversation with our MD & CEO Vivek Gambhir, and Business Heads from India, Africa and Indonesia

Our unique multi-local operating model

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

Cluster-function ways of working

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

Teams and projects

'Project Nimble' is a self-managed team of young leaders who work on ideas across functions to make GCPL more agile. As part of the '10xers Programme', cross-functional teams work on challenging business-critical projects in Finance, HR, Planning, Marketing, and Analytics. 'I Am Ardeshir', our in-house innovation challenge, was very popular and threw open several new product and process ideas for consideration.



Top and Bottom: Exploring the 'Future of Work' at our annual HR Conclave

FOSTERING A DIVERSE AND INCLUSIVE GCPL

We take pride in being an equal opportunities employer. We recognise merit and perseverance and encourage diversity at Godrej. We do not tolerate any form of discrimination on the basis of nationality, race, colour, religion, caste, gender identity or expression, sexual orientation, disability, age, or marital status and allow for equal opportunities for all our team members.

Diversity Council

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

Diversity Champions in Africa

Sub Saharan Africa is a key geographic cluster for us. Given the team diversity in gender, nationality, race, and educational background, we see tremendous opportunity in leveraging synergies. We have set up a representative council that spearheads targeted interactive sessions, online and offline, to build appreciation and awareness around diversity.

Women and leadership

We are fostering a holistic, supportive workplace for women. As a result of these efforts, the percentage of women in GCPL has increased to approximately 26 per cent and the percentage of women in senior leadership (Vice President and above) to approximately 19 per cent today.

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

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



Our Executive Chairperson, Nisaba Godrej, meets the Women's Committee at our Johannesburg office

LGBTQI inclusion

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

We have extended medical benefits, such as hospitalisation cover, to domestic partners of Godrejites. We offer a choice to any team member to choose a spouse/domestic partner as a dependent. This also covers same-sex dependents, AIDS patients, and fertility treatments. Our adoption policy too is designed with a gender-neutral primary caregiver in mind.

We recently introduced a Gender Affirmation Policy for our team members who wish to undergo gender transition. Godrejites can now claim reimbursements towards non-cosmetic surgeries and hormone replacement therapy.

We are reviewing amenities and infrastructure facilities for LGBTQI team members. As a first step, we have set up two

gender-neutral washrooms at our headquarters, Godrej One, in Mumbai.

On December 13, 2018, we launched a 'Manifesto for Trans Inclusion in the Indian Workplace'. Through this, we aim to bring to light the position and circumstances of trans people in the Indian society, and how corporate India can take action to improve them.

Prevention of Sexual Harassment

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



GCPL Executive Chairperson, Nisaba Godrej, and Parmesh Shahani, Head - Godrej India Culture Lab, at the launch of the 'Manifesto for Trans Inclusion at the Workplace'

INVESTING IN LEADERSHIP DEVELOPMENT

Our belief is that real learning happens on the job through a combination of stretch, challenging assignments, and doing a variety of roles. Our approach to leadership development is built on the Godrej Capability Factors. We are investing in high-quality learning through a mix of programmes led by world-class faculty from Harvard Business School and the Indian School of Business, as well as a host of internal Godrej trainers. In total, 7,873 training man-hours were recorded in fiscal year 2018-19.

Enterprise leadership

Our recently launched global programme focuses on sharpening P&L leadership capabilities through a multi-phase learning journey of 18 months.

Functional leadership

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

implementation and have hosted workshops in Africa and India.

Leading Self

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

A culture of continuous learning

We have entered into a partnership with Harvard Business School Online, which offers access to Harvard's case study content.





Left, Top and Bottom: Workshops to build functional skills across teams

CREATING A STRONG TALENT PIPELINE FOR THE FUTURE

Future-ready capabilities

We are building capabilities around new and emergent skillsets and focus areas. To ramp up focused capabilities across our sales organisation, we created a functional competency framework, identified capability gaps, and trained over 1,000 sales team members worldwide. Similarly, we are ramping up our digital and analytics capabilities and investing in new channels of growth, such as e-commerce, consumer marketing intelligence, and the professional salon business.



Innovative approach to recruitment

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



Top left and Top right: Engaging with business schools in Johannesburg and India
Bottom: Our Gallop 2018 batch with Godrej Group Chairman, Adi Godrej

OCCUPATIONAL HEALTH & SAFETY

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

As part of training initiatives, we host practical sessions, role plays and safety competitions. Over the last few years, we have focused on improving safety awareness among all team members, including our contractual workforce.

Quality Circles are one of our most impactful initiatives in driving safety and improving productivity. They give our team members a platform to showcase their ideas and solutions to the Management Committee, and have helped us transform operations across our factories. At Malanpur - our largest

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

Key priorities	2017-18	2018-19
No. of people trained on safety (Global data for employees + contractors)	22,000	54,046
Injury rate (Global data)	1.67	0.54*
Disabling incidents (Global data)	0	0
Number of fatalities	0	0
First aid/medical kits	1,397	325
Number of LTIs	37	14
Safe man-hours	47 million	46.21 million**
Increase in near-miss reporting	+64.2%	-37.8%***

* Injury rate is calculated as per IS 3786: (no. of reportable accident *1,000)/average no. of employees

** Decrease in safe man-hours on account of reduction in average manpower

*** We are aggressively focusing on training our employees on safety and system effectiveness making our team members more aware and skilled, which is helping in reducing near-miss incidents

BEING AMONG THE BEST COMPANIES TO WORK FOR IN ALL OUR GEOGRAPHIES

We have consistently been recognised among the best companies to work for across our geographies. We ranked #7 among the Best Employers in India in the Aon Best Employers 2018 survey and #1 in the FMCG category on the **Great Place to Work - Best Workplaces in India 2018** list; a list we have featured on for 15 years in a row. We were also recognised within **Great Place to Work@ Institute (India)**'s 'Best Workplaces in Manufacturing – 2019' and among the Top Employers of 2018 in South Africa.

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



*Great Place to Work - Best Workplaces
in India 2018*



Godrej South Africa wins the 'Best Employer Award 2018' organised by the Top Employers Institute in South Africa

- **Rank #7** among the Best Employers in India in the **Aon Best Employers 2018** survey
- **Rank #1** in the FMCG category on the **Great Place to Work - Best Workplaces in India 2018** list; we have featured on this list for 15 years in a row
- Feature among the **Top Employers of 2018** in South Africa
- **Within Great Place to Work® Institute (India)'s** 'Best Workplaces in Manufacturing – 2019'. Among 25 of over 100 manufacturing companies recognised for building a 'high-trust, high-performing culture'.

A photograph of a dense mangrove forest along a body of water. The trees have thick, rounded leaves and are reflected in the calm water. The sky is clear and blue.

**07 BUILDING A MORE
INCLUSIVE AND
GREENER WORLD**



The Godrej Group owns and cares for nearly 2,100 acres of mangrove forests in and around our headquarters in Vikhroli, Mumbai

Strategic Priority

Building an inclusive and greener world

Capitals Impacted



Risks

- *Regulatory changes*
- *Social licence to operate*
- *Community unrest*

Enablers

- *Good & Green vision*
- *Shared value approach*
- *Godrej values*
- *Godrej sustainability policies*
- *Godrej legacy of philanthropy*

Key Focus Areas

- *Optimum use of natural resources*
- *Anticipating and responding to emerging regulatory frameworks*
- *Building inclusive and prosperous communities*
- *Volunteering*

Value created

We are conscious of both our dependence on and responsibility towards our communities and the environment, across the value chain and lifecycle of our products.

We remain committed to innovating and exploring new technologies to become more sustainable through enhanced
Intellectual Capital.

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

GODREJ TRUSTS

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

Environment

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

Education

The Godrej Udayachal Pre-Primary and Primary Schools focus on the all-round development of children. The Udayachal High School has been accredited with the International School Award in recognition of its global education curriculum and innovation in classroom teaching.

We also support Teach For India, a nationwide movement involving outstanding college graduates and young

professionals, who commit two years to full-time teaching in under-resourced schools and become lifelong leaders working towards the pursuit of equity in education.

Healthcare

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

An aerial view of the Godrej Mangroves in Vikhroli, Mumbai



GOOD & GREEN

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

We have a comprehensive CSR policy* that outlines programmes and projects to create a positive impact on our stakeholders.

Our CSR committee reviews, monitors, and provides strategic inputs on our sustainability efforts.

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

Key focus areas and corresponding initiatives



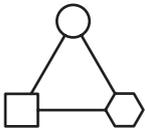
1. Optimum use of natural resources

Through Green projects, environmental sustainability initiatives at our manufacturing plants



2. Anticipating and responding to emerging regulatory frameworks

Including sustainable packaging initiatives to minimise the impact of our packaging on the environment



3. Building inclusive and prosperous communities

Through our efforts to build inclusive and prosperous communities

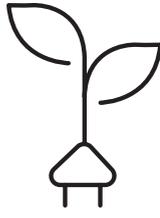


4. Volunteering

Initiatives to get our team members connect more meaningfully with the communities we operate in



**Know more about our
CSR policy*



OPTIMUM USE OF NATURAL RESOURCES

As part of our Good & Green vision, we have established five environmental sustainability goals to be achieved by fiscal year 2020-21. We obtained the standards, methodologies, and assumptions used for the purpose of our calculations from the 'IPCC Guidelines for National Greenhouse Gas Inventories, 2006' and the 'IPCC AR5 Assessment Report'.

Our emissions and data calculations are performed for all locations where we have 100 per cent operational control. All our manufacturing plants strive to achieve these goals by fiscal year 2020-21. 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.

For more details refer to [Making our supply chain best in class > Sustainability of the process \(Page 88\)](#)

OUR APPROACH

- Enhancing energy efficiency in our operations
- Replacing fossil fuels with renewables
- Process re-engineering
- Implementing carbon and water offset projects
- Diverting waste from landfill

OUR PROCESS

- Extensive meetings with multiple departments to align on priorities, budgets, and expected benefits for the year. Targets help drive environmental sustainability in our manufacturing process and achievement of Green goals

- Cascade an annual operating plan; sustainability targets are made part of the Key Responsibility Areas for 'Green Champions'
- Internal sustainability monitoring tool periodically collects information and analyses data gathered; monthly reports on key indicators and calculate carbon footprint as per the set greenhouse gas (GHG) protocol
- Identify and circulate best practices for wider adoption
- Strategic improvement plan for underperforming units

OUR PERFORMANCE

1. Energy - Reduced specific energy consumption by 30%

Approach - Improvements in processes and increase in efficiency of systems

Performance* - Reduced specific energy consumption by 28.7%

2. Water - Become water positive

Approach - Innovative water management systems and technological improvements

Performance* - Reduced specific water consumption by 26.3%

3. Waste - Achieve zero waste to landfill

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

Performance* - Reduced specific waste to landfill by 99.6%

4. Emission - Become carbon neutral

Approach - Adopting cleaner fuels such as biomass

Performance* - Reduced specific GHG emissions by 41.6%

5. Energy - Increase renewable energy portfolio to 30%

Approach - Adopting green energy sources such as solar and biomass

Performance* - Increased renewable energy portfolio to 30.7%

* Performance as on March 2019 against fiscal year 2010-11

1. Energy

Over the years, we have undertaken several energy-efficiency initiatives to help reduce energy consumption and dependence on conventional energy sources, in relation with our manufacturing scale. This has also reduced our GHG emissions.

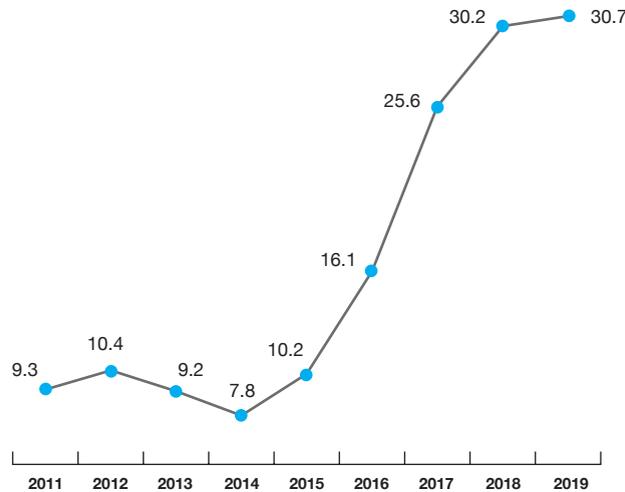
Key initiatives in fiscal year 2018-19:

- Mostly use biomass briquettes as fuel across plants
- In Malanpur, we continue to install water-based vacuum systems by replacing steam-based vacuum systems.

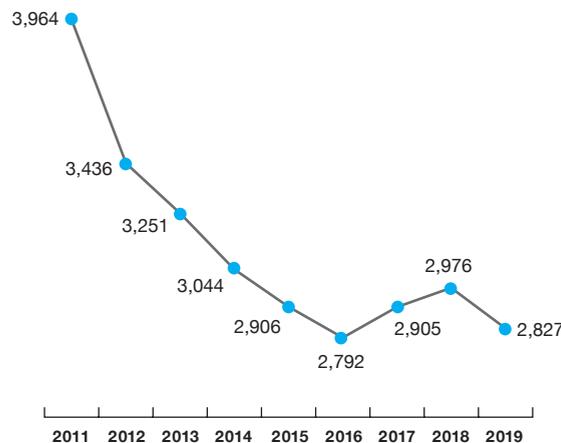
This has helped reduce steam consumption by 500 kg/hr.

- In Thana and Katha, we replaced the fixed speed air compressor with variable-speed drive
- Implemented several other energy-efficient measures globally, including converting to energy-efficient air conditioning, installation of energy-efficient LED lighting and motion sensor lighting, optimisation of pumps and motors, and automation panels to prevent idle running of machines

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

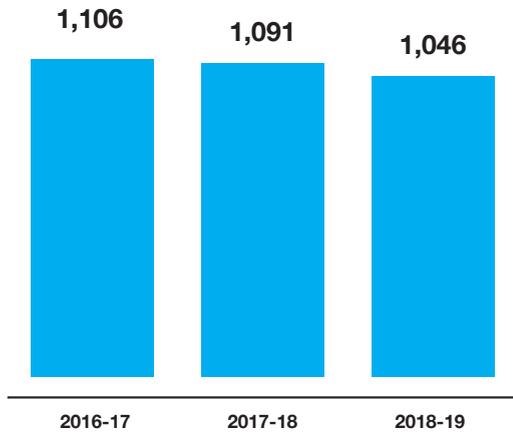


Specific energy consumption (MJ/MT) - India

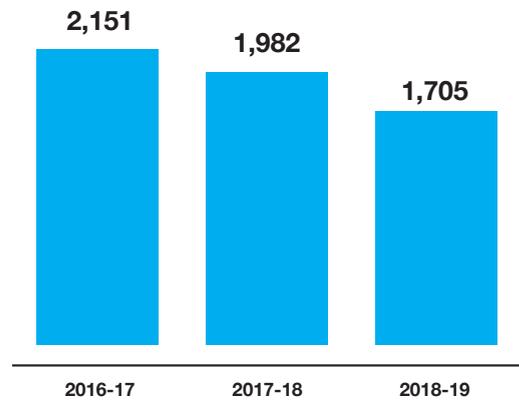


Energy Report - Global

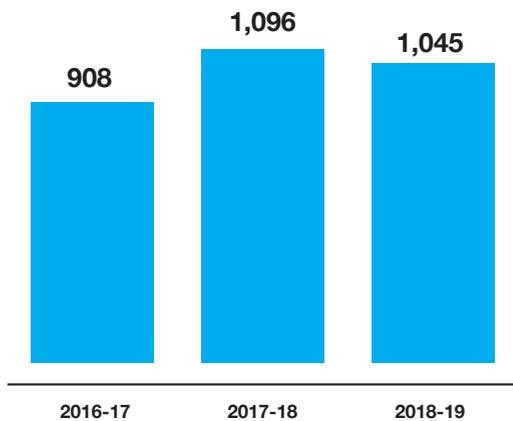
Indonesia - Specific energy by product [MJ/t]



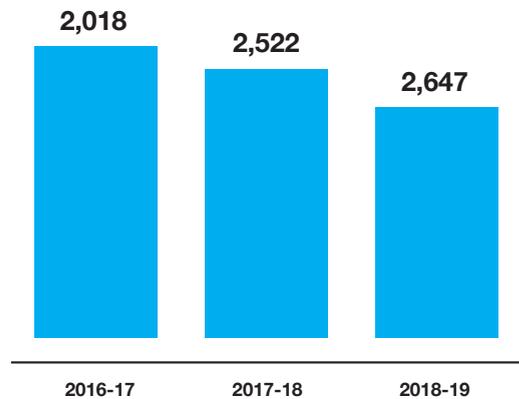
Africa - Specific energy by product [MJ/t]



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



USA - Specific energy by product [MJ/t]



2. Water

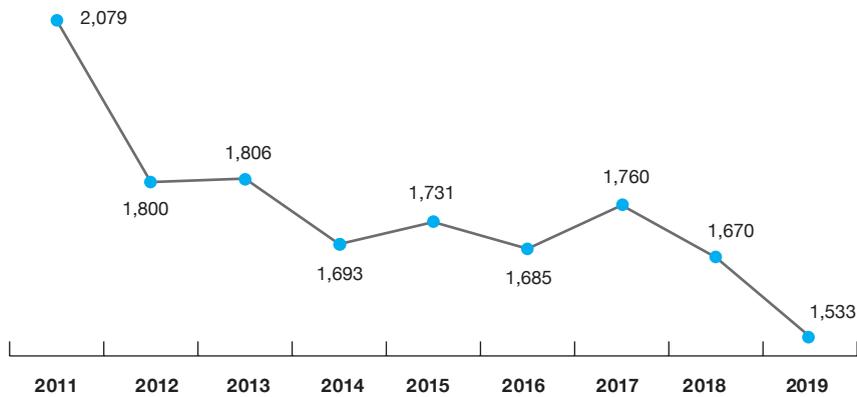
We continually evaluate and execute innovative projects to reduce our specific water consumption. We also recognise that water procured has to be sourced from sustainable sources, and the rate of replenishment should exceed the rate of extraction.

- In the North and Northeast units in India, we changed to push-type water taps for basins
- In our Coil 9 unit in Puducherry, we are reusing 6,200 KL per annum of treated sewage water for plant processes and domestic purposes

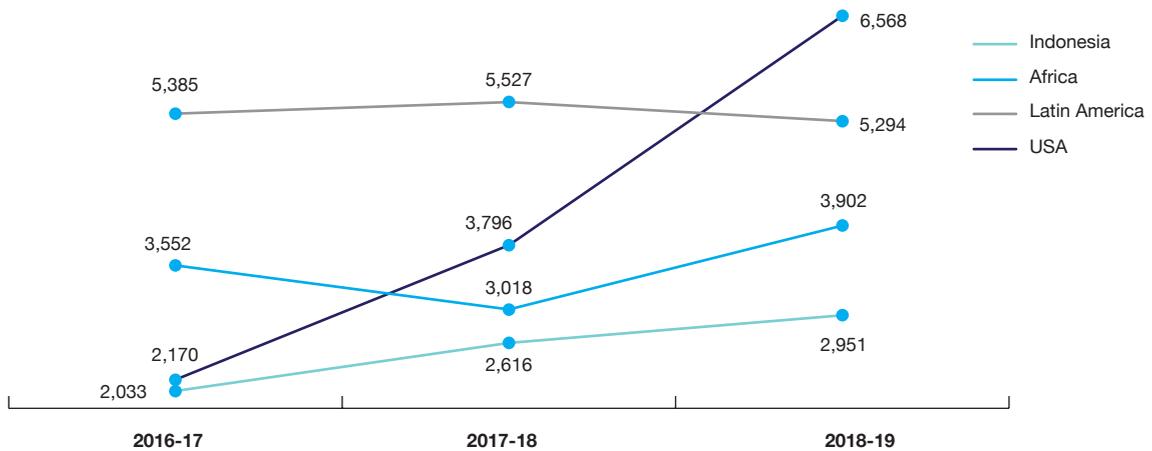
Key initiatives in fiscal year 2018-19:

- In Thana, we replaced the water-cooled 250 CFM fixed air compressor with a 150 CFM variable speed drive type that will help save 200 KL of water per annum

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



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



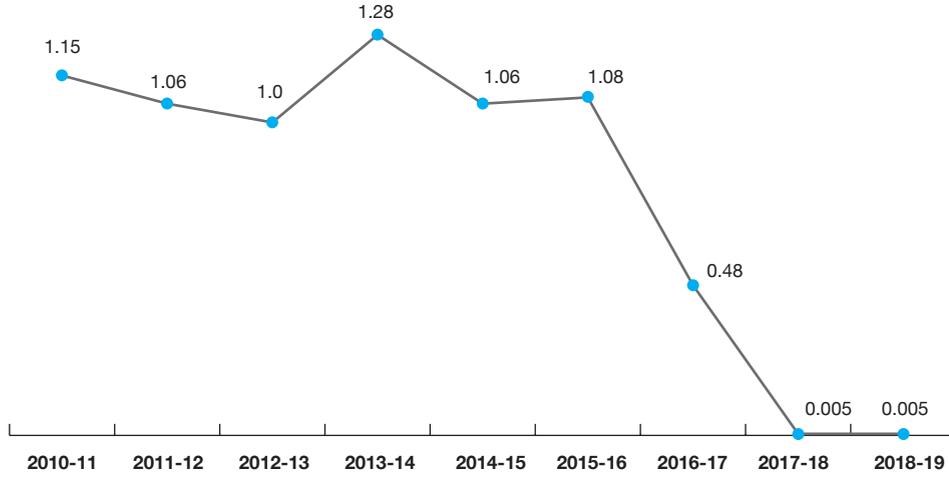
3. Waste

We recognise the need for proper treatment of the waste material generated through reuse or recycling. We have undertaken several initiatives to reduce waste generation and divert the waste from landfill to gainful applications. Therefore, we have already achieved over 99 per cent reduction in waste to landfill.

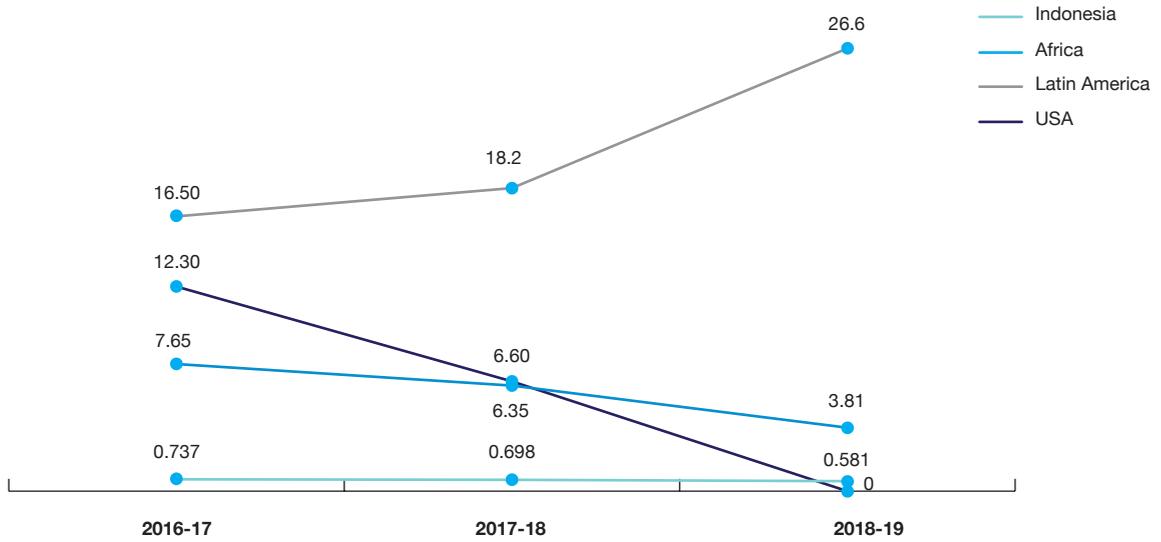


Left and Right: As part of our Extended Producer Responsibility commitment, we have collected an equivalent of 39% post-consumer plastic packaging waste

Specific waste to landfill (kg/MT) - India



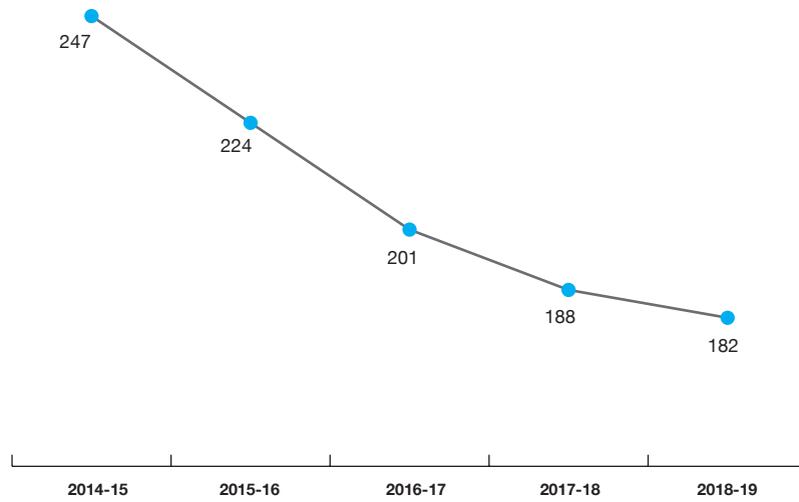
Specific waste to landfill (kg/MT) - Global



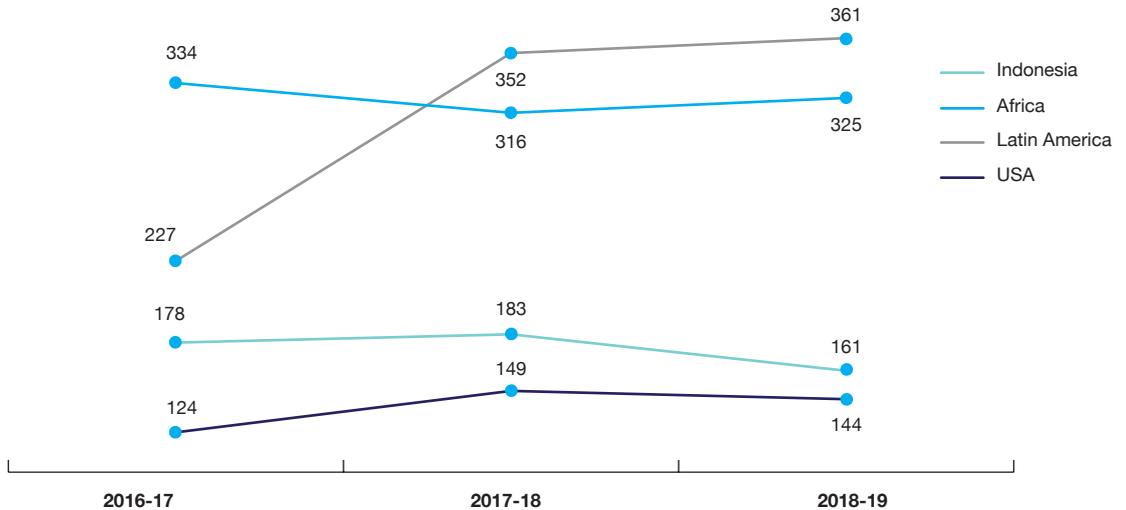
4. Emission

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

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



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



* Emission calculated from energy consumption within our operations



ANTICIPATING & RESPONDING TO EMERGING REGULATORY FRAMEWORKS

As an FMCG business, packaging plays a very important role in maintaining product integrity. We use delightful design and packaging as a way to differentiate our products, and we aim to do this in an eco-friendly manner. A number of our products are known for their unique packaging, which balances utility and recyclability.

OUR SUSTAINABLE PACKAGING TARGETS

In addition to our Good & Green targets, at a company level, we have identified sustainable packaging targets for fiscal year 2024-25:

- Reduce packaging consumption per unit of production by 20% from the base year of fiscal year 2017-18
- Have 100% of the packaging material recyclable, reusable, recoverable, or compostable
- Use at least 10% post-consumer recycled (PCR) content in plastic packaging

OUR APPROACH

- Innovation and technology upgradation
- Working in collaboration with research organisations and start-up enterprises to develop alternative packaging material to plastic and enable the use of recycled plastic in place of virgin material

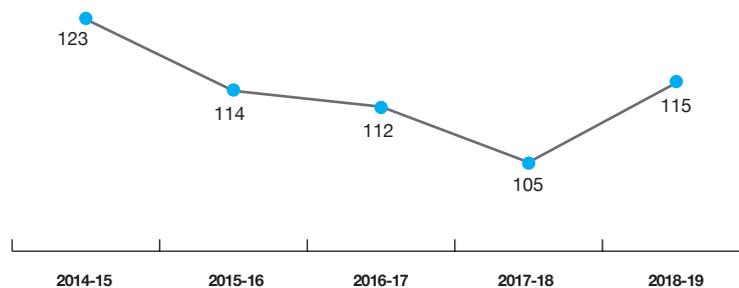
OUR INITIATIVES

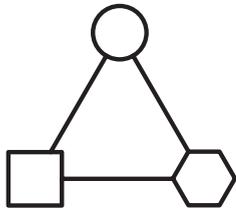
- Reduced the size of flow wrap in the Godrej Expert Rich Crème pouch by 10 mm, which has saved 19 MT per annum of material
- Reduced the size of our Nupur Henna sachet, which has helped us save 20 MT per annum of material
- Replaced the current wrapper of our Godrej No.1 soap with hotmelt wrapper to reduce our GSM coating. This helped save 30 MT per annum of material.

OUR PERFORMANCE

- 39% post-consumer plastic packaging waste equivalent collected as part of our extended producer responsibility (EPR) commitment

Specific packaging consumption (kg/tonne)





BUILDING INCLUSIVE & PROSPEROUS COMMUNITIES

Our CSR initiatives are guided by Good & Green and reported under Schedule VII, Section 135 of the Companies Act, 2013 in the Board's Report.

Our CSR policy outlines our focus areas, defines the scope of activities, and guides execution and monitoring. Furthermore, it focuses on addressing critical social, environmental, and economic needs of marginalised and underprivileged sections of society by adopting a shared value approach to help solve problems while strengthening our competitive advantage.

Drawing from the United Nations' Sustainable Development Goals, we have developed programmes to address the issues of livelihood, public health, waste management, water, rural electrification and education, among others.

LIVELIHOOD

1. Salon-i and Beautypreneur

Programmes

Our flagship social initiative, Salon-i, is a vocational training programme for women. It is designed entirely in-house to train young women in basic skills of beauty, skin, hair care, and mehendi application. In addition, life skills and entrepreneurship development modules enable women to take up jobs or pursue self-employment depending on their unique skill sets and circumstances. Although Salon-i's employability goal is small, compared to the country's overall need, the programme is unique as it specifically aims at employability, entrepreneurship development, and empowerment of women.

We also reached out to women micro-entrepreneurs in the beauty and wellness sector in various parts of the country and set up the 'Beautypreneur' platform. Beautypreneur aims at developing beauty and wellness enterprises led by women, thereby enabling them to start training other girls. This is in addition to their regular salon business and thus helps them expand their enterprise.

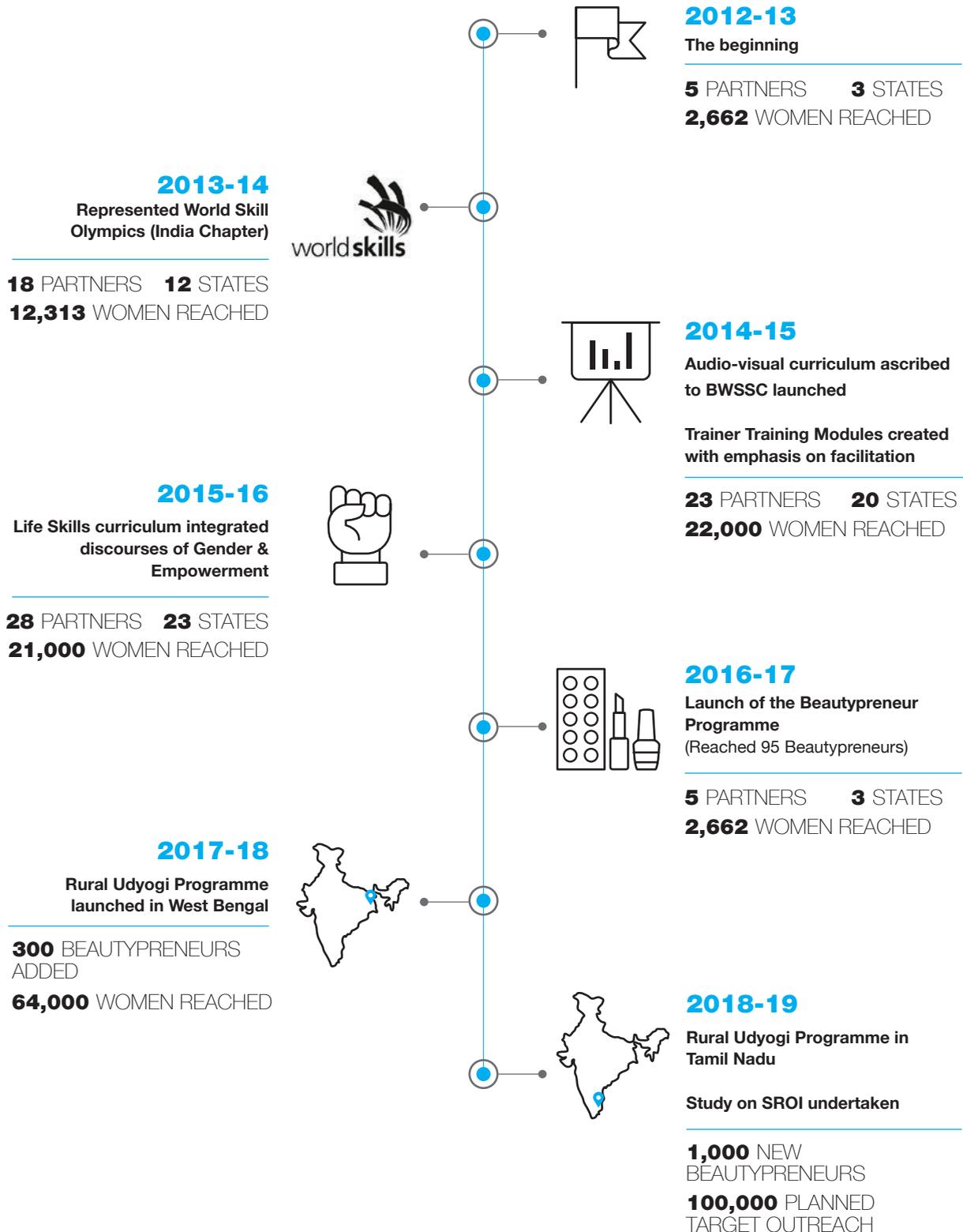
SALON-i

- 500-hour training programme with audiovisual modules, life skills and entrepreneurship training
- Aimed at women between 18 and 30 years for employment or entrepreneurship
- Focuses on urban and peri-urban, socio-economically weaker sections of society
- Till date, approximately 2,20,000 women trained across 23 states with 22 non-profit partners
- Over 50% of trainees take up some form of employment

BEAUTYPRENEUR

- Aimed at developing beauty and wellness enterprises led by women
- Works with micro-entrepreneurs who want to increase profits and scale up businesses
- Applies market system approach and enhances technical skills
- Over 1,500 Beautypreneurs trained
- Social return on investment (SROI) yields a return of ₹6.4 for every rupee invested

Our Godrej Salon-i journey



Need

Women, although a significant proportion of the workforce in India, are largely concentrated in the informal sector and engaged in vocations characterised by low earning, low productivity, poor working conditions, and lack of social protection. Despite a rise in India's GDP, India's female labour force participation rate has declined. Women aged between 21 and 50 years have a high dropout rate from the workforce.

Given these trends, women are financially dependent on others. Addressing gender inequality is therefore not only the right thing to do but also important for our future growth as an FMCG business. By promoting the formal and active participation of women in the economy, we aim to help build their lives, families, communities, and the economy.

Our skill training programme works with the women and community to enhance their domain skills, while creating social and political awareness that helps them voice their opinions, negotiate their rights, and make their own decisions.

Trainees

We primarily work in peri-urban locations with:

- Low-income women who have dropped out of formal education
- Women from migrant families
- Women who have restricted mobility
- Women who are unclear about career paths and their options to become financially independent



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

- Women who face social obstacles to work
- Women who want to set up their own business but have no direction and access to funds
- Women who have set up a micro-enterprise and now want to scale up and increase their profits

developed entirely in-house. The entrepreneurship and life skills modules are at the core. We have also developed integrated activities and games to help trainees imbibe these concepts. We have a Learning Management System that enables blended learning through multimedia formats such as audio, video, PDFs and presentations.

Approach and market systems

We partner with non-profits and community-based organisations that work closely with communities and help in mobilising underprivileged women. The partner organisations implement the programme on ground, train them, and handhold them throughout the process.

The training curriculum (trainer manual, audiovisual content, assessment app, and other learning tools) has been



Salon-i, our beauty and wellness training programme, has grown immensely over the years, with it currently impacting more than 2,20,000 women

Impact

Our third-party impact assessment of Salon-i showed that over 50 per cent of our trainees take up employment and over 25 per cent of them work from home in beauty-related trades. Those who work from home earn between ₹1,000 and ₹5,000 per month, whereas those with jobs earn upwards of ₹5,000 per month, depending on the number of hours, location, skill level, etc. For most of our alumni, this is their first skill-based income source, and many women are the first women in their families and/or communities to step out of the home for paid employment.

We recently completed a third party/independent SROI study of the Beautypreneur programme that showed an overall social return of ₹6.46 on the programme for every rupee invested. The study details performance on technical knowledge and personality development of trainees, financial and non-financial empowerment, entrepreneurial spirit, income change, shared value of being associated with Godrej, and outcomes of our NGO project implementation partners.



An SROI impact study for the Beautypreneur programme showed that every ₹1 invested in the programme generated over ₹6.4 in social impact value

2. Darling hair and beauty skills training in Kenya

Programme

We conduct hairdressing training for young women from underprivileged backgrounds at 11 hairdressing skills academies in Kenya (Nairobi, Machakos, Yatta, Athi River, Keumbu, Nyaore, Ngirisu, Awendo Marindi, Kitui, Rongo, and Kitale). This 14-week programme includes both theory and practical sessions. The focus is primarily on hair care and braiding.

Need and trainees

Unemployment is a major problem in Kenya today, especially for the youth. Data is inconsistent, with government figures reporting 7 per cent, Internal Labour Organisation stating 11 per cent, and a United Nations Development Programme report citing a whopping 39 per

cent. In this scenario, women are worse off. According to the Kenya National Bureau of Statistics, only a third of Kenyans in formal employment are women.

Impact

We have trained over 4,500 women in five years. We are motivated by success so far reported by our alumni, several of whom have gone on to set up their own businesses (salons), and this is something we would like to facilitate for many more.



Our Darling hair and beauty skills training programme helps women gain employment



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

RURAL INTENSIFICATION

As a corollary to the employability and livelihood programme, we set up a project to identify and train unemployed women and youth in entrepreneurship skills to ensure stable livelihoods.

The programme aims to provide an additional source of income to the youth, especially women. Rural households typically earn an average of ₹6,500 per month, and many live below the poverty line. It involves intensive mobilisation and a year-long handholding period to ensure that they succeed at their entrepreneurial ventures.

Youth are primarily provided training in different aspects of rural retail business and entrepreneurship. This is to train them to be mobile retailers or door-to-door salespeople. Eventually, some of them can set up a permanent store or even become local area stockists. In two years, over 1,270 youth have been trained as part of this project in West Bengal and Tamil Nadu.



PUBLIC HEALTH

Elimination of Mosquito-Borne Endemic Diseases (EMBED)

Programme and need

EMBED is a great example of how we are using shared value principles to further both business and social needs. Introduced in Madhya Pradesh in 2015, EMBED followed a feasibility study on Indian states that had a high incidence of vector-borne diseases, such as malaria and dengue.

On analysing the problem, we realised that specifically, households and people at the bottom of the pyramid suffer from vector-borne and other diseases. To address this, we collaborated with non-profit organisations and the state government to run intensive behaviour change programmes in nine districts of Madhya Pradesh. We are also working with vulnerable and marginalised groups in tribal, hilly, and hard-to-reach areas to spread awareness about diseases.

Impact

- The programme currently addresses 45 per cent of the malaria burden in Madhya Pradesh across nine districts, 3,000 villages, 700,000 households, and 3,500,000 people
- In Phase I, 209 ASHA workers, 77 rural healthcare providers, 655 traditional healthcare providers, and 156 community volunteers have been trained on correct diagnosis treatment and/or referral of malaria cases
- On the basis of government data from 2015 to 2017, at the end of the third year (intervention in nine districts), 81% of the targeted intervention villages had no malaria cases.

WASTE MANAGEMENT

Programme

Our efforts towards solid waste management extend beyond our manufacturing plants and immediate areas of operations. As part of our CSR efforts, we have commissioned and introduced community waste management projects by using circular economy principles. For example, we have collaborated with Hyderabad and Kalyan-Dombivali Municipal Corporations to implement community waste management projects.

Need

Waste disposal has hazardous impacts on the environment and society, particularly in developing countries, such as India, where over 150,000 tonnes of municipal solid waste is generated per day. Solid waste accumulation is an increasing problem due to unsustainable waste management practices and lack of proper waste treatment.

Approach

We have adopted a multi-stakeholder approach, designed to be economically viable, environmentally oriented, and socially inclusive.

- **Stakeholder engagement:** Work with municipal corporations and municipalities to institute sustainable solutions and civil society organisations as well as social enterprises to identify and establish long-term projects.
- **Citizen's ownership:** Citizens need to take ownership of municipal solid waste management, and adoption of sustainable practices is crucial to success.
- **Tripartite partnership:** Local municipality commits to providing land for segregation activities and recycling. Godrej invests in technology, whereas social entrepreneurs invest in other capital expenditure. This tripartite partnership ensures that the entrepreneur has a higher chance of success.

- **Financial sustainability:** It is essential that the project has built-in revenue streams to ensure long-term financial sustainability. Revenue can come from composting wet waste, selling recycled products, converting plastic to pellets for recycling, etc.
- **Social inclusion:** Segregation and recycling relies heavily on informal workers who collect, sort, and recycle the waste. Social inclusion projects cater to waste pickers by integrating them into the formal system, as well as providing safe working conditions, social safety nets, child labour restrictions, etc.

Impact

The projects helped divert over 25 MT of waste per day from landfill at each location. They are tackling different waste streams and demonstrating effective waste management solutions. However, the approach remains the same across locations, partners, and projects. Each type of waste is further segregated and made into final products that are fed as inputs to other industries, in line with the principles of circular economy.

RURAL ELECTRIFICATION

Programme

We provide decentralised, off-grid renewable energy systems through community-level installations in rural India.

Need

Electricity is central to development in any modern economy. While access to electricity has improved over the years, in several of India's remote locations, severe shortage of electricity continues to hinder daily life and full-fledged development.

Approach

The installation and commissioning of micro-grids generate employment both for unskilled and skilled labour. We employ unskilled people for mechanical and civil works, such as erecting module mounting structures, solar modules, and the civil foundation.

We have also trained selected people on the installation and commissioning of micro-grids. These trained professionals will be responsible for maintaining the micro-grids and imparting the training to other youth in their communities.

Impact

This programme is one of the few that has the power to transform lives from the day the systems come into place. The domestic micro-grids bring light to homes, which ensures that children can study in evenings, women can cook in safety, and community members have longer productive hours to engage in other income-generation activities.

Although the initiative is primarily aimed at domestic electrification, a few micro-grids also provide energy for water pumps, which enables marginal farmers to grow more than one crop and almost double their income within 1-2 years. Hundred energy-dark villages in Andhra Pradesh, Madhya Pradesh and Uttarakhand are now powered by mini and micro grids sponsored by us.

Through our rural electrification initiative, we provide decentralised, off-grid renewable energy systems



WATERSHED MANAGEMENT

Our integrated watershed development project will help restore the ecological balance in the drought-prone district of Siddipet in Telangana. Currently, groundwater levels are lower than 400 ft in many areas; as a result, farmers are under acute pressure.

Our efforts are designed to recharge groundwater and make more water available for irrigation over a total area of over 3,300 hectares and plantation of approximately 4,00,000 saplings. We have completed the capacity building phase and will begin full implementation in fiscal year 2019-20.

We are partnering with NABARD and PEACE, a local NGO, to work with local communities to ensure their buy-in, create civil structures to capture rainwater at appropriate places, build capacity of local communities in water management, and train on sustainable agricultural practices.

COMMUNITY INITIATIVES

After receiving valuable stakeholder input from third-party community needs assessments at our priority plant locations, we are now implementing a range of high-impact community development programmes on social and environmental aspects. These are focused on improving education, water, health, and sanitation and skill building initiatives in and around our manufacturing facilities.

DONATIONS

Every year, we make strategic donations to support skill development, employability, sports, arts and culture, and critical cancer ailment support.

For more details, please refer to the [Board's Report](#) (Page 150-155)



Dugouts built by the residents of Seddipet, Telangana, as part of our watershed programme



VOLUNTEERING

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

BRIGHTER GIVING

These are long-term volunteering opportunities to help make a meaningful impact. Every year, volunteers take up projects that address the needs of a nonprofit. We partner with Goodera and iVolunteer to scope and source these projects that range from building an NGO's marketing plan to helping revamp their websites and recruit for their leadership roles.

GODREJ GLOBAL VOLUNTEERING DAY

This is our annual day of community service. In 2018, over 1,120 of our team members across the globe volunteered their time to improve teaching and learning experiences in 38 schools and institutions. They conducted engaging

activities and reached out to over 5,230 children. Our theme was around 'Dreams', and volunteers helped children explore their aspirations and talents. Most children we engaged with are first-generation learners from their family, and through this interaction, we hoped to encourage them to grow into passionate and well-rounded individuals.

In Mumbai, we took a step further and hosted our very first Godrej LOUD for Kids, an extension of our Live Out Ur Dream (LOUD) platform to children from our volunteering partner schools. In total, 300 Mumbai volunteers engaged with over 2,000 students. We received an overwhelming response with over 1,700 applications that ranged from education support, career guidance, and mentorship to sports coaching, art training, and support for social development initiatives.

The finale brought students together to share their dreams and their plans to achieve them. We chose nine winners across six schools who will go on to live out their dreams in the next year.



Talking to children about their aspirations at schools in India on Godrej Global Volunteering Day 2018



Top and Middle: Our team members volunteered at schools in Indonesia and Johannesburg on Godrej Global Volunteering Day 2018

Bottom: The winners of Godrej LOUD 2018 for Kids

MUMBAI MARATHON

In January 2019, 47 of our Godrej Group team members completed the Tata Mumbai Marathon in support of Teach for India and raised over ₹9,00,000 to bring quality education to children from low-income families across India.

WORLD ENVIRONMENT DAY

Every year, on World Environment Day, our team members host celebrations and spread awareness about the effects of our actions on the environment. We organise tree plantation drives around the communities of our manufacturing plants, cleanliness drives in collaboration with local panchayat and municipal corporations, and awareness sessions in local schools among other activities. In fiscal year 2018-19, over 830 of our team members participated in these activities.

PAYROLL GIVING

Our team members support our three non-profit partners directly through payroll giving. In fiscal year 2018-19, 48 Godrejites contributed approximately ₹3,00,000 in support of education, health, and safety of children and environment preservation and conservation.

As a part of our disaster relief efforts, we provide support to areas affected by natural disasters through contributions from Godrejites and matching grants from the Group. In 2018, our employees contributed ₹20,03,982 towards flood relief efforts in Kerala.

02

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BOARD'S REPORT

Dear Members,

Your Directors, with great pleasure, present the Annual and Integrated Report for the year ended March 31, 2019.

1. RESULTS OF OUR OPERATIONS

Fiscal year 2018-19 was a mixed bag. While the India business continued to deliver strong profits and increased profit margins to industry leading levels, it was a challenging year for top-line growth. Our soaps, hair colour and air freshener categories performed relatively well. However, our largest category, household insecticides, was significantly impacted by a surge in illegal and unsafe mosquito incense sticks and an unfavourable season. We are taking numerous corrective actions to recover our performance over the next year.

This has been an active year on innovations, with multiple new products launched across categories. Godrej protekt Mr. Magic hand wash is the first ever powder-to-liquid hand wash, designed to be more environmentally sustainable, while also democratising the low penetration hand wash category. We extended our Cinthol portfolio to foray into the growing male grooming category, with a range of multi-benefit products for the face, body, hair and beard. Through Godrej Nupur Natural Henna Based Hair Colour, we are extending our strong henna play to the herbal-based powder hair colour segment. In Goodknight, we introduced Power Chip, an electric solution infused with unique gel technology, a higher

efficacy liquid vapouriser and 100 per cent natural mosquito repellent incense sticks.

On a consolidated basis, we reported a comparable sales growth of 7 per cent (excluding the UK business which was divested during the year) and a comparable PAT growth of 40 per cent (excluding the UK business).

An overview on 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 & Analysis Section which gives more details on the functioning of the Company.

The financial performance of your Company for the fiscal year under review is summarised as follows:

Financials Abridged Profit and Loss Statement	₹ (Crore)			
	Consolidated		Standalone	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Total Revenue From Operations	10,314.34	9,936.99	5,679.31	5,354.74
Other Income	108.76	107.55	94.45	73.89
Total Income	10,423.10	10,044.54	5,773.76	5,428.63
Total Expenses including Depreciation and Finance Costs	8,590.96	8,186.30	4,300.68	4,139.62
Profit/(Loss) Before Exceptional Items, Share of Profit of Equity Accounted Investees, and Tax	1,832.14	1,858.24	1,473.08	1,289.01
Exceptional Items	252.56	179.56	-	-
Share of Profit of Equity Accounted Investees (Net of Income Tax)	0.63	1.08	-	-
Profit/(Loss) Before Tax	2,085.33	2,038.88	1,473.08	1,289.01
Tax Expense/(Income)	(256.2)	404.70	(281.90)	289.14
Profit/(Loss) After Tax	2,341.53	1,634.18	1,754.98	999.87
Other Comprehensive Income	138.51	36.95	(0.17)	(1.97)
Total Comprehensive Income for the Period attributable to Owners	2,480.04	1,671.13	1,754.81	997.90

2. APPROPRIATION

Your Directors recommend appropriation as under:

Appropriation	Fiscal Year 2018-19	Fiscal Year 2017-18
	₹(Crore)	₹(Crore)
Surplus at the Beginning of the Year	2,982.46	2,722.50
Less: Remeasurements of Defined Benefit Plans	0.17	1.97
Add: Net Profit for the Year	1,754.98	999.87
Available for Appropriation	4,737.27	3,720.40
Less: Interim Dividends	1,226.52	613.12
Less: Tax on Distributed Profits	252.11	124.82
Surplus Carried Forward	3,258.64	2,982.46

3. CHANGE IN CAPITAL STRUCTURE

During the year, the Company has increased its authorised share capital from ₹ 70 crore to ₹ 104 crore. The shareholders vide their resolution dated September 5, 2018, had approved the issue of Bonus shares in the ratio of 1:2, that is, one bonus equity share of ₹1 each for every two fully paid-up equity shares held. Accordingly, the Company has issued and allotted 34,07,22,032 equity shares after which the post issue paid up capital of the Company increased from ₹ 68.13 crore to ₹ 102.22 crore.

4. DIVIDEND

A. Dividend Declared

During the fiscal year 2018-19, the following interim dividends were declared on shares of face value of ₹1 each.

Declared at the Board Meeting Dated	Dividend Rate Per Share on Shares of Face Value of ₹1 Each	Record Date
May 8, 2018	7.00*	May 16, 2018
July 30, 2018	2.00*	August 7, 2018
November 2, 2018	4.00	November 14, 2018
January 29, 2019	2.00	February 6, 2019

*Note: The dividend declared on May 8, 2018 and July 30, 2018 are on the pre-bonus paid-up capital, and all the subsequent dividends are on the post-bonus paid-up capital. Subsequent to the close of fiscal year 2018-19, the Board has declared an interim dividend of ₹2 per equity share. The record date for the same is May 13, 2019. This dividend will be accounted in fiscal year 2019-20.

B. Dividend Distribution Policy

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

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

B. Appointment/Reappointment/Retirement of Directors

Mr. Sumeet Narang was appointed as an Additional Independent Director at the Board meeting held on January 29, 2019, with effect from April 1, 2019. Sumeet has experience of making investments in businesses in emerging categories in India and working

closely with management teams in scaling business. Sumeet's appointment will enable GCPL to leverage his significant expertise and perspective to guide GPCL's growth strategy.

Mr. Bharat Doshi's tenure of 5 years is ending on September 25, 2019, and he has expressed his desire to not offer himself for reappointment for another term. The Board of Directors places on record its sincere appreciation of the contribution made by Mr. Doshi during his tenure on the Board.

5. BOARD OF DIRECTORS

A. Number of Meetings and Appointment of Directors

^[1] http://www.godrejcp.com/Resources/uploads/codes-and-policies/dividend_distribution_policy.pdf

The first term of 5 years of Mr. Narendra Ambwani is ending on July 27, 2019. The first term of 5 years of Mr. Aman Mehta, Dr. Omkar Goswami and Ms. Ireena Vittal is ending on September 25, 2019. Based on their successful performance evaluations, the Nomination and Remuneration Committee has recommended their reappointment for a second term as follows:

Mr. Narendra Ambwani - Term from July 28, 2019 to November 14, 2023

Mr. Aman Mehta - Term from September 26, 2019 to August 31, 2021

Ms. Ireena Vittal and Dr. Omkar Goswami - Term of 5 years from September 26, 2019 to September 25, 2024

The special resolutions for the above reappointments are included in the notice of the Annual General Meeting (AGM).

In the forthcoming AGM, Mr. Nadir Godrej and Mr. Jamshyd Godrej will retire by rotation and being eligible will be considered for re-appointment.

C. Audit Committee of the Board of Directors

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

member of the Audit Committee with effect from April 1, 2019, consequent to his appointment on the Board as an Independent Director. Mr. Bharat Doshi has stepped down as the Chairman of the Committee from April 1, 2019 and Mr. Aman Mehta has been appointed as the Chairman of the Committee with effect from the same date.

D. Declaration from Independent Directors

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

E. Familiarisation Programmes

Several familiarisation programmes for the Independent Directors were conducted during the year, covering topics like Annual Operating Plan for fiscal year 2018-19, update on key amendment to the SEBI Listing Regulations and actionables for the Company arising out of the amendments and in-depth presentation on household insecticides business by the business head. Additionally, at all the Board meetings, detailed presentations covering business performance and financial updates were made. The number of hours of the familiarisation programmes conducted may be accessed through the following link^[2].

F. Board Diversity Policy

The Company has in place a Board Diversity Policy, which is attached as **Annexure 'A'**. The criteria for determining qualification, positive attributes and independence of Directors

are as per the Board Diversity Policy, Listing Regulations and the Companies Act, 2013.

G. 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.

H. Remuneration to Directors

The remuneration of Directors is in accordance with the remuneration policy formulated in accordance with various rules and regulations for the time being in force. The disclosure on the details of remuneration to Directors and other employees pursuant to Section 197 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given under **Annexure 'C'**. The information required under Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not being sent along with this report. However, this annexure is available on the Company website. Members who are interested in obtaining these particulars may write to the Company Secretary at the Registered Office of the Company. The aforesaid annexure is also available for

^[2] http://www.godrejcp.com/Resources/uploads/compliance_other_updates/FamiliarisationProgrammeIndependentDirectors_11042019.pdf

inspection at the Registered Office of the Company during working hours, up to the date of the AGM. Mr. Adi Godrej, Chairman Emeritus; Ms. Nisaba Godrej, Executive Chairperson; and Mr. Vivek Gambhir, Managing Director and CEO, receive remuneration from your Company.

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

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

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

- Board processes
- Individual Committees
- Individual Board Members
- Chairperson

The criteria for Board processes included Board composition, strategic orientation and team

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

The following reports were created as part of the evaluation:

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

The overall Board Feedback was facilitated by Mr. Bharat Doshi with the Independent Directors. The Directors were not only vocal regarding the Board functioning effectively but also 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.

J. 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:

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed, and no material departures have been made from the same
- b) They have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the fiscal year and of the profit of the Company for that period
- c) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities
- d) They have prepared the annual accounts on a going concern basis
- e) They have laid down internal financial controls to be followed by the Company, and such internal financial controls are adequate and operating effectively
- f) They have devised a proper system to ensure compliance with the provisions of all applicable laws, and this system is adequate and operating effectively

6. Transfer to IEPF

In accordance with the applicable provisions of 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 seven consecutive years or more shall be transferred to the demat account of the IEPF authority. Accordingly, ₹86,83,307 of unpaid/unclaimed dividends and 9,22,131 shares (including 8,35,029 bonus shares declared in September 2018) were transferred during the financial year 2018-19 to the Investor Education and Protection Fund.

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

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on July 30, 2018 (date of last AGM) on the Company's website, which can be accessed through the following link^[4] and of the Ministry of Corporate Affairs website at www.iepf.gov.in.

7. Finance

A. Loans, Guarantees and Investments

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

B. Related Party Transactions

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

Apart from the Related Party Transactions in the ordinary course of business and on arm's length basis, the details of which are given in the notes to financial statements, no other related party transactions require disclosure in the Board's Report, for compliance with Section 134(3)(h) of the Companies Act, 2013. Therefore, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

8. Subsidiaries, Associates and Joint Venture

During the year, the following company became a subsidiary of your Company:

- Godrej CP Malaysia BHD

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

- Argencos SA on account of its merger with Laboratoria Cuenca
- Godrej Consumer Products UK Ltd. on account of divestment of stake in that Company

During the year, the following company has ceased to be the Joint Venture of your Company:

- Godrej Easy IP Holding Ltd.

A. Report on the Performance of Subsidiaries and Associates

The business details of the key subsidiaries are provided in the Management Discussion & Analysis section of this Annual Report. While the Review of Operations section mentions the details regarding the performance of your Company's India business, we provide brief details on the performance of other clusters below:

Indonesia

Our Indonesia business posted a strong turnaround in fiscal year 2019, growing by 11 per cent in constant currency terms, recovering from the 6 per cent top-line decline in the previous fiscal. Our growth was led by HIT, with strong share revival backed by at-scale media investments, break-the-clutter communication and strategic trade spends. This fiscal was also a milestone year for us in terms of innovation, with the highest ever new product launches in a year. We had four strong launches this year, all aimed at category development and with strong product differentiation. In household insecticides, we launched Long Lasting Paper (LLP) under the expert platform that we launched in the previous fiscal. LLP is a superior overnight solution, longer lasting as well as more effective than coil; it targets upgrading coil users and gained a share of the coil market, a segment we earlier did not compete in. We also forayed into other pests, by launching HIT Roach Aerosol, as part of our strategy to address market whitespaces. In air care, we launched the parfumerist

^[3] <http://www.godrejcp.com/investors.aspx#shareholder-information>

^[4] <http://www.godrejcp.com/unclaimed-dividend.aspx>

^[5] http://www.godrejcp.com/Resources/uploads/codes-and-policies/RelatedPartyTransactionsPolicy_010419.pdf

platform, a range of premium air fragrancing solutions. Under this platform, we launched a new Matic during the festive Lebaran season, aimed at driving upgrades in-home, and Twist, a car dashboard solution, aiming to drive car air freshener penetration. HIT Expert Aerosol, launched in the previous fiscal, continued to do well and build strong equity for the overall HIT Aerosol portfolio. We backed all our new products with strong media and trade investments. We also focused on cost savings through direct cost and fixed overhead optimisations to enable strong investments in brand and channel building. Our margins expanded this fiscal, with bottom line growing well ahead of top line. We continue to focus sharply on category development with breakthrough innovation, strong brand building and driving balanced growth across our portfolio.

Africa, Middle East and USA

Fiscal year 2019 was a challenging year for our Africa, Middle East and US business cluster. The overall business grew by 5 per cent in constant currency terms. On top line, while most countries performed moderately well, we faced slowdown in South Africa due to macro-economic challenges. We faced favourable currency movement due to which the Rupee translation was better at 12 per cent. We faced bottom-line challenges due to inventory aging issues given the nature of fashion in the dry hair market. Despite a challenging year, we focused on strengthening the fundamentals for future. We turned around the Kenya business, driven by an enhanced operating model. Brand building through the Darling re-launched

drove strong top-line growth in Nigeria. The US business, Strength of Nature, grew strongly despite soft macro factors, driven by our entry into the naturals space. We also established strong beach heads in Tanzania and Zambia. Going forward, our focus would be to strengthen margins, strategically drive 'Fast Fashion' to avoid inventory issues and drive faster ramp-up of wet hair.

Latin America

Our Argentina business was mired in unprecedented macro-economic challenges this year, with the highest ever currency devaluation in recent years driven by hyper-inflation and the economy shrinking. The business performed well on top line, with 34 per cent growth in constant currency terms, driven by our gaining volume share while also increasing prices well ahead of inflation. However, due to the currency devaluation, this did not translate in Rupee terms. We also faced bottom-line pressures this year, with working capital requirements increasing.

Our Chile business too faced strong macro headwinds with heightened competitive intensity and the category in some of our key-channels de-growing. As a result, our top-line declined by 13 per cent in constant currency terms with muted performance on bottom line as well, driven by increased trade spends to counter competition and working capital requirements.

Looking ahead, we will focus disproportionately on margin improvement and working capital management to turn our Latin America businesses around.

United Kingdom

We divested our UK business in Q2, this fiscal, in line with our overall GCPL-wide strategy of focusing on our core categories—home insecticides, personal care, hair care and air care.

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, which can be accessed through the following link^[6].

C. Financial Performance

A statement containing the salient features of financial statements of subsidiaries/joint venture companies of the Company in the prescribed Form AOC-1 forms 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 CFS of the Company pursuant to Rule 8(1) of the Companies (Accounts) Rules, 2014.

9. SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has complied with the provisions relating to the constitution of the Internal Committee in compliance with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to consider and resolve all sexual harassment complaints reported by women. During the year, in-person and e-learning workshops were

^[6] <http://www.godrejcp.com/Resources/uploads/codes-and-policies/PolicyonMaterialSubsidiaries.pdf>

conducted to create awareness regarding sexual harassment among employees. There was one complaint during the calendar year 2018, and hence, the Committee filed one complaint report with the concerned authorities, in compliance with Section 22 of the aforementioned act.

10. TALENT MANAGEMENT AND SUCCESSION PLANNING

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

11. ANNUAL RETURN

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

12. RISK MANAGEMENT

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

Elements of risks to the Company are listed in the Management

Discussion and Analysis Section of the Annual and Integrated Report.

13. VIGIL MECHANISM

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

Mr. V Swaminathan, Head- Corporate Audit and Assurance, has been appointed as the 'Whistle Blowing Officer', and his contact details have been mentioned in the policy. Furthermore, employees are also 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 as well as the Company's website and can be accessed through the following link^[8]. The Audit Committee reviews reports made under this policy and implements corrective actions, wherever necessary.

14. ANNEXURES

A. Disclosure on Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo
Annexure 'D' of this Report provides information on the conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134

(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, which forms a part of the Board's Report.

B. Corporate Social Responsibility

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

C. Employee Stock Option Scheme

The Company has a stock option scheme named as 'Employee Stock Grant Scheme, 2011'. The number and the resulting value of stock grants to be given to eligible employees is decided by the Nomination and Remuneration Committee, which is based on the closing market price on the date of the grants. The grants vest in one or more tranches as per the decision of the Nomination and Remuneration Committee with a minimum vesting period of 1 year from the grant date. Upon vesting, the eligible employee can exercise the grants and acquire equivalent shares of face value ₹1. The difference between the market price at the time of grant and the market price on the date of exercise is the gross gain/loss to the employee. The details of the grants allotted under Godrej Consumer Products Limited Employee Stock Grant Scheme, 2011, as also the disclosures in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014, and Section

^[7] <http://www.godrejcp.com/annual-reports.aspx>

^[8] <http://www.godrejcp.com/Resources/uploads/codes-and-policies/WhistleBlowerPolicy.pdf>

^[9] <http://www.godrejcp.com/Resources/uploads/codes-and-policies/CSRPoly.pdf>

62 1(b) read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 are set out in **Annexure 'F'**. Your Company has not given loan to any person under any scheme for or in connection with the subscription or purchase of shares in the Company or the holding Company. Hence, there are no disclosures on voting rights not directly exercised by the employees with respect to the shares to which the scheme relates.

15. LISTING

The shares of your Company are listed at the BSE Limited and the 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 & Options Segment of the National Stock Exchange of India.

16. BUSINESS RESPONSIBILITY REPORT

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

17. AUDITORS AND AUDITORS' REPORT

A. Statutory Auditors

In accordance with Section 139 of the Companies Act, 2013 and the Rules made thereunder, M/s. B S R and Co., LLP, Chartered Accountants (Firm Regn. No. 101248W/W-100022) has been appointed as the statutory auditor to hold office from the conclusion of the 17th AGM on July 31, 2017 until the conclusion of the 22nd AGM in the year 2022, at a remuneration as may be approved by the Board.

B. Cost Auditors

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

C. Secretarial Auditors

The Board had appointed M/s. A. N. Ramani and Co., Company Secretaries, Practising Company Secretary, to conduct a secretarial audit for the fiscal year 2018-19. The Secretarial Audit Report for the fiscal year ended March 31, 2019 is attached herewith as **Annexure 'G'**. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

18. CORPORATE GOVERNANCE

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

company has adopted and follows such practices, conventions and codes that would provide its financial stakeholders a high level of assurance of the quality of corporate governance.

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

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

19. MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis as stipulated under the Listing Regulations is presented in a separate section forming a part of this Annual and Integrated Report.

20. CONFIRMATIONS

- Your Company is in compliance with the Secretarial Standards on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI).
- There have been no material changes and commitments affecting the financial position of the Company which have occurred between the March 31, 2019 and the date of this Board's Report (i.e. May 3, 2019).

^[10] <http://www.godrejcp.com/annual-reports.aspx>

- There have been no instances of frauds reported by the auditors under Section 143(12) of the Companies Act, 2013 and the Rules framed thereunder, either to the Company or to the Central Government.
- During the Financial Year 2018-19, there were no significant and material orders passed by the regulators or Courts or Tribunals which can adversely impact the going concern status of the Company and its operations in future.

and continuously seeks to enhance the effectiveness of its Board. The Company believes that for effective corporate governance, the Board should have the appropriate balance of skills, experience and diversity of perspectives. Board appointments will be made on a merit basis, and candidates will be considered on the basis of objective criteria, with due regard for the benefits of diversity on the Board. The Board believes that such merit-based appointments will best enable the Company to serve its stakeholders. The Board will regularly review this policy to ensure its effectiveness.

21. APPRECIATION

Your Directors wish to extend their sincere thanks to the employees of the Company, central and state governments as well as the 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, May 03, 2019

ANNEXURE 'A'

BOARD DIVERSITY POLICY

The Company is committed to equality of opportunity in all aspects of its business and does not discriminate on the grounds of nationality, race, colour, religion, caste, gender, gender identity or expression, sexual orientation, disability, age or marital status. The Company recognises merit

ANNEXURE 'B'

GCPL TOTAL REWARDS POLICY

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

Highlights

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

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

Total Cash Compensation

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

1. 'Fixed Compensation' comprising the basic salary and retirement benefits such as the provident fund and gratuity
2. 'Flexible Compensation' comprising a fixed predetermined component of the employees' compensation. Employees can allocate this amount to different components, as per their grade eligibility, defined at the start of each fiscal year
3. 'Variable Compensation (Performance-Linked Variable Remuneration)' comprising employee rewards for delivering superior business results and individual performance. It is designed to provide a significant upside earning potential without a cap for overachieving business results. It has a 'Collective' component, linked to the achievement of specified business results, measured by 'Economic Value Added' or other related metrics, relative to the target set for a given fiscal year, and an 'Individual' component, based on employee's performance, as measured by the performance management process.

Long-Term Incentives (Employee Stock Grant Scheme)

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

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

- (i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the fiscal year 2018-19; the percentage increase in the remuneration of each Director, Chief Financial Officer and Company Secretary during the fiscal year 2018-19; and the comparison of remuneration of each KMP against the performance of the Company are as follows:

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

Sr. No.	Name of the KMP	Designation	Per Cent Increase/ (Decrease) in Remuneration in the Fiscal Year 2018-19	Ratio of Median Remuneration of Each Director to the Median Remuneration Paid/ Payable to all Employees for Fiscal Year 2018-19
1	Mr. Adi Godrej	Chairman Emeritus	(20.00)	144.18
2	Ms. Nisaba Godrej	Executive Chairperson	(19.00)	123.47
3	Mr. Vivek Gambhir	Managing Director and CEO	(33.00)	311.26
4	Mr. V Srinivasan	Chief Financial Officer and Company Secretary	(19.00)	Not Applicable

Remuneration includes the actual performance-linked variable remuneration payable for the fiscal year on the basis of performance, profitability and optimum utilisation of capital.

B. Non-Executive Directors

Sr. No.	Name of Director	Per Cent Increase/(Decrease) in Remuneration in the Fiscal Year 2018-19	Ratio of Remuneration of Each Director to the Median Remuneration Paid/Payable to all employees for the Fiscal Year 2018-19
1	Jamshyd Godrej	-	5.46
2	Nadir Godrej	-	5.94
3	Tanya Dubash	-	5.70
4	Pirojsha Godrej	-	5.70
5	Narendra Ambwani	74.00	9.50
6	Pippa Armerding	74.00	9.74
7	Bharat Doshi	74.00	9.50
8	Omkar Goswami	74.00	7.84
9	Aman Mehta	74.00	9.50
10	Ndidi Nwuneli	74.00	9.50
11	Ireena Vittal	74.00	9.03

Note:

- (i) Median remuneration of all the employees of the Company for the fiscal year 2018-19: ₹4.21 lakh.
- (ii) The percentage decrease in the median remuneration of employees in the fiscal year: 6.23 per cent.
- (iii) The number of permanent employees on the payrolls of the Company as on March 31, 2019 is 2781.
- (iv) The average percentile increase already made in the salaries of the employees other than the managerial personnel in the last fiscal year and its comparison with the percentile increase in the managerial remuneration and justification thereof: Total managerial remuneration comprises the remuneration of the Whole-Time Directors and commission paid to Non-Executive Directors. The Whole-Time Directors' remuneration is as per the resolution approved by the shareholders and will not exceed 10 per cent of the Company's net profits as permitted by the Companies Act, 2013. The Non-Executive Directors are also eligible for sitting fees of ₹1 lakh per Board meeting attended and ₹20,000 per Committee meeting attended. The shareholders at the AGM held on July 30, 2018, have authorized payment of commissions on profits to Non-Executive Directors at a 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 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 & Remuneration Committee meetings and Independent Directors' meetings. Compared to the previous year, the actual sitting fees and additional commission linked to attendance in meetings have varied in case of some of the Non-Executive Directors. The average percentile change in the salary of employees other than managerial personnel is an increase of 1.66 per cent while that of Managerial Personnel is a decline of 27.74 per cent. Decline is largely on account of performance-linked variable remuneration.
- (v) 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

NORTH-EAST CLUSTER

Energy Conservation

The total capital investment on energy savings initiatives is ₹1.32 lakh, and savings in energy consumption is 0.83 lakh KWh per annum. The energy conservation initiatives are as follows:

- Increased the air volume in mould pusher cylinder to reduce compressor load at Meghalaya Coil, resulting in saving of 14,976 KWh
- Replaced the cooling tower water circulation pump from 10 HP to 5 HP at Sikkim, resulting in saving of 6,500 KWh
- Friction Roller Feeders were installed in leaflet and booklet feeding in fast card machinery. Earlier we were using pneumatically operated booklet and leaflet feeders at New Conso, resulting in saving of 5,714 KWh
- Replaced part of conventional lighting with LED lighting in the units, resulting in saving of 40,714 KWh
- Installing sensor, limit switch, auto cut-off and occupancy sensors in admin areas, resulting in saving of 15,000 KWh

Water Conservation

The total capital investment on water conservation initiatives is ₹5.37 lakh, and savings in energy consumption is 350 KL per annum. The energy conservation initiatives are as follows:

- Installation of screw conveyor in stamping machine, which reduced the wet dough moisture content and increased the drier efficiency at Meghalaya Coil, resulting in saving of 78 KL per annum
- Push type water tap installed at Lokhra II, resulting in saving of 72 KL per annum
- DM water and distilled water receiver tank fixed with level controller to stop over flow of water from the receiver, resulting in saving of 200 KL per annum

Awards Won

- Certificate of Appreciation from National Safety Council for Aer and Meghalaya units
- Occupational Health and Safety Innovation Awards 2018 by UBM group—GCPL Lokhra 2 and Kalapahar Coil units

NORTH CLUSTER

The total capital investment on energy savings initiatives is ₹18.05 lakh, and savings in energy consumption is 6.78 lakh KWh per annum, which is equivalent to ₹44 lakh. The energy conservation initiatives are as follows:

- Interlocking of Plodder and Conveyor system
- Installation of energy-efficient compressors
- Optimisation of Chiller operation
- Automation in BOPP tape machine
- Voltage optimisation, reducing 420 V to 400 V at Kathua
- Downsize of root blower motor at Thana Plant

- Installed the VFD for cooling tower circulation pump and vacuum pump at Bari Brahamana

CENTRAL WEST CLUSTER

Energy Conservation

The total capex utilised for energy conservation measures is ₹1.41 crores. The energy conservation measures are as follows:

- Installed LED lights, leading to saving in power consumption by 55,000 KWh/annum
- Replaced old air conditioners with energy-efficient air conditioners, leading to saving in power consumption by 50,000 KWh/annum
- Installed vacuum generators in place of watering pump in stamping machines, leading to saving in power consumption by 45,000 KWh/annum

Fuel Saving

- Installed an IOT-based instrumentation system in RO2 for reducing steam consumption during the unloading of tankers, leading to saving of fuel by 81 MT/annum
- Installed a water-based vacuum system in FADP3 for reducing steam consumption, leading to saving of fuel by 250 MT/annum

Awards won by Malanpur unit:

- Excellent Energy-Efficient Unit award—by CII's 'National Energy Award 2018'
 - o First prize from MPPCB—'Environment Award under Red category of Industry'
 - o Received JUSE award on 5'S concept by QCFI

SOUTH CLUSTER

The total capex utilised for energy conservation measures is ₹21.57 lakh. The energy conservation measures are as follows:

- Reduction in energy consumption by the installation of energy-efficient LED lightings, solar-based lightings, VFDs in high HP motors and reuse of flue gas for preheating purpose has resulted in saving of 1,26,570 KWh/year, covering five factories in Pondicherry, Karaikal and M Nagar.
- Use of bio waste fuels in our hot air generators to the extent of 4,303 MT instead of furnace oil in our Pondicherry Coil Factory.

Awards

1. QCFI—Quality Circle—two gold awards and one silver award by MMN Team, two gold awards and three silver awards by Pandy units, three gold awards and one silver award by Karaikal units.
2. QCFI Chennai—poka-yoke competition—platinum award by MMN Team.
3. QCFI Chennai—Kaizen competition—won Outstanding and Excellence Award by South units.
4. NCQC Gwalior—Par Excellence Award by MMN unit, Excellence Award by Conso unit and one Par Excellence/one Excellence Award by Karaikal team.
5. QCFI Chennai—5S Competition—eight platinum and two gold awards won by South units.
6. 5S Award from QCFI and JUSE (Union of Japanese Scientist Engineers) received by Conso unit.
7. CII EHS Audit—One 5-star rating, two 4-star rating and one 3-star rating awards won.
8. National Safety Councils Safety Award 2018—Certificate of Appreciation Won by Conso Unit for the fifth Consecutive Year.
9. All our 5 units are certified for ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 standards.

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 year 2018-19:

1. Protekt—Mr. Magic Hand Wash
2. Men's Grooming Range
3. Aer Matic Room Freshener
4. Good Knight Natural Incense Stick
5. Premium Aer Fresheners
6. Nupur HBP
7. Cinthol Deo Shot

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

I. R&D product categories initiated by the Company

1. Hair Care
2. Skin Care
3. Household Insecticides
4. Customer Centricity
5. Packaging Development
6. Fabric Care
7. Hygiene Products
8. Air Care
9. Dry Hair

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

R&D has played pivotal role in developing new technologies in air fresheners, hair colours, personal wash and HI areas. Strong R&D-led initiatives with innovative projects have resulted in successful launches of several new products in the marketplace in the current financial year. The company has launched break through innovation first of its kind in the hand wash

category. R&D has played a pivotal role in improving cost optimisation 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 development and training-led skill upgradation will continue to propel your Company ahead of competition in its strategy of innovation-led value creation.

III. Future plan of action

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

1. Ensuring successful commercial launches within hair care, household insecticides, room freshener and personal care categories for the coming year.
2. Engaging in providing support on global innovation strategies for various product categories within our international businesses, and extending support on relevant product development for international markets.
3. Focusing on newer consumer relevant product experiences within all categories such as skin care, household insecticides, hair care, air freshener and fabric care.
4. Maintaining a strong focus on R&D training needs and people development.
5. Partnering collaborations with external stakeholders and leading institutions.

IV. Expenditure on R&D

	₹ Crore	
	Fiscal Year 2018-19	Fiscal Year 2017-18
Capital	0.12	0.25
Recurring	16.38	14.91
Total	16.50	15.16
Total R&D expenditure as a percentage of total sales turnover	0.30	0.29

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

	₹ Crore	
	Fiscal year 2018-19	Fiscal year 2017-18
I. Foreign exchange used	448.53	324.04
II. Foreign exchange earned	219.82	197.69

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

A brief outline of the Company's CSR policy, including an overview of projects or programmes proposed to be undertaken, with a URL to the CSR policy and initiatives, GCPL is committed to the Godrej Group's 'Good & Green' vision of creating a more inclusive and greener India. The Good & Green CSR policy focuses on addressing the critical social, environmental and economic needs of the marginalised and less privileged sections of society. Through our Good & Green CSR policy, we align our CSR strategy with the Godrej Group's Good & Green vision and goals. We adopt an approach that integrates the solutions to these problems into the strategy of the Company to benefit communities at large and deliver social and environmental 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, which can be accessed through the following link^[11]

^[11] <http://www.godrejcp.com/good-and-green.aspx>

An overview of the projects or programmes undertaken during fiscal year 2018-19 is given below. We have aligned our programmes to national missions and priorities, and they are thus categorised.

I. National Skills Mission

A. Employability and Livelihoods

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

As of March 2019, we have trained over 3,63,080 youth in skills that will enhance their earning potential. Our projects include

- Salon-i, our beauty and hair care training
- Life skills
- Rural Intensification

- i. Salon-i trains young girls and women in beauty and hair care. Over 1,01,100 women have graduated from this programme in fiscal year 2018-19. The programme is currently operational in 300 centres across India. The curriculum is integrated with life skills and entrepreneurial modules to equip the candidates in starting their own enterprise, if they are so interested. The curriculum has been digitised and is available as audio-visual content. Through our partnerships, approximately 60 per cent of our alumni have found jobs in beauty parlours, many of which are nationally recognised chains; the remaining work mainly as freelancers or micro-entrepreneurs. Furthermore, we reached out to women in the beauty and wellness industry across India to set up the 'Beauty-preneur' platform. This programme promotes entrepreneurship and enables women to start training other girls as well as empowers these women entrepreneurs through life skills and entrepreneurship modules. Over 1100 women have joined the Beauty-preneur programme and are aiming to reach out to other women as well as grow their businesses.

ii. We have developed a life skills curriculum for all our employability programmes across our businesses. The life skills curriculum supplements the current employability courses. The modules equip our trainees with financial literacy, work readiness and critical skills, which will enable them to build stronger and more productive careers and lives. Interactive games and activities have been developed for different target audiences under this project.

iii. Rural Intensification: As a corollary to the employability and livelihoods programme, we have set up a project to identify and train unemployed women and youth in entrepreneurship skills to ensure a stable livelihood for them. The programme involves intensive mobilisation and a year-long handholding period to ensure that they succeed at their entrepreneurial ventures. Till date, over 1480 youth have been trained under this initiative.

iv. We have completed an Social Returns on Investment (SROI) for the Salon-i programme, which showed an overall social return of 6.46 for every rupee invested. The study details the value creation achieved by the programme in the lives of small and micro women entrepreneurs in the salon industry through enhanced skills and incremental agency in financial and non-financial decision making.

B. Community Development

Sustainability is an integral part of our business and value chain, and it helps us provide high-

quality and affordable goods to our 1.1 billion people globally, who use our products on any given day. Our stakeholders are also the communities that border our plant locations. To align our CSR activities with both community needs and our Good & Green strategy, we conducted third-party community needs assessments at our priority plant locations.

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

In fiscal year 2018-19, we focused on boosting infrastructure of educational institutes in the vicinity of our plants and supported the construction and repair of classrooms, dining hall, sanitation and drinking water facilities and provided teaching and learning aids to four schools across Baddi (Himachal Pradesh), Guwahati (Assam), Karaikal (Pondicherry) and Bari Brahmana (Jammu). In addition, we conducted a range of activities in local schools in Malanpur (Madhya Pradesh).

II. Swachh Bharat Mission

A. Elimination of Vector-Borne Endemic Diseases

Elimination of Vector-Borne Endemic Diseases (EMBED) is an intensive community

awareness and behaviour change communication programme to combat malaria in regions that report high annual parasite index (API). Under the EMBED programme, we collaborate with non-governmental organisations and governments, in an effort to reduce morbidity and mortality due to malaria.

The approach towards the project is as follows:

- Implement community need-based behaviour change communication interventions at the village and household level to spread awareness and encourage appropriate healthcare-seeking behaviour for prevention and control of mosquito borne diseases
- Strengthen links with public and private health services in the prioritised blocks to improve access to preventive, diagnostic and curative services
- Evaluate the data to support scalability and replicability of the project in other geographies

Impact:

- The programme currently addresses 45 per cent of the malaria burden in Madhya Pradesh across 9 districts, 3000 villages, 7,00,000 households and 35,00,000 people
- Till date, we have trained 3597 ASHA workers, 933 Rural Healthcare Providers, 3295 Ojhas/local healers and 2762 local community volunteers on correct diagnosis treatment and/ or referral of malaria cases. Our outreach activities have resulted in 27,149 Gram

Chaupal sessions, and we have supported 8516 village health and nutrition days

- Overall there has been a 66 per cent reduction in API across intervention villages versus a 41 per cent reduction in API across non-intervention villages over 3 years
- On the basis of government data, from 2015 to 2017, at the end of year 1 (intervention in two districts), 80 per cent of targeted intervention villages had reduced API and 23 per cent were using mosquito-bite prevention strategies; at the end of year 2 (intervention in six districts), 86 per cent of targeted intervention villages had reduced API and 21 per cent were using mosquito-bite prevention strategies. At the end of year 3 (intervention in nine districts), 81 per cent of the targeted intervention villages had no malaria cases

B. Waste Management

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

- **Urban waste management in Maharashtra**
We are working with Kalyan-Dombivali Municipal Corporation (KDMC) and Green Roots Solutions to set up an integrated waste management facility at Kalyan, Maharashtra. The project is aimed to demonstrate zero garbage to landfill. The project involves setting up of 25 TPD of biogas plant from wet waste, 5 TPD of pyrolysis plant that converts multi-layer plastic (MLP)

into liquid fuel and a plastic recycling plant of 3 TPD to convert recyclable plastic into granules.

III. Rural Electrification

We aim to create renewable energy ecosystems in rural India to address the shortage of energy supply. The project provides decentralised, off-grid renewable energy systems through community-level installations in energy-dark villages in Uttarakhand and Madhya Pradesh. We extended the project to cover additional one village in Uttarakhand and 25 villages in Madhya Pradesh during 2018-19 by installing mini and micro solar grids during the year. With this, we reached out to 100 villages in total in the last couple of years in Andhra Pradesh, Madhya Pradesh and Uttarakhand.

In addition, we invested in 13 solar irrigation systems in Madhya Pradesh, with each solar-powered pump set covering 6-10 farmers. Furthermore, we also provided training to the local youth and carried out awareness programmes on the potential of renewable energy systems for meeting rural energy needs.

IV. Watershed Management

Our integrated watershed development project will help restore the ecological balance in the drought-prone district of Siddipet in Telangana. Our efforts are designed to recharge groundwater and make more water available for irrigation over a total area of more than 3300 hectares and plantation of approximately 4 lakh saplings. We are also working to support farmers in adopting sustainable farming practices to mitigate the impacts of climate change. The Capacity Building Phase covering an area of approximately 200 hectares was completed during

2017-18. Full Implementation Phase has started in 2018-19. Various interventions in over 500 Ha have been carried out by the end of January 2019.

V. Donations

- A. Support to flood-affected communities in Kerala: GCPL's donation enabled SEEDS to provide permanent housing to flood-affected communities.
- B. Green chemistry: With the funding from GCPL, the Institute of Chemical Technology (ICT), Mumbai, has proposed to set up a skill-development centre. The proposed centre has three objectives:
 - To develop training programmes for the characterisation of biologics and biopharmaceuticals
 - To establish a state-of-the-art centre for biophysical and biochemical analysis for skill development for training students and provide a resource to the Indian biotechnology industry
 - To develop back-to-school programmes for industrial participants to hone their skills
- C. Olympic gold quest: The project aims to support 49 senior Indian athletes aspiring to participate in Commonwealth, Asian and Olympic games by funding their training and sport equipment purchase as well as providing medical support.
- D. Donation to Udwada foundation to preserve cultural heritage: The project supports the extension of the Udwada resource centre to having audio-visual aid enabling a timely preservation and outreach of the cultural heritage.

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

VI. Composition of the CSR Committee

The composition of the CSR Committee during the year is as follows:

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

VII. Average net profit of the company in the last 3 fiscal years: ₹1,093.51 crore.

VIII. Prescribed CSR expenditure (2 per cent of the amount as in item V above): ₹21.87 crore.

Details of CSR expenditure for the fiscal year:

a) Total amount to be spent for the fiscal year	₹21.90 crore against the mandated amount of ₹21.87 crore. The
b) Amount unspent, if any	manner in which the amount is spent is detailed in Table 1, which is
c) Manner in which the amount spent during the fiscal year	attached.

Table 1-Details of CSR Expenditure for fiscal year 2018-19

Sr. No	CSR Project/Activity Identified	Sector in Which the Project is Covered	Amount Outlay (Budget) Project/Programme Wise	Amount Spent on the Project/Programmes		Cumulative Expenditure up to the Reporting Period	Amount Spent (Direct /Implementing Agency)
				Direct Expenditure on Projects or Programmes	Over-heads		
1	Project Salon-1—skill training for employability and entrepreneurship leading to women empowerment	Schedule VII (iii) Livelihood Enhancement Projects	8.23	8.10	0.14	8.24	Multiple Agencies: SAATH, SEWA, YUVA, Dhriti, tata strive, Aditya Birla skills Foundation, DDJF, Don Bosco Tech Society, Labournet, Pratham, Save the Children India and Youthnet
2	Project Life skills—career guidance for employability and work readiness	Schedule VII (iii) Livelihood Enhancement Projects	0.22	0.22	0.00	0.22	Quest
3	Rural Intensification—skill training for micro-entrepreneurship	Schedule VII (iii) Livelihood Enhancement Projects	0.74	0.74	0.00	0.74	CMI- Kolkata Labournet
4	Behaviour change communication on malaria and vector-borne diseases (EMBED)	Schedule VII (i) Promoting preventive healthcare	5.23	5.03	0.21	5.24	Family Health India Onion-Dev (campaign)
5	Community development projects	Schedule VII (ii) Promoting Education	0.19	0.18	0.01	0.19	Ethica Strategy India Private Limited for community needs assessment Direct implementation across all sites
6	Impact Assessment of Godrej Livelihood Development Programmes	Schedule VII (iii) Livelihood Enhancement Project	0.15	0.15	0.00	0.15	Collective Good Foundation SROI - Sustainable Square Foundation
7	Waste Management	Schedule VII (iv) Environment Sustainability	3.91	3.68	0.23	3.91	1) Green Roots Solutions 2) Dharthi Sustainables Pvt Ltd 3) Hasiru Dala Innovations Pvt Ltd
8	Rural Electrification	Schedule VII (iv) Environment Sustainability	0.18	0.17	0.01	0.18	Aga Khan Rural Support Programme
9	Watershed Management	Schedule VII (iv) Environment Sustainability	0.82	0.79	0.03	0.82	Peoples Action for Creative Education
10	Donation of Solar PV System	Schedule VII (iv) Environment Sustainability	0.16	0.16	0.00	0.16	Direct Implementation
11	Promotion of Sports	Schedule VII (vi) Promoting nationally recognised sports	0.26	0.25	0.01	0.26	Foundation for Promotion of Sports and Games
12	Green Chemistry	Schedule VII (ii) Promoting Education	0.90	0.90	0.00	0.90	Donation to ICT
13	Access to Education—child friendly schools and systems	Schedule VII (iii) Promoting Education	0.25	0.25	0.00	0.25	Donation to NCPA
14	Udwada	Promoting Culture and Education	0.25	0.25	0.00	0.25	Donation to Udwada

Sr. No	CSR Project/Activity Identified	Sector in Which the Project is Covered	Amount Outlay (Budget) Project/ Programme Wise	Amount Spent on the Project/Programmes		Cumulative Expenditure up to the Reporting Period	Amount Spent (Direct /Implementing Agency)
				Direct Expenditure on Projects or Programmes	Over-heads		
15	Donation to Hyderabad Eye care	Schedule VII (i) Promoting Preventive Healthcare	0.25	0.25	0.00	0.25	Donation to Make a Wish Foundation
16	Donation to MR Pai Foundation	Schedule VII (ii) Promoting Education	0.15	0.15	0.00	0.15	Donation to MR Pai Foundation
	Total		21.88	21.26	0.64	21.90	

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

Nadir Godrej
Chairman of the CSR Committee

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

ANNEXURE 'F'

AS PER THE DISCLOSURE REQUIREMENT SPECIFIED UNDER 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 at April 1, 2018	2,24,011
	Number of fresh options granted during the year	98,343
9	Number of options lapsed till September 14, 2018 (Record date for bonus issue)	3,823
	Number of options vested during the year	1,14,546
	Number of options exercised during the year	1,14,546
	Number of shares arising as a result of exercise of options	1,14,546
	Money realised by exercise of options	₹1,14,546
10	Number of options outstanding as on record date	2,03,985
11	Number of options outstanding after adjustment for 1:2 bonus issue	3,06,034
12	Number of options lapsed after bonus issue and till March 31, 2019	11,019
18	Number of options outstanding at the end of the year	2,95,015
19	Number of options exercisable at the end of the year	2,95,015
20	Method used to account for the options	The company has calculated the employee compensation cost using the fair value of stock options, in accordance with IND AS.
21	Weighted-average exercise prices and weighted-average fair values of options (shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock)	Exercise price ₹1.00 per share Fair value ₹ 655.93 (Post bonus issue)
22	Employee-wise details of options granted to	
	i) Senior managerial personnel	As per Note 1 below
	ii) Any other employee who receives a grant in any one year of option amounting to 5 per cent or more of 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 1 per cent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	Nil
23	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 'EPS'	₹17.17 per share (standalone) ₹22.90 per share (consolidated)
24	A 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 Black-Scholes Options pricing formula and the significant assumptions made in this regard are as follows:
	i) Risk-free interest rate	7.51 per cent
	ii) Expected life	2.00
	iii) Expected volatility	28.29
	iv) Expected dividends	1.05 per cent
	v) The price of the underlying share in market at the time of option grant*	1,139.45

*Price is before issue of bonus shares

Note 1: Employee-wise details of options granted to senior managerial personnel and details of options granted more than 5 per cent in 1 year.

Name and Designation of Senior Managerial Personnel to Whom Stock Options Have Been Granted	Granted in Fiscal Year 2016-17 and Outstanding as at March 31, 2019	Granted in Fiscal Year 2017-18 and Outstanding as at March 31, 2019	Granted in Fiscal Year 2018-19 and Outstanding as at March 31, 2019	Total Outstanding Options as at March 31, 2019
Vivek Gambhir, Managing Director and CEO	13,494*	24,081*	32,910*	70,485
V Srinivasan, Chief Financial Officer and Company Secretary	2,364	4,065	5,265	11,694
Akhil Chandra, Business Head—ASEAN	0	5,352	6,583	11,935
Naveen Gupta, Cluster Head—Africa	3,372*	5,352	6,583	15,307
Sunil Kataria, Business Head—India	3,372*	6,423*	9,006*	18,801
Omar Momin, Business Head Darling and M&A	3,372*	6,423*	7,899*	17,694
Rakesh Sinha, Head—Supply Chain, Manufacturing and IT	2,157	4,281	5,740	12,178
Rahul Gama, Head—Human Resources	1,689	3,210	4,425	9,324
Sunder Mahadevan, Head—R&D	1,689	3,210	4,345	9,244
Darshan Gandhi, Head—Design	810	1,284	3,950	6,044

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

The above disclosures can also be accessed in the Company website, viz. <http://godrejcp.com/annual-reports.aspx>

ANNEXURE 'G'

Form No. MR-3

**FOR THE FISCAL YEAR ENDED
MARCH 31, 2019**

[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, 2019, 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 the Company for the financial year ended on March 31, 2019, 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, 2009;
 - (d) The Securities and Exchange Board of India (Share based Employee Benefit) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (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;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

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 and 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 aforementioned 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 7 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 unanimously in the meetings of the Board.

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

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

- i. Approved grant of corporate guarantee for refinance of existing loans to the extent of USD 165 Mio or equivalent thereof in any currency.
- ii. Approved issue of corporate guarantees for securing the banking facilities availed for interest rate swap, by Godrej Consumer Products Holding (Mauritius) Ltd from DBS Bank Ltd., Singapore upto USD 1.2 Mio or equivalent thereof in any currency.
- iii. Issued shares on exercise of options under the Employee Stock Grant Scheme.

iv. Approved grant of corporate guarantee for borrowing by wholly owned subsidiaries upto a limit of USD 65 million.

v. Increased its authorised share capital from ₹ 70,00,00,000/- (Rupees Seventy Crore only) to ₹ 1,04,00,00,000/- (Rupees One Hundred Four and Crore only) and made consequential amendment to Memorandum of Association of the company.

vi. Issued 340,722,032 equity shares as bonus shares in the ratio of 1 (one) share of ₹1/- each (Rupee One each) fully paid for every 2 (two) existing equity shares of ₹ 1/- each (Rupee One each) held.

vii. Approved extension of date of conversion of compulsorily convertible debentures of Bhabani Blunt Hairdressing Pvt Ltd by a period of 5 years.

viii. Approved offer of shares for buyback of Bhabani Blunt Hairdressing Pvt Ltd which resulted in reduction of shareholding of the company in Bhabani Blunt Hairdressing Pvt Ltd by 2%.

ix. Made investment in wholly owned subsidiary.

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

Bhavana Shewakramani
Partner
FCS - 8636, COP - 9577

Place: Thane
Date: May 3, 2019

ANNEXURE TO THE SECRETARIAL AUDIT REPORT

The Members
Godrej Consumer Products Limited

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

1. Maintenance of statutory and other records is 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. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. 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.
6. 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.

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

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

Bhavana Shewakramani
Partner
FCS - 8636, COP - 9577

Place: Thane
Date: May 3, 2019

ANNEXURE 'H'

Practising Company Secretary's
Certificate on Corporate Governance

To the members of
Godrej Consumer Products Limited

We have examined the compliance of conditions of corporate governance by Godrej Consumer Products Limited ('the Company') to the year ended on March 31, 2019, 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's 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 the above-mentioned Listing Regulations as applicable during the year ended March 31, 2019.

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 and Co.,
Company Secretaries,
Unique Code - P2003MH000900

Bhavana Shewakramani
Partner
FCS - 8636, COP - 9577

Place: Thane
Date: May 3, 2019

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

The Company is a part of the 122-year-old Godrej Group, which has established a reputation for honesty, integrity, and sound governance. The Company's philosophy on corporate governance envisages attainment of the highest levels of transparency, accountability, and equity in all facets of its operations and interactions with its stakeholders, including shareholders, employees, lenders, and the government. The Company is committed to achieve and maintain the highest standards of corporate governance. The Company believes that all its actions must serve the underlying goal of enhancing the overall stakeholder value over a sustained period of time.

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

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

The CGR2+ rating is on a rating scale of CGR1 to CGR6, where CGR1

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

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

1. Board of Directors

GCPL's corporate governance practices are shaped by its Board of Directors. The Board is committed to protecting the long-term interests of all our stakeholders, and considering this, it provides objective and prudent guidance to the management. The information related to the procedures, composition, committees, and several other factors of the Board is provided below.

A. Board Procedures

GCPL currently has a 15-member Board, with 8 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 fulfill conditions specified in listing regulations and are independent of management. GCPL's Board

has a lead Independent Director, in line with the accepted best practices, to strengthen the focus and quality of discussion at the Board level.

The Board meets at least once in a quarter to review the Company's quarterly performance and financial results. Board meetings are governed with a structured agenda. The Board periodically reviews compliance reports with respect to laws and regulations applicable to the Company. Before the commencement of the Audit Committee meeting, the members of the Audit Committee-which entirely consists of Independent Directors-have a discussion with Statutory Auditors, in the absence of the management team and Whole-time Directors. For all major items, comprehensive background information is provided to the Board members to enable them to take an informed decision. Once a year, the Board members participate in a strategy meeting, in which they also interact with the management team of the Company. The Independent Directors also have a meeting among themselves, after which they provide their insights to the entire Board and the management team.

During the year, the Company has conducted the familiarisation program for all the Directors including Independent Directors to enable them to discharge their duties. The core modules covered during FY 2018-19 were review of Annual Operating Plan (AOP),

impact of key amendments to the SEBI Listing Regulations on the Company, comprehensive presentation on Home Insecticide Business, business presentation and financial updates. All the programs were conducted by the members of company management. The details of the same are available on the website of the company which can be accessed through the following link¹

B. Matrix on skill sets required to be possessed by Board of Directors

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

- **Strategy & Business** - Is or has been the Chief Executive Officer, Chief Operating Officer or held any other leadership position in an organization 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 organization operates in. Has an understanding of the 'big picture' in the given industry and recognizes the development of industry segments, trends, emerging issues and opportunities.
- **Market Expertise** – Has expertise with respect to the geography the organization operates in. Understands the macro-economic environment, the nuances of the business, consumers and trade in the geography, and has the knowledge of the regulations & legislations of the market/(s) the business operates in.
- **Technology Perspective** – Has expertise with respect to business specific technologies such as in the field of R&D, Manufacturing etc. Has experience and adds perspective on the future ready skills required by the organization such as E-Commerce, Digital, and Sustainability etc.
- **People & Talent Understanding** - Has experience in human resource management such that they bring in a considered approach to the effective management of people in an organization.
- **Governance, Finance & Risk** – Has an understanding of the law and application of corporate governance principles in a commercial enterprise of 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 a diversity of views to the board that is valuable to manage our customer, consumer, employee, key stakeholder or shareholders.

C. Process and criteria used for appointing new directors

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

^[1] http://www.godrejcp.com/Resources/uploads/compliance_other_updates/FamiliarisationProgrammeIndependentDirectors_11042019.pdf

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

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

(i) Composition of the Board

The Board composition is as follows:

Category	No. of Directors as on March 31, 2019	No. of Directors as on the date of this report
i) Non-Independent Directors		
Executive Chairperson	1	1
Managing Director	1	1
Executive Director	1	1
Non-Executive Promoter Directors	4	4
Sub Total	7	7
ii) Independent Directors	7	8
Total Strength (i + ii)	14	15

(ii) Other relevant details of the Directors as on March 31, 2019

Name of Directors	Date of Original Appointment	Relationship With other Directors	Category	Number of Directorships Held in Indian Public Limited Companies (including GCPL)*	Committee Positions including GCPL		Shares Held
					Committee Member (Excluding Committee Chairperson)**	Committee Chairperson**	
Adi Godrej	November 29, 2000	Brother of Nadir Godrej and Father of Tanya Dubash, Nisaba Godrej, and Pirojsha Godrej	Promoter/ Executive	3 (2)	1	1	1512#
Jamshyd Godrej	March 1, 2001	None	Promoter/ Non-Executive	5 (4)	1	0	0#
Nadir Godrej	November 29, 2000	Brother of Adi Godrej	Promoter/ Non-Executive	10 (7)	3	3	63#
Tanya Dubash	May 2, 2011	Daughter of Adi Godrej and Sister of Nisaba Godrej and Pirojsha Godrej	Promoter/ Non-Executive	7 (4)	1	1	62#
Nisaba Godrej	May 2, 2011	Daughter of Adi Godrej and Sister of Tanya Dubash and Pirojsha Godrej	Promoter/ Executive Chairperson	4 (2)	0	0	3,70,083#
Pirojsha Godrej	Apr 01, 2017	Son of Adi Godrej and Brother of Tanya Dubash and Nisaba Godrej	Promoter/ Non-Executive	4 (3)	1	0	3,70,125#
Vivek Gambhir	April 30, 2013	None	Managing Director & CEO	3 (1)	2	1	2,15,115***
Narendra Ambwani	May 2, 2011	None	Non-Executive/ Independent	5 (4)	7	0	3,000
Pippa Armerding	January 30, 2018	None	Non-Executive/ Independent	1 (1)	1	0	Nil
Bharat Doshi	April 01, 2001	None	Non-Executive/ Independent	4 (2)	2	1	41,142
Omkar Goswami	June 18, 2008	None	Non-Executive/ Independent	8 (7)	7	0	Nil
Aman Mehta	April 26, 2006	None	Non-Executive/ Independent	6 (6)	6	1	Nil

Name of Directors	Date of Original Appointment	Relationship With other Directors	Category	Number of Directorships Held in Indian Public Limited Companies (including GCPL)*	Committee Positions including GCPL		Shares Held
					Committee Member (Excluding Committee Chairperson)**	Committee Chairperson**	
Ndidi Nwuneli	April 01, 2017	None	Non-Executive/Independent	1 (1)	1	0	Nil
Ireena Vittal	April 30, 2013	None	Non-Executive/Independent	5 (5)	6	0	Nil

#the shareholding reflects holding in their own name and doesn't include shares held through trusts.

*Does not include Directorships in Private Companies, Section 8 Companies, and Foreign Companies.

**Does not include Chairmanship/Membership in Board Committees other than the Audit Committee, the Shareholders' Grievance Committee and Chairmanship/Membership in Board Committees in companies other than public limited companies registered in India.

***Under the Employee Stock Grant Scheme of the Company, Mr. Vivek Gambhir additionally holds 70,485 options that are convertible into equivalent equity shares on their vesting and exercise. The options will vest in tranches, and the same has to be exercised within 1 month of the respective vesting dates.

Notes:

- Figures in brackets denote Directorships in listed companies
- Mr. Bharat Doshi has stepped down as the Chairman of the Audit Committee w.e.f. April 1, 2019 and from the same date, Mr. Aman Mehta is appointed as Chairman of the Audit Committee.

(iii) Details of directorship in other listed companies including category of their directorship as on 31.03.2019:

Names of Directors	Directorship in other listed companies	Category of directorship
Adi Godrej	Godrej Industries Limited	Chairman
Jamshyd Godrej	1. Godrej Industries Limited	Director
	2. Godrej Agrovet Limited	Director
	3. Godrej Properties Limited	Director
Nadir Godrej	1. Godrej Industries Limited	Managing Director
	2. Astec Lifesciences Limited	Chairman
	3. Godrej Agrovet Limited	Chairman
	4. Godrej Properties Limited	Director
	5. Mahindra And Mahindra Limited	Independent Director
	6. The Indian Hotels Company Limited	Independent Director
Tanya Dubash	1. Godrej Industries Limited	Director
	2. Godrej Agrovet Limited	Director
	3. Britannia Industries Ltd	Independent Director
Nisaba Godrej	Godrej Agrovet Limited	Director
Pirojsha Godrej	1. Godrej Agrovet Limited	Director
	2. Godrej Properties Limited	Chairman
Vivek Gambhir	NIL	-
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	-
Bharat Doshi	Dr. Reddy's Laboratories Ltd	Independent Director
Omkar Goswami	1. Bajaj Finance Limited	Independent Director
	2. Hindustan Construction Company Limited	Independent Director
	3. CG Power And Industrial Solutions Limited	Non-Executive Director
	4. Ambuja Cements Limited	Independent Director
	5. Dr. Reddy's Laboratories Ltd	Independent Director

Names of Directors	Directorship in other listed companies	Category of directorship
	6. Bajaj Auto Limited.	Independent Director
Aman Mehta	1. Tata Consultancy Services Limited	Independent Director
	2. Wockhardt Limited	Independent Director
	3. Max Financial Services Limited	Independent Director
	4. Vedanta Limited	Independent Director
	5. Tata Steel Limited	Independent Director
Ndidi Nwuneli	NIL	-
Ireena Vittal	1. Housing Development Finance Corporation Limited	Independent Director
	2. The Indian Hotels Company Limited	Independent Director
	3. Titan Company Limited	Independent Director
	4. Wipro Limited	Independent Director

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

Name of Meeting	Board	Audit Committee	Nomination & Remuneration Committee	Corporate Social Responsibility	Stakeholders' Relationship Committee	Risk Management Committee	AGM July 30, 2018
No. of Meetings held	4	4	3	2	13	1	1
Attendance of the Director							
Adi Godrej	4	NA	NA	NA	13	NA	Yes
Jamshyd Godrej	3	NA	NA	NA	3	NA	Yes
Nadir Godrej	4	NA	NA	2	10	NA	Yes
Tanya Dubash	4	NA	NA	1	NA	NA	Yes
Nisaba Godrej	4	NA	NA	2	NA	1	Yes
Pirojsha Godrej	4	NA	NA	NA	NA	NA	Yes
Vivek Gambhir	4	NA	NA	2	4	1	Yes
Narendra Ambwani	4	4	3	2	NA	NA	Yes
Pippa Armerding	4	4	3	NA	NA	NA	Yes
Bharat Doshi	4	4	3	NA	NA	NA	Yes
Omkar Goswami	3	3	1	NA	NA	1	Yes
Aman Mehta	4	4	3	NA	NA	NA	Yes
Ndidi Nwuneli	4	4	3	NA	NA	NA	Yes
Ireena Vittal	4	4	3	NA	NA	NA	Yes

Notes:

- Board & Audit Committee meetings were held on May 8, 2018; July 30, 2018; November 02, 2018, and January 29, 2019.
 - Nomination and Remuneration Committee meetings were held on May 08, 2018, July 30, 2018 and January 29, 2019.
 - Stakeholders' Relationship Committee meetings were held on April 10, 2018, May 15, 2018, June 22, 2018, July 16, 2018, August 21, 2018, Sept 28, 2018, Nov 2, 2018, Dec 17, 2018, Jan 3, 2019, Jan 28, 2019, Feb 20, 2019, March 4, 2019 and March 18, 2019.
 - Risk Management Committee meeting was held on November 1, 2018.
 - Corporate Social Responsibility meeting was held on May 7, 2018 and November 2, 2018.
 - The maximum gap between any two Board meetings did not exceed 120 days during the year.
 - Leave of absence was granted to the Directors whenever they could not be physically present for the Board/Committee meeting.
 - 'NA' indicates not a member of the Committee
- (i) Re-appointment 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. Nadir Godrej and Mr. Jamshyd Godrej will retire at the ensuing Annual General Meeting of the Company and, being eligible, will be considered for re-appointment. Their brief resume is annexed to the notice of the Annual General Meeting.

(ii) Appointment of new Independent Director on the Board

The Board, at its meeting held on January 29, 2019 has approved the appointment of Mr. Sumeet Narang as Independent Director on the Board of the Company with effect from April 1, 2019 subject to shareholders approval. Mr. Sumeet Narang meets the criteria for Independent Director as per the provisions of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (Listing Regulations). Mr. Sumeet Narang is appointed as a member of Audit Committee and

Nomination & Remuneration Committee consequent to his appointment on the Board. His appointment was approved by shareholders through postal ballot on March 20, 2019.

F. Committees of the Board

The Company has constituted an Audit Committee in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations & 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 & Remuneration Committee in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations, which look after the appointment, remuneration, and performance evaluation of Directors. The criteria for performance evaluation of Independent Directors includes skills, experience, level of preparedness, attendance, extent of contribution to Board debates and discussion, and how each Director leverages his/her expertise and networks to meaningfully contribute to the Company. The Company also has a Risk Management Committee in accordance with Regulation 21 of the Listing Regulations.

The composition of the Committees as on March 31, 2019

Name of the Directors	Category of the Directors	Position in the Committee					Corporate Social Responsibility Committee
		Audit Committee	Nomination & Remuneration Committee	Stakeholders' Relationship Committee	Risk Management Committee		
Adi Godrej	Promoter and Executive	None	None	Member	None	None	
Jamshyd Godrej	Promoter and Non-Executive	None	None	Member	None	None	
Nadir Godrej	Promoter and Non-Executive	None	None	Chairman	None	Chairman	
Nisaba Godrej	Promoter and Executive Chairperson	None	None	None	Member	Member	
Tanya Dubash	Promoter and Non-Executive	None	None	None	None	Member	
Pirojsha Godrej	Promoter and Non-Executive	None	None	None	None	None	
Vivek Gambhir	Executive	None	None	Member	Member	Member	
Narendra Ambwani	Independent	Member	Chairman	None	None	Member	
Pippa Armerding	Independent	Member	Member	None	None	None	
Bharat Doshi	Independent	Chairman	Member	None	None	None	
Omkar Goswami	Independent	Member	Member	None	Chairman	None	
Aman Mehta	Independent	Member	Member	None	None	None	
Ndidi Nwuneli	Independent	Member	Member	None	None	None	
Ireena Vittal	Independent	Member	Member	None	None	None	
Total Strength of the Committee		7	7	4	5	5	
No. of Independent Directors in the Committee		7	7	-	1	1	
No. of Non-Independent Directors in the Committee		-	-	4	2	4	
Members of Senior Management in the Committee		-	-	-	2	-	

Note : Mr. Bharat Doshi has stepped down as the Chairman of the Audit Committee w.e.f. April 1, 2019 and from the same date, Mr. Aman Mehta is appointed as Chairman of the Audit Committee.

The composition of the Committees is as below:
Mr. V. Srinivasan, Chief Financial Officer & Company Secretary, is the Secretary of all the Board Committees. He is also the Compliance Officer of the Company and responsible for redressing investor grievances.

G. Terms of reference of Board Committees

(i) Audit Committee:

The terms of reference for the Audit Committee includes the matters specified in Section 177 of the Companies Act, 2013 as well as Part C of Schedule II of Listing Regulations such as:

Financial Statements

- Oversight of 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 sub-section (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 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 monitoring 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 report of monitoring agency, if applicable, submitted to stock

exchange(s) in terms of Regulation 32(1) of the Listing Regulations.

- annual statement of funds utilized 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, 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 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 audit process;
- Periodical discussions with the auditors about internal control systems, the scope of audit including the observations of the auditors and review the quarterly, half yearly and annual financial statements before submission to the Board and also oversee 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 Policy for determining material subsidiaries to align it with the extant applicable provisions;

- Reviewing the utilization 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 transaction and 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 quarterly basis, the statement of such significant related party transaction 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;
- Recommend the revision in Policy on material related party transactions and also 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 verify 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 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 Sec. 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 & Remuneration Committee:

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

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to the remuneration of the Directors, key managerial personnel, and other employees;
- 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 recommend 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 this terms of reference as requested by the Board of Directors.
- Performing any other functions as required to be done by the Nomination & 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, general meetings etc.
- 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 & 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 this terms of reference as requested by the Board of Directors.
- Performing any other functions as required to be done by the Stakeholders Relationship Committee as per the provisions of the Companies Act, 2013, the Listing Regulations and any other laws or regulations from time to time.

(iv) Risk Management Committee

The terms of reference of the Committee are as follows:

- a) Spearhead risk management initiative within the Company;
- b) Review status of actions planned;
- c) Review progress and status of mitigation for the 'Risks That Matter';
- d) Set standards for risk documentation and monitoring;
- e) Improve risk management techniques and enhance awareness.
- f) Review and manage the risks relating to Cyber Security.
- g) Performing any other functions and activities

related to the terms of reference as requested by the Board of Directors.

- h) Performing any other functions required to be done by the Risk Management Committee as per the provisions of the Companies Act, 2013, the Listing Regulations and any other laws or regulations from time to time.

(v) Corporate Social Responsibility Committee

- Formulate and recommend to the Board, a Corporate

Social Responsibility Policy which 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

this terms of reference as requested by the Board of Directors;

- Perform any other functions as required to be done by the CSR Committee as per the provisions of the Companies Act, 2013, the Listing Regulations and any other laws or regulations from time to time.

2. Remuneration Policy

The Remuneration Policy of the Company has been provided in the Board's Report section of the Annual Report as **Annexure 'B'**.

Remuneration to Directors:

The details of the remuneration to Directors are as follows:

in ₹ crore

Name of Director	Sitting Fees	Commission on Profits	Salary, Allowances and Other Benefits	PLVR	Company's Contribution to PF	Monetary Value of Perquisites	Total
Whole-Time Directors							
Adi Godrej	-	-	4.73	0.00	0.21	1.13	6.07
Nisaba Godrej	-	-	3.81	0.62	0.17	0.60	5.20
Vivek Gambhir	-	-	7.62	1.85	0.33	3.30	13.10
Sub-Total	-	-	16.16	2.47	0.71	5.03	24.37
Non-Executive Directors							
Jamshyd Godrej	0.03	0.20	-	-	-	-	0.23
Nadir Godrej	0.04	0.20	-	-	-	-	0.24
Tanya Dubash	0.04	0.20	-	-	-	-	0.24
Pirojsha Godrej	0.04	0.20	-	-	-	-	0.24
Narendra Ambwani	0.06	0.35	-	-	-	-	0.41
Pippa Armerding	0.05	0.35	-	-	-	-	0.40
Bharat Doshi	0.05	0.35	-	-	-	-	0.40
Omkar Goswami	0.04	0.29	-	-	-	-	0.33
Ndidi Nwuneli	0.05	0.35	-	-	-	-	0.40
Aman Mehta	0.05	0.35	-	-	-	-	0.40
Ireena Vittal	0.05	0.33	-	-	-	-	0.38
Sub-Total	0.50	3.17	0.00	0.00	0.00	0.00	3.67
Total	0.50	3.17	16.16	2.47	0.71	5.03	28.04

Notes:

- In the case of Mr. Adi Godrej, salary includes basic salary and various elements of flexible compensation. The monetary value of perquisites includes maintenance of accommodation, car, electricity expenses, reimbursement of medical/hospitalisation expenses incurred for self and family and medical insurance premium paid by the Company.
- In the case of Ms. Nisaba Godrej and Mr. Vivek Gambhir, salary includes basic salary and various elements of flexible compensation. Additionally, the perquisites received by Mr. Vivek Gambhir include perquisite value of stock grants exercised during the financial year.
- The Performance Linked Variable Remuneration (PLVR) of Ms. Nisaba Godrej, and Mr. Vivek Gambhir is the amount payable for FY 2018-19, as per the scheme of the Company. The same is based on the Economic Value Added that reflects profitability and optimum utilisation of capital employed and revenue growth.

- The service contract of Mr. Adi Godrej was for a period of 3 years beginning from April 1, 2016 to March 31, 2019. The Board of Directors have reappointed Mr. Adi Godrej for further period of 5 years beginning from April 1, 2019 to March 31, 2024. The same was approved by shareholders by postal ballot on March 20, 2019. The office of Mr. Adi Godrej is terminable with a notice period of 3 months by either side.
- The service contracts of Ms. Nisaba Godrej, Executive Chairperson and Mr. Vivek Gambhir, Managing Director & CEO are for a period of 3 years beginning from July 1, 2016 to June 30, 2019. The Board of Directors have reappointed Ms. Nisaba Godrej as Whole time Director and Mr. Vivek Gambhir as Managing Director & CEO for a further period from July 1, 2019 to September 30, 2022. The reappointments are subject to the approval of shareholders and accordingly separate resolutions are included in the Notice of Annual General Meeting for their re-appointment. Their office in the new term is terminable with a notice period of 3 months by either side.
- The shareholders have authorized payment of commissions on profits to Non-Executive Directors at a 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 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 & 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.
- All the Independent Directors except Ms. Ndidi Nwuneli, Ms. Pippa Armerding and Mr. Sumeet Narang were originally appointed in terms of the erstwhile Listing Agreement (refer 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 period of five years.
- Mr. Bharat Doshi's tenure of five years is ending on September 25, 2019 and he has expressed his desire to not offer himself for re-appointment for another term.
- The first term of five years of Mr. Narendra Ambwani is ending on July 27, 2019. The first term of five years of Mr. Aman Mehta, Dr. Omkar Goswami and Ms. Ireena Vittal is ending on September 25, 2019. Based on successful performance evaluation, Nomination & Remuneration Committee has recommended their re-appointment for a second term as follows:
Mr. Narendra Ambwani - Term from July 28, 2019 to November 14, 2023
Mr. Aman Mehta - Term from September 26, 2019 to August 31, 2021
Ms. Ireena Vittal and Dr. Omkar Goswami - Term of five years from September 26, 2019 to September 25, 2024
- Mr. Vivek Gambhir has been granted stock options, the details of which are as follows:

Grant year	No. of options*	Options exercised	Options outstanding	Vesting dates of outstanding options
2016-17	31,490	17,996	13,494	31.05.2019
2017-18	32,107	8026	12,039	31.05.2019
			12,042	31.05.2020
2018-19	32,910	Nil	10,970	12.06.2019
			10,970	31.05.2020
			10,970	31.05.2021

*The number of options is after restatement on account of bonus issue made in 2017-18 & 2018-19.

3. Details of stakeholder complaints and stakeholders grievance committee

Sr. No.	Nature of Complaint/Query	Total Complaints Pending at the Beginning of the Year	Total Complaints Received During the Year	Total Complaints Replied During the Year	Total Complaints Pending at the End of the Year	Complaints Not Resolved to the Satisfaction of Shareholders
1.	Non-receipt of Dividend	Nil	71	71	0	0
2.	Non-receipt of shares lodged for transfer/exchange	NIL	190	190	0	0
3.	Non-receipt of the Annual Report	Nil	3	3	0	0
4.	Others	Nil	7	7	0	0
	Total	Nil	271	271	0	0

4. GENERAL BODY MEETINGS

A. Annual General Meeting

Details of the last three Annual General Meetings of GCPL are as follows:

Date	Time	Venue	Details of special resolutions passed
July 29, 2016	4.00 p.m.	Godrej One, 1 st Floor Auditorium, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai-400079	• Re-appointment of Mr. Adi Godrej as Whole-time Director, designated as Chairman
July 31, 2017	3.00 p.m.	Godrej One, 1 st Floor Auditorium, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai-400079	None
July 30, 2018	3:00 p.m.	Godrej One, 1 st Floor Auditorium, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai-400079	None

B. Postal Ballot

(i) Pursuant to the provisions of Companies Act 2013, during FY 2018-2019, one special resolution was passed by the members through postal ballot for re-appointment of Mr. Adi Godrej as a Whole time Director, designated as Chairman Emeritus (DIN: 00065964) for a period of

5 years effective from April 1, 2019,

The notice of the postal ballot dated February 8, 2019 was sent to all shareholders of the Company along with postage prepaid envelopes. Mr. Kalidas Vanjpe, Practicing Company Secretary who was appointed as the Scrutiniser

for the Postal Ballot and E voting facility submitted his report to Ms. Nisaba Godrej, Chairperson.

The results of the Postal Ballot were announced on March 20, 2019, and the details are as follows:

Category	Mode of voting	No. of shares held	No. of votes polled	% of Votes polled on outstanding shares	No. of votes – in favour	No. of votes – against	% of votes in favour on votes polled	% of Votes against on votes polled
		(1)	(2)	(3)=[(2)/(1)]*100	(4)	(5)	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100
Promoter and Promoter Group	E-Voting	64,64,88,246	64,64,88,246	100.0000	64,64,88,246	0	100.0000	0.0000
	Poll		0	0.0000	0	0	0	0
	Postal Ballot (if applicable)		0	0.0000	0	0	0	0
	Total	64,64,88,246	64,64,88,246	100.0000	64,64,88,246	0	100.0000	0.0000
Public - Institutions	E-Voting	30,60,24,402	24,54,14,977	80.1946	24,43,80,607	10,34,370	99.5785	0.4215
	Poll		0	0.0000	0	0	0	0
	Postal Ballot (if applicable)		0	0.0000	0	0	0	0
	Total	30,60,24,402	24,54,14,977	80.1946	24,43,80,607	10,34,370	99.5785	0.4215
Public-Non Institutions	E-Voting	6,96,53,448	57,40,540	8.2416	57,10,786	29,754	99.4817	0.5183
	Poll		0	0.0000	0	0	0	0
	Postal Ballot (if applicable)		17,448	0.0250	17,448	0	100.0000	0.0000
	Total	6,96,53,448	57,57,988	8.2666	57,28,234	29,754	99.4833	0.5167
Total		1,02,21,66,096	89,76,61,211	87.8195	89,65,97,087	10,64,124	99.8815	0.1185

5. MEANS OF COMMUNICATION

GCPL has sent a quarterly newsletter on registered email addresses of the investors. Moreover, all vital information related to the Company and its performance, including quarterly results, press releases, and performance updates/corporate presentations, and the information required by the Listing Regulations are posted on the Company's website - www.godrejcp.com. The quarterly, half-yearly, and annual results of the Company's performance are

generally published in leading English dailies, such as The Economic Times, Business Line, and Mint, as well as in the Marathi newspaper Maharashtra Times. The Chairperson holds conference calls/meetings with financial analysts once in a quarter, and their transcripts are posted on the website. The presentations made to financial analysts and institutional investors are shared with the Stock Exchanges and also uploaded on the Company's website. The same may be accessed through the link

given below² The Company files its quarterly results on the Electronic filing system of the BSE and NSE. The same are also available on the websites of the BSE Limited and National Stock Exchange of India Limited (NSE), viz. www.bseindia.com and www.nseindia.com, respectively.

Reminders to Investors

Shareholders who have not registered their email IDs are requested to do so for receiving communications from the Company.

^[2] <http://godrejcp.com/stock-exchange-fillings.aspx>

Shareholders who are holding shares in physical form can update their email ID by writing a letter to the Company under the signature of first named shareholder. Shareholders who are holding shares in demat form can do so by contacting their Depository Participant.

6. GENERAL SHAREHOLDER INFORMATION

A. Annual General Meeting

Date and Time: Thursday, August 1, 2019, at 1.30 p.m.

Venue : Godrej One, 1st Floor Auditorium, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai - 400 079

B. Financial Calendar

Financial year: April 1, 2018 to March 31, 2019

C. Interim Dividends during FY 2018-19

Declared at Board Meeting dated	Dividend rate per share on shares of face value ₹ 1 each	Record date
May 8, 2018	₹7.00*	May 16, 2018
July 30, 2018	₹2.00*	August 7, 2018
November 2, 2018	₹4.00	November 14, 2018
January 30, 2019	₹2.00	February 6, 2019

***Note:** The dividend declared on May 8, 2018 and July 30, 2018 are on the pre-bonus paid up capital and all the subsequent dividends are on the post-bonus paid up capital. Subsequent to the close of FY 2018-19, the Board has declared an Interim Dividend of ₹ 2 per equity share. The Record date for the same is May 13, 2019. This dividend will be accounted in FY 2019-20.

D. Listing

The Company's shares are listed and traded on the following Stock Exchanges:

Name & Address of the Stock Exchange	Segment	Stock/Scrp Code	ISIN number for NSDL/CDSL
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001	Equity	532424	INE102D01028
The National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400051	Equity; Futures & Options (F&O)	GODREJCP	

The applicable listing fees has been paid to the Stock Exchanges before the due date.

E. Market Price Data

The monthly high and low prices of GCPL at the BSE Limited and the National Stock Exchange of India Limited in Equity series for the year ended March 31, 2019, are as follows:

Month	BSE		NSE	
	High Price	Low Price	High Price	Low Price
Apr-18	1,157.60	1,065.25	1,156.00	1,063.00
May-18	1,166.95	1,032.15	1,168.50	1,064.75
Jun-18	1,235.95	1,125.65	1,236.85	1,123.15
Jul-18	1,380.10	1,226.05	1,379.00	1,225.70
Aug-18	1,465.00	1,278.35	1,468.00	1,278.20
Sep-18*	1,469.00	707.00	1,465.00	738.75
Oct-18	804.00	628.15	803.20	643.75
Nov-18	763.00	670.60	764.00	670.20
Dec-18	848.30	730.00	849.90	728.25
Jan-19	823.95	682.90	824.40	683.30
Feb-19	718.00	634.50	719.25	634.00
Mar-19	740.60	674.30	741.90	673.30

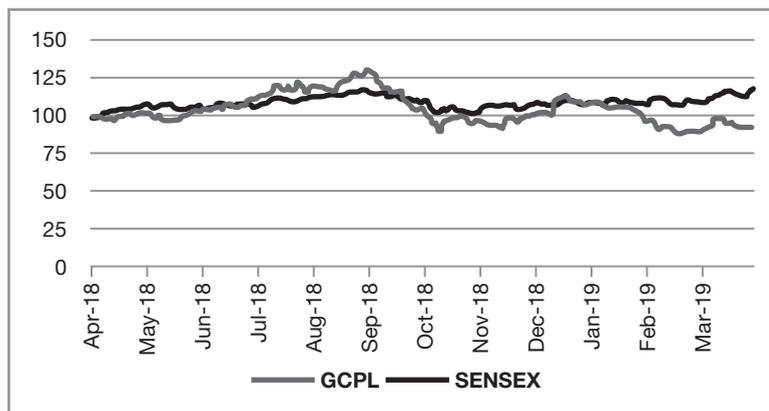
*The data with effect from September 2018 reflects the position post listing of Bonus Equity Shares by the Company in a ratio of 1:2. The High and Low in prices post September 2018 are not comparable with pre-September data due to bonus issue.

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 FY 2018 -19 is as follows:



Note:

- Both the BSE SENSEX and GCPL share price are indexed to 100 at the beginning of the financial year

G. Registrar and Transfer Agents

Computech Sharecap Limited, 147, M.G. Road, Opp. Jehangir Art Gallery, Mumbai - 400001
 Tel. No.: 022 22635000/01 Fax: 022 22635005
 Email ID: gcpl@computechsharecap.in
 Website: www.computechsharecap.com

H. Share Transfer

GCPL's share transfers and other related operations are performed by Computech Sharecap Limited, registered with SEBI. Share transfer is normally effected within a maximum of 15 days from the date of receipt, if all the required documentation is submitted.

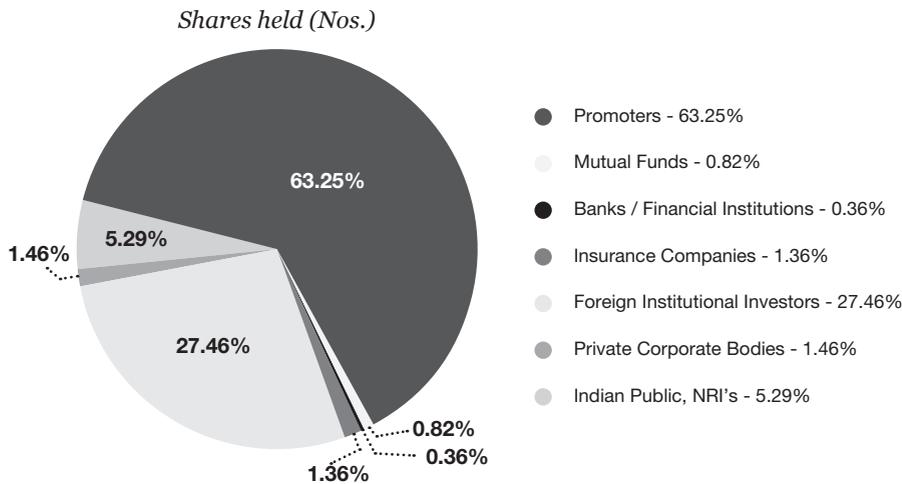
I. Distribution of Shareholding

Distribution of shareholding by size class as on March 31, 2019

Number of shares	Number of shareholders	Shareholders %	Number of shares held	Shareholding %
1-500	1,02,939	81.48%	1,20,06,519	1.17%
501-1,000	11,884	9.41%	82,06,428	0.80%
1,001-2,000	6,840	5.41%	98,82,922	0.97%
2,001-3,000	1,720	1.36%	41,98,524	0.41%
3,001-4,000	787	0.62%	27,60,361	0.27%
4,001-5,000	397	0.31%	17,68,642	0.17%
5,001-10,000	722	0.57%	49,33,231	0.48%
10,001 & above	1,049	0.83%	97,84,09,469	95.72%
Total	1,26,338	100.00%	1,02,21,66,096	100.00%

Distribution of shareholding by ownership as on March 31, 2019:

Category	Shares held (No.)	% of holding
Promoter's Holding		
Promoters	64,64,88,267	63.25%
Institutional Investors		
Mutual Funds	83,96,684	0.82%
Banks/Financial Institutions	36,62,957	0.36%
Insurance Companies	1,38,84,342	1.36%
Foreign Institutional Investors	28,07,12,831	27.46%
Others		
Private Corporate Bodies	1,48,97,671	1.46%
Indian Public	4,99,54,932	4.89%
NRI/OCB's	41,68,412	0.41%
Total	1,02,21,66,096	100%



J. Shares held in the Physical and Dematerialised Forms

Breakup of physical and dematerialised shares as on March 31, 2019:

	Number of shares	%	Number of folios	%
Physical	1,01,33,272	0.99%	20,014	15.84%
Demat	1,01,20,32,824	99.01%	1,06,324	84.16%
Total	1,02,21,66,096	100.00%	1,26,338	100.00%

Shares held in the Demat mode have more liquidity compared with those held in physical mode. Therefore, the Company urges shareholders holding shares in the physical form to convert their shareholdings to the demat mode. SEBI vide its Circular No. SEBI/LAD-NRO/GN/2018/24 dated 8th June, 2018, amended Regulation 40 of SEBI Listing Regulations pursuant to which after 1st April, 2019, transfer of securities cannot be processed unless the securities are held

in the dematerialized form with a depository.

Members holding shares in physical form are requested to dematerialize their holdings at the earliest as it will not be possible to transfer shares held in physical mode going forward.

The said measure of SEBI is aimed at curbing fraud and manipulation risk in physical transfer of securities by unscrupulous entities. Transfer of securities in demat form will

improve ease, convenience and safety of transactions for investors. SEBI vide Press Release No. 12/2019 dated 27th March, 2019, clarified that the transfer deed(s) once lodged prior to deadline of 1st April, 2019 and returned due to deficiency in document(s) may be re-lodged for transfer.

K. Outstanding GDRs/ADRs/Warrants/Convertible Instruments and their Impact on Equity

GCPL does not have any outstanding GDRs/ADRs/

warrants/convertible instruments.

overseas suppliers in order to hedge price volatility.

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 Financial statement of the Annual Report

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

In respect of Commodities which 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

The details of the exposure of the Company to palm oil derivatives is 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	645.36 crore	1.38 Lac MT	Nil	Nil	Nil	Nil	Nil

M. Plant Locations

The Company's plants are located in the following states:

Name of the State	Location of Plant
Jammu & Kashmir	SICOP Industrial Estate-Kathua, Hatli Moth-Kathua, Bari Brahmana-Jammu Dist.
Himachal Pradesh	Thana-Baddi, Katha-Baddi
Sikkim	Mamring, South Sikkim
Assam	Village Sila, Kalapahar, Lokhra, Lalunggaon, Gouripur,
Meghalaya	Byrnihat, Rebhoi District
Madhya Pradesh	Malanpur Industrial Area, District Bhind
Pondicherry	Kattukuppam - Manpet Post, Nallur Village-Mannadipet Commune, Nedungadu Commune-Karaikal, Thirunallar Commune-Karaikal
Tamil Nadu	Maraimalainagar-Kanjipuram Dist.

N. Address for Correspondence

Shareholders can contact us at our Registered Office:

Godrej Consumer Products Limited, 4th Floor, Godrej One, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai - 400 079

Tel. No. : 022 25188010/20/30
Fax No. : 022 25188040; Email ID: investor.relations@godrejcp.com

Website: www.godrejcp.com
CIN: L24246MH2000PLC129806

Investor correspondence should be addressed to M/s. Computech Sharecap Limited, whose address is provided in this section of the Annual

Report. To allow us to serve shareholders with greater speed and efficiency, the Company strongly recommends email-based correspondence on all issues, which do not require signature verification for being processed.

Shareholders are expected to update any change in their residential address with our RTA to avoid non-receipt of dividends, annual reports, etc. You can download the form through the link given below³ and submit it with our RTA.

O. List of credit ratings obtained during the year

During the year rating agencies

have re-affirmed the following existing credit ratings of the Company.

[ICRA] A1+ (pronounced as ICRA A one plus) for ₹ 750 crore Commercial paper

Crisil A1+ for ₹ 750 crore Commercial paper

Long term rating at [ICRA] AA+ (pronounced as ICRA double A plus) for unsecured fund based and non-fund based facilities and short term rating at [ICRA] A1+ (pronounced as ICRA A one plus) aggregating to ₹ 1800 crore.

Long term rating at [ICRA] AA+ (pronounced as ICRA double

³ <http://godrejcp.com/investor-faq.aspx>

A plus) for secured fund based and non-fund based facilities and short term rating at [ICRA] A1+ (pronounced as ICRA A one plus) aggregating to ₹ 200 crore.

P. Electronic Credit of Dividend

The Company encourages the shareholders to opt for electronic credit of dividend. The system is administered by the RBI, which ensures faster credit of dividends as dividends are directly credited in the electronic form to the bank accounts of the shareholder. Moreover, by availing this facility, shareholders avoid the risk of loss of dividend warrants in transit or fraudulent encashment. Shareholders holding shares in the physical form and who have not opted for the above system may provide the required data to Computech Sharecap Limited in the requisite form, which can be obtained either from GCPL's registered office or Computech Sharecap Limited or downloaded from the link given below¹. Shareholders holding shares in the demat form are requested to provide details to NSDL/ CDSL through their respective depository participants.

It may be noted that if the shareholders holding shares in the demat form provide the details directly to the Company, the Company will not be able to act on the same and consequently

dividends cannot be remitted through electronic credit.

Q. Consolidation of Shares under one folio

The Company urges shareholders holding shares of GCPL under different folios to consolidate the shares under one folio. This would substantially reduce paperwork and transaction costs and benefit the shareholders and the Company. Shareholders can do so by writing to the Registrar with details on folio numbers, order of names, shares held under each folio, and the folio under which all shareholding should be consolidated. Share certificates need not be sent.

7. OTHER DISCLOSURES

A. Materially significant related party transaction that may potentially conflict with the Company's interest

During FY 2018-19, 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 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 below²

E. Utilization of funds

There were no funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) during this financial year.

^[1] http://www.godrejcp.com/Resources/pdf/shareholder_faqs/02-GCPL-ECS-form.pdf

^[2] <http://godrejcp.com/codes-and-policies.aspx>

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 rematerialized, and physical certificates are delivered to the allottee.

Particulars	No. of Shareholders	No. of Shares
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed-Suspense Account at the beginning of the year (01 Apr 2018)	1500	612,792
Number of shareholders and aggregate shares transferred to Unclaimed- Suspense Account during the year on account of Bonus issue by the Company	-	295,588
Number of shareholders who approached the issuer for transfer of shares from the Unclaimed-Suspense Account during the year and aggregate shares transferred	38	21,616
Number of shareholders to whom shares were transferred from the Unclaimed- Suspense Account during the year and the aggregate shares transferred	38	21,616
Number of shareholders to whose shares were transferred from the Unclaimed Suspense Account to the IEPF Account during the year and the aggregate shares transferred	-	-
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed-Suspense Account at the end of the year (31 Mar 2019)	1462	886,764

G. Certificate from Practicing Company Secretary on Director's eligibility

A certificate from a company secretary in practice 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 Board/Ministry of Corporate Affairs or the certificate is enclosed with this section as Annexure A.

H. Details of total fees paid to statutory auditors

The details of total fees for all the services paid by the Company and its subsidiaries, on a consolidated basis, to statutory auditor and all entities in network firms / network entity of which the statutory auditor is a part, are as follows:

Type of Service	in ₹ crore	
	2018-19	2017-18
Audit fees	6.77	7.66
Tax fees	0.30	0.07
Others	1.00	0.64
	8.07	8.37

I. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

	Received during Financial year 2018-19	Disposed during Financial year 2018-19	Pending at the end of Financial year 2018-19
Number of Complaints	0	0	0

Note: There was one complaint received during calendar year 2018 which was disposed off during the same period.

J. Details of Compliance with Corporate Governance Requirements

The Company has complied with the requirements specified in Regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 of Listing Regulations.

K. Recommendation by the Board Committees:

There has been no instances of rejection by the Board for any recommendations by the Board Committees during this financial year.

8. PRACTICING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

As stipulated in Para E of Schedule V of the Listing Regulations, the Practicing Company Secretary's Certificate regarding the compliance of conditions of corporate governance is attached to the Board's Report.

DECLARATION BY THE MANAGING DIRECTOR & CEO

I, Vivek Gambhir, Managing Director & CEO of Godrej Consumer Products Limited (GCPL) hereby confirm pursuant to SEBI (Listing Obligations & 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, 2019.

For Godrej Consumer Products Ltd.

sd/-

Vivek Gambhir
Managing Director & CEO

Mumbai, May 3, 2019

ANNEXURE A:**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of
Godrej Consumer Products Limited
4th Floor, Godrej One, Pirojshanagar,
Eastern Express Highway, Vikhroli East,
Mumbai - 400079

I/We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Godrej Consumer Products Limited having CIN - L24246MH2000PLC129806 and having registered office at Godrej One, Pirojsha nagar, 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 Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and 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 & 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 31st March, 2019 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.	Name of Director	DIN	Date of appointment in Company
1	Adi Barjorji Godrej	00065964	29 th Nov, 2000
2	Tanya Arvind Dubhash	00026028	2 nd May, 2011
3	Nadir Barjor Godrej	00066195	29 th Nov, 2000
4	Jamshed Naoroji Godrej	00076250	1 st Mar, 2001
5	Pirojsha Adi Godrej	00432983	1 st Apr, 2017
6	Nisaba Adi Godrej	00591503	2 nd May, 2011
7	Vivek Gambhir	06527810	30 th Apr, 2013
8	Narendra Kumar Anand Ambwani	00236658	2 nd May, 2011
9	Bharat Narotam Doshi	00012541	1 st Apr, 2001
10	Aman Mehta	00009364	26 th Apr, 2006
11	Omkar Goswami	00004258	18 th Jun, 2008
12	Ireena Vittal	05195656	30 th Apr, 2013
13	Ndidi Okonkwo Nwuneli	07738574	1 st Apr, 2017
14	Pippa Amerding	08054033	30 th Jan, 2018

Ensuring the eligibility of 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

Date: 27th May, 2019
Place: - Thane

Bhavana Shewakramani
Partner
FCS-8636, COP- 9577

GODREJ CONSUMER PRODUCTS LIMITED

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

A. List of employees employed throughout the Financial Year 2018-19 and was in receipt of remuneration which in the aggregate was not less than Rs. 1,02,00,000 (Top 10)

Sr No	EMPLOYEE NAME	Designation	Qualification	Total Remuneration (in ₹)	Date Of Employment	Age	Last Employment
1	Vivek Gambhir	Managing Director	MBA	20,09,42,847	01-08-2009	50	Godrej Industries Ltd
2	Sunil Kataria	Business Head - India & SAARC	MBA	9,97,06,565	04-02-2011	51	Idea Cellular
3	Adi Godrej	Chairman Emeritus	B.S., M.S.Engg.& Industrial Management	7,51,83,067	18-02-1964	77	Godrej Soaps Ltd
4	Nisaba Godrej	Executive Chairperson	BSC from Wharton School, University of Pennsylvania. MBA, Harvard Business School	6,87,56,036	01-10-2001	41	Godrej Industries Ltd
5	Dr.R K Sinha	Head - Supply Chain, Manufacturing & IT	B.Tech.(Mech.); P.G.D.I.E; A. I C .W .A; C F A	4,82,95,906	01-07-1980	61	Godrej Soaps Ltd
6	V Srinivasan	Chief Financial Officer & Company Secretary	B.com, ACA, ACS	3,78,78,192	03-07-1989	54	Godrej Properties Ltd
7	Omar A Momin	Head - M&A	B.Chem.Engg, P.G.D.Mgt, ISB (Hyderabad)	3,63,37,008	01-06-2001	39	Godrej Industries Ltd
8	Rajesh Tiwari	Head - Product Supply Organization (India & SAARC)	CA	3,52,17,734	21-03-1990	61	Godrej Soaps Ltd
9	Parveen Dalal	Head - Sales (India Business)	P.G.D.M.M, IIM (Lucknow)- MBA	3,46,35,202	28-05-2012	47	Bunge India Ltd
10	Sunder Nurani Mahadevan	Head - R&D	PHD, MSC, BSC	2,83,30,017	04-09-2006	56	Dabur Research Foundation
11	Rahul Gama	Head - Human Resources	B.Com, MBA	2,82,71,342	01-07-2009	45	Godrej Household Products Ltd
12	Sameer Shah	Head - Finance (India & SAARC)	CA, CTM	2,34,84,001	06-02-2006	40	M/s General Mills India Ltd
13	Anirban Banerjee	Head- Innovation,	PGDM- SCMHRD	2,08,39,872	19-09-2005	44	Godrej Agrovet Ltd
14	Darshan Gandhi	Head -Design	NID- Design	2,02,30,583	08-06-2009	39	Godrej Industries Ltd
15	Subrata Dey	Head - Information Technology	BSC, PGDCA	2,00,59,571	16-12-1998	54	Godrej Household Products Ltd
16	Somasree Bose	Head Marketing - Cinthol, Aer & Protekt (India Business)	PGDM - Xaviers Institute of Mgmt, Bhubaneshwar	1,87,34,670	02-06-2003	41	Godrej Household Products Ltd
17	Mahnaz Shaikh	Head - Human Resources (India & SAARC)	Master of Arts	1,72,76,224	02-01-2017	38	Procter and Gamble
18	Saurin Shah	Head - CMI Marketing	Master in Management	1,71,29,599	16-04-2016	45	Narsee Monjee Institute of Management Studies
19	Milind Korgoankar	Head - IT (India & SAARC)	Middle Management Program, IIM-A	1,71,28,488	03-08-2011	49	Godrej Household Products Ltd
20	R. S. Gopalakrishnan	Head - Sourcing & Procurement	B.Com, MBA	1,55,32,122	01-08-1987	56	Godrej Household Products Ltd
21	K Suryanarayan	Head -Treasury and Africa Finance	B.Com, CA	1,49,95,873	25-06-2001	46	RPG Spencers
22	Pradeep Kumar M	Divisional Head	MBA	1,45,27,943	04-05-2001	48	Dabur
23	Subha S Iyer	Head - Group Media	Post Graduate Diploma (Media Planning from Mudra Institute of Communication)	1,44,76,930	16-09-2002	48	Mindshare WPP Marketing
24	Anirudh Singh	Head - NBD and Incubation	Post Graduation	1,38,39,424	03-06-1996	46	Godrej Soaps Ltd
25	Jatin Panchal	Divisional Head - East	MBA	1,36,16,347	25-02-2013	41	Marico India Ltd
26	Pankaj Parihar	Head - Digital Marketing	MBA	1,32,80,363	03-03-2014	41	Godrej Industries Ltd
27	Jishnu Batbayal	Head - Strategy & Planning	MBA	1,31,81,244	03-11-2014	33	Godrej Industries Ltd
28	Venkateswara Rao Yadlapalli	Head - R&D (Product Development)	Post Graduate Diploma	1,18,98,342	19-11-2014	50	Wipro
29	Ankur Kumar	Head - Marketing (Home Care)	MBA	1,18,80,349	03-06-2013	41	Britannia Industries Ltd.
30	Amit Jain	Head - Trade Marketing	MBA	1,12,38,020	08-07-2011	39	Dabur India Ltd
31	G Sathyanandan	Divisional Head	Graduation	1,05,15,755	04-12-1989	59	Godrej Household Products Ltd
32	Radhakrishna Jagannath	Head Supply Chain - International Business	Post Graduation (Master of Management from Indian Institute of Technology, Bombay),	1,03,40,885	14-03-2012	44	E&Y Pvt Ltd.

B. Employed for a part of the financial year 2018-19 and was in receipt of remuneration for any part of the year at a rate which in the aggregate was not less than Rs. 8,50,000 p.m.

Sr No	EMPLOYEE NAME	Designation	Qualification	Total Remuneration Rs	Date Of Employment	Age	Last Employment
1	Kapil Pillai	Head - Marketing (India)	PGDM, IIM Calcutta	3,43,49,116	21-06-2004	48	Balsara Home Products
2	Rajesh Chandra	Associate Vice President - Operations		70,45,204	14-04-1996	61	Godrej Industries Ltd
3	Tejwansh Singh Bedi	Divisional Head	MBA	2,61,44,540	02-10-1985	56	Godrej Industries Ltd
4	Chandan Kumar	Head - Marketing (HIT, Ezee, One Rural)	PGDM	1,00,48,918	05-11-2008	41	Godrej Household Products Ltd
5	Saurabh Jhavar	Head - Planning & Logistics	MBA	95,12,221	01-04-2015	38	Godrej Industries Ltd

Notes

- 1 None of the above-mentioned employees hold more than 2% of Equity Shares either by themselves or along with their spouse/dependent children.
- 2 **Nature of Employment whether contractual or otherwise**
 - a) The appointments of all the employees is contractual in nature and terminable by three month's notice from either side.
 - b) The appointment of Mr. Adi Godrej, Chairman Emeritus, Ms. Nisaba Godrej, Executive Chairperson, and Mr. Vivek Gambhir, Managing Director & CEO is further subject to the terms and conditions as may be stated in the resolution for their appointment, passed by the shareholders' from time-to-time.
- 3 **Relation with directors**
 - (a) Mr Adi Godrej is brother of Mr Nadir Godrej, and father of Ms Tanya Dubash, Ms Nisaba Godrej and Mr Pirojsha Godrej.
 - (b) Ms Nisaba Godrej is daughter of Mr Adi Godrej and sister of Ms Tanya Dubash and Mr Pirojsha Godrej.
 - (c) Other employees are not related to any director of the company.
- 4 Remuneration includes salary, allowances and various elements of flexible compensation, company's contribution to Provident Fund and taxable value of perquisites as per Income Tax Act, 1961
- 5 The designations represent the nature of duties performed by the employees.
- 6 In the case of all the employees, the age shown is as of last birth date and the particulars of previous employment pertain to the immediate past employment.

03

FINANCIAL STATEMENTS

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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 2019, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the

explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics

issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter	How the matter was addressed in our audit
<p>Revenue recognition (refer note 27 to the standalone financial statements)</p> <p>Revenue is measured net of discounts and rebates/schemes earned by customers on the Company's sales.</p> <p>Due to the Company's presence across different marketing regions within the country and the competitive business environment, the estimation of the various types of discounts, incentives and rebate schemes to be recognised based on sales made during the year is material and considered to be judgmental.</p> <p>Therefore, there is a risk of revenue being misstated as a result of faulty estimations over discounts, incentives and rebates.</p> <p>Revenue is recognised when the control of the products being sold has transferred to the customer. There is a risk of revenue being overstated due to fraud through manipulation on the timing of transfer of control resulting from the pressure on management to achieve performance targets at the reporting period end.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> Assessing the appropriateness of the revenue recognition accounting policies, including those relating to discounts and rebates/schemes by comparing with applicable accounting standards. Testing the design, implementation and operating effectiveness of the Company's general IT controls and key IT/manual application controls over the Company's systems which govern recording of revenue and rebates/schemes in the general ledger accounting system. Performing substantive testing (including year-end cut-off testing) by selecting samples of revenue transactions recorded during the year (and before and after the financial year end) by verifying the underlying documents, which included sales invoices/contracts and shipping documents. We compared the historical discounts, rebates/schemes and allowances to current payment trends. We also considered the historical accuracy of the Company's estimates in previous years.

The key audit matter	How the matter was addressed in our audit
	<ul style="list-style-type: none"> Performing substantive testing by checking samples of rebate/schemes transactions to supporting documentation. We assessed manual journals posted to revenue to identify unusual items. Considering the adequacy of the Company's disclosures in respect of revenue.
<p>The key audit matter</p> <p>Intangible Assets - impairment evaluation of indefinite life intangibles (refer note 4 to the standalone financial statements)</p> <p>The carrying amount of indefinite life intangible assets represent 12 % of the Company's total assets.</p> <p>We consider the recoverability assessment of such intangible assets, including the review of indefinite useful life by management to involve significant estimates and judgement, due to the inherent uncertainty involved in forecasting and discounting future cash flows. Further due to their materiality in the context of total assets of the Company this is considered significant to our overall audit strategy and planning.</p>	<p>How the matter was addressed in our audit</p> <p>Our audit procedures included:</p> <ul style="list-style-type: none"> Assessing the valuation methodology and evaluating and challenging the reasonableness of the assumptions used, in particular those relating to forecast revenue growth, discount rate and royalty rates, with the assistance of our valuations team; Performing sensitivity analysis on the assumptions noted above; and Considering the adequacy of disclosures in respect of these intangible assets.
<p>The key audit matter</p> <p>Investments in Subsidiaries and Associates – impairment evaluation (refer note 5 to the standalone financial statements)</p> <p>The carrying amount of the investments in subsidiaries and associates held at cost less impairment represents 44 % of the Company's total assets.</p> <p>We do not consider the valuation of these investments to be at a high risk of significant misstatement, or to be subject to a significant level of judgement. Further due to their materiality in the context of total assets of the Company, this is considered to be significant to our overall audit strategy and planning.</p>	<p>How the matter was addressed in our audit</p> <p>Our audit procedures included:</p> <ul style="list-style-type: none"> Comparing the carrying amount of investments with the relevant subsidiaries / associates balance sheet to identify whether their net assets, being an approximation of their minimum recoverable amount, were in excess of their carrying amount and assessing whether those subsidiaries/associates have historically been profit-making; Considering the adequacy of disclosures in respect of investments in subsidiaries and associates.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our

responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's management and

Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding

of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related

disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements (Continued)

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing

so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(A) As required by section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its standalone financial statements - Refer Note 38 to the standalone financial statements;
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts- Refer Note 24 to the standalone financial statements ;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;

iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2019.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022
Vijay Mathur
Partner
Membership No: 046476

Mumbai : 3 May 2019

Annexure A to the Independent Auditor's Report - 31 March 2019 (Referred to in our report of even date)

- | | | |
|--|---|---|
| <p>(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.</p> | <p>given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.</p> | <p>the undisputed statutory dues including provident fund, employees' state insurance, income-tax, duties of customs, goods and service tax, cess and other material statutory dues, as applicable, with the appropriate authorities.</p> |
| <p>(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were physically verified by the management during the year and the discrepancies reported on such verification were not material and have been properly dealt with in the books of account. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets.</p> | <p>(iv) The Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of investments made or guarantees provided to the parties covered under Section 186. The Company has not granted any loans or provided any security to the parties covered under Section 186 of the Act.</p> | <p>According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of customs, goods and service tax, cess, and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.</p> |
| <p>(c) According to the information and explanations given to us, the title deeds of immovable properties, as disclosed in Note 3 to the standalone financial statements are held in the name of the Company.</p> | <p>(v) The Company has not accepted deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 of the Act and the rules framed thereunder apply. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.</p> | <p>Also, refer note 38 (e) to the standalone financial statements.</p> |
| <p>(ii) The inventory, except goods-in-transit, has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. In respect of inventory lying with third parties, these have been substantially confirmed by them. The discrepancies noticed on verification between the physical stocks and the book records were not material.</p> | <p>(vi) We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under sub section (1) of Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view to determine whether they are accurate or complete.</p> | <p>(b) According to the information and explanations given to us, there are no dues of income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax and goods and service tax which have not been deposited with the appropriate authorities on account of any dispute other than those mentioned in the Appendix I to this report.</p> |
| <p>(iii) In our opinion and according to the information and explanations</p> | <p>(vii) (a) According to the information and explanations given to us and records of the Company examined by us, in our opinion, the Company is generally regular in depositing</p> | <p>(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks and financial institutions. The Company does not have any loans or borrowings from Government, nor has it issued any debentures.</p> |
| | <p>(ix) The Company has not raised any money by way of initial public offer, further public offer (including debt instruments) and term loans during the year. Accordingly, the</p> | |

- provisions of paragraph 3(ix) of the Order are not applicable to the Company.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable. The details of such related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For **BSR & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-
100022
Vijay Mathur
Partner
Membership No: 046476

Mumbai : 3 May 2019

Appendix I

Name of the Statute	Nature of dues	Amount in crores* (₹)	Period to which amount relates	Forum where dispute is pending
Central Sales tax Act and Local Sales tax Act	Sales tax (including interest and penalty, if applicable)	26.67	2002 to 2018	Supreme Court
		10.33	1999 to 2016	High court
		9.28	2000 to 2016	Tribunal
		2.00	2007 to 2017	Joint Commissioner (Appeal)
		5.42	2002 to 2014	Appellate authority
		3.42	2002 to 2016	Assessing Officer
		0.17	1997 to 2007	Appellate Assistant Commissioner
		2.63	2013-14 2014-15	Additional Commissioner of State Taxes (Appeal)
		1.26	2004 to 2007	Appellate and Revisional Board
		1.15	2005-06, 2009-10 and 2014-15	Deputy Commissioner
The Central Excise Act	Excise duty (including interest and penalty, if applicable)	0.21	1998-99	Deputy Commissioner (Appeals)
		38.25	2007-08 to 2010-11	Commissioner of Central Excise
		5.98	2004 to 2019	Commissioner (Appeals)
		51.04	2007 to 2017	Customs, Excise and Service Tax Appellate Tribunal of various states
Income tax Act, 1961	Income tax (including interest and penalty, if applicable)	8.31	1993-1996	Supreme Court
		8.64	2005 to 2010	High court
		5.73	2005 to 2014	Income tax Appellate Tribunal

*Net of amounts paid in protest.

Annexure B to the Independent Auditors' report on the standalone financial statements

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 1 (A) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Godrej Consumer Products Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2019, 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 Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with

reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls

with reference to standalone financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

Auditors' Responsibility (Continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial controls with Reference to 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 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 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 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

Mumbai : 3 May 2019

STANDALONE BALANCE SHEET AS AT MARCH 31, 2019

₹ Crore

	Note No.	As at March 31, 2019	As at March 31, 2018
I. ASSETS			
1. Non-current assets			
(a) Property, Plant and Equipment	3	526.20	489.68
(b) Capital work-in-progress		30.84	50.58
(c) Goodwill	4	2.48	2.48
(d) Other Intangible assets	4	814.83	821.90
(e) Intangible assets under development		1.16	1.80
(f) Financial Assets			
(i) Investments in subsidiaries and associates	5	2,947.46	2,949.61
(ii) Other Investments	6	-	105.20
(iii) Loans	7	16.99	16.32
(iv) Others	8	31.07	4.27
(g) Deferred tax assets (Net)	21	374.23	-
(h) Other non-current assets	9	52.10	46.01
(i) Non-current Tax Assets (Net)	10	22.84	19.66
Total Non Current Assets		4,820.20	4,507.51
2. Current assets			
(a) Inventories	11	615.12	576.25
(b) Financial Assets			
(i) Investments	12	477.34	847.65
(ii) Trade receivables	13	353.18	248.58
(iii) Cash and cash equivalents	14 A	79.69	86.11
(iv) Bank balances other than (iii) above	14 B	17.55	12.00
(v) Loans	15	0.14	0.25
(vi) Others	16	138.83	193.24
(c) Other current assets	17	162.50	152.49
Total Current Assets		1,844.35	2,116.57
TOTAL ASSETS		6,664.55	6,624.08
II. EQUITY AND LIABILITIES			
1. EQUITY			
(a) Equity Share capital	18	102.22	68.13
(b) Other Equity	19	4,823.94	4,573.46
Total Equity		4,926.16	4,641.59
2. LIABILITIES			
Non-current liabilities			
(a) Provisions	20	56.32	51.66
(b) Deferred tax liabilities (Net)	21	-	228.46
(c) Other non-current liabilities	22	28.09	17.75
Total Non Current Liabilities		84.41	297.87
Current liabilities			
(a) Financial Liabilities			
(i) Trade payables			
(a) Total outstanding dues of Micro and Small Enterprises	23	53.49	-
(b) Total outstanding dues of creditors other than Micro and Small Enterprises	23	1,404.12	1,452.92
(ii) Other financial liabilities	24	48.82	39.00
(b) Other current liabilities	25	107.67	154.81
(c) Provisions	26	38.92	36.93
(d) Current tax Liabilities (Net)	26 A	0.96	0.96
Total Current Liabilities		1,653.98	1,684.62
TOTAL EQUITY AND LIABILITIES		6,664.55	6,624.08

The accompanying notes 1 to 50 are an integral part of the Standalone Financial Statements.

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Regn No. 101248W/W-100022

Vijay Mathur
Partner
M. No. 046476

Mumbai: May 3, 2019

V Srinivasan
Chief Financial Officer
& Company Secretary

For and on behalf of the Board

Nisaba Godrej
Executive Chairperson
DIN: 00591503

Vivek Gambhir
Managing Director & CEO
DIN: 6527810

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

₹ Crore

	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
Revenue			
I Revenue from Operations	27	5,679.31	5,354.74
II Other Income	28	94.45	73.89
III Total Income (I + II)		5,773.76	5428.63
IV Expenses			
Cost of Materials Consumed	29	2,030.82	1,884.95
Purchases of Stock-in-Trade		254.70	247.42
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	30	27.75	46.24
Excise Duty		-	93.72
Employee Benefits Expense	31	351.50	355.51
Finance Costs	32	64.86	51.89
Depreciation and Amortization Expense	33	69.07	63.30
Other Expenses	34	1,501.98	1,396.59
Total Expenses		4,300.68	4,139.62
V Profit Before Tax (V+VI)		1,473.08	1,289.01
VI Tax Expense			
(1) Current Tax		320.66	283.28
(2) Deferred Tax (Refer Note 21)		(602.56)	5.86
Total Tax Expense		(281.90)	289.14
VII Profit for the Year (VII-VIII)		1,754.98	999.87
VIII Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans		(0.38)	(4.60)
(ii) Income tax relating to items that will not be reclassified to profit or loss			
		0.21	2.63
Total Comprehensive Income for the year (IX+X)		1,754.81	997.90
IX Earnings per Equity Share (Face Value ₹ 1)			
(1) Basic (₹)	35	17.17	9.78
(2) Diluted (₹)		17.17	9.78

The accompanying notes 1 to 50 are an integral part of the Standalone Financial Statements.

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Regn No. 101248W/W-100022

Vijay Mathur
Partner
M. No. 046476

Mumbai: May 3, 2019

V Srinivasan
Chief Financial Officer
& Company Secretary

For and on behalf of the Board

Nisaba Godrej
Executive Chairperson
DIN: 00591503

Vivek Gambhir
Managing Director & CEO
DIN: 6527810

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019

₹ Crore

	Year ended March 31, 2019	Year ended March 31, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	1,473.08	1,289.01
Adjustment for:		
Depreciation and amortisation	69.07	63.30
Unrealised Foreign Exchange (Gain) / Loss	3.08	1.65
Bad Debts Written off	0.95	0.30
Provision / (Write-back) for Doubtful Debts / Advances	0.05	0.31
Provision for Non Moving Inventory	(0.63)	12.45
Write back of Old Balances	(0.21)	(0.78)
Expenses on Employee Stock Grant Scheme (ESGS)	9.12	8.72
Finance Costs	64.86	51.89
(Profit) / Loss on Fixed Assets Sold / Discarded (Net)	0.43	4.14
(Profit) / Loss on Sale of Investments (Net)	(8.03)	(18.54)
Fair value Gain/ (Loss) on financial assets measured at FVTPL	(0.01)	8.14
Corporate Guarantee Commission	(16.57)	(16.73)
Interest Income	(60.20)	(41.77)
	61.91	73.08
Operating Cash Flows Before Working Capital Changes	1,534.99	1,362.09
Adjustments for:		
Increase in inventories	(38.24)	(26.78)
Increase in trade receivables	(105.55)	(40.10)
Increase in loans	(0.56)	(1.13)
(Increase) / Decrease in other financial assets	27.61	(9.08)
Increase in other non-financial assets	(14.16)	(106.14)
Increase in trade payable and other financial liabilities	15.54	331.14
Increase/ (Decrease) non - financial liabilities and provisions	(13.50)	6.97
	(128.86)	154.88
Cash Generated from Operating Activities	1,406.13	1,516.97
Adjustment for:		
Income taxes paid (Net)	(323.97)	(281.53)
Net Cash Flow from Operating Activities (A)	1,082.16	1,235.44
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment and Intangible assets (Net)	(81.87)	(119.23)
Sale of Property, Plant & Equipment and Intangibles	1.31	6.19
Investments in Mutual Funds (Net)	102.66	328.33
Investments in Deposits with NBFCs (Net)	192.44	(90.14)
Investments in Non Convertible Debentures with NBFCs (Net)	86.06	(212.20)
Investments in Commercial Papers	97.04	(97.04)
Investments in Fixed Deposits having maturities greater than 3 months (Net)	(5.55)	(1.45)
Investments in Subsidiaries	2.28	(156.52)
Interest Received	65.62	39.64
Net Cash Flow from/ (used in) Investing Activities (B)	459.99	(302.42)

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019

₹ Crore

	Year ended March 31, 2019	Year ended March 31, 2018
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Allotment of Equity Shares under ESGs*	0.00	0.01
Expenses on issue of bonus shares	(0.75)	(0.71)
Proceeds/ (Repayments) from Commercial Paper	-	(148.97)
Proceeds from Short-term loans	50.00	
Repayment of Short-term loans	(50.00)	
Finance costs paid	(69.13)	(47.30)
Dividend Paid	(1,226.52)	(613.12)
Dividend Distribution Tax Paid	(252.11)	(124.82)
Net Cash Flow used in Financing Activities (C)	(1,548.50)	(934.91)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(6.35)	(1.89)
CASH AND CASH EQUIVALENTS:		
As at the beginning of the year (Refer Note 14 A)	86.11	88.00
Unrealised Foreign Exchange Restatement in Cash and Cash Equivalents	(0.07)	-
As at the end of the year (Refer Note 14 A)	79.69	86.11

* amounts less than ₹ 0.01 crore

Notes:

- The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in IND AS 7, 'Statement of Cash Flows.'
- The accompanying notes 1 to 50 are an integral part of the standalone financial statements

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm Regn No. 101248W/W-100022

Vijay Mathur

Partner

M. No. 046476

V Srinivasan

Chief Financial Officer

& Company Secretary

For and on behalf of the Board

Nisaba Godrej

Executive Chairperson

DIN: 00591503

Vivek Gambhir

Managing Director & CEO

DIN: 6527810

Mumbai: May 3, 2019

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

(a) Equity share capital

	Note No.	₹ Crore
As at April 1, 2017		34.06
Changes in equity share capital during the year		34.07
As at March 31, 2018		68.13
As at April 1, 2018		68.13
Changes in equity share capital during the year	18	34.09
As at March 31, 2019		102.22

(b) Other equity (Refer Note 19)

	Reserves & Surplus				Other Comprehensive Income	Total
	Securities Premium	General Reserve	Others	Retained Earnings	Effective portion of Cash Flow Hedges	
Balance at April 1, 2018	1,424.51	154.05	13.19	2,982.46	(0.75)	4,573.46
Profit for the year	-	-	-	1,754.98	-	1,754.98
Remeasurements of defined benefit plans (net of tax)	-	-	-	(0.17)	-	(0.17)
Total comprehensive income for the year	-	-	-	1,754.81	-	1,754.81
Dividends	-	-	-	(1,226.52)	-	(1,226.52)
Dividend Distribution Tax (DDT)	-	-	-	(252.11)	-	(252.11)
Premium Received on Allotment of Shares / Exercise of Share options	8.34	-	(8.34)	-	-	-
Deferred employee compensation expense	-	-	9.12	-	-	9.12
Issue of Bonus Shares	(34.07)	-	-	-	-	(34.07)
Expenses on Issue of Bonus Shares	(0.75)	-	-	-	-	(0.75)
Balance at March 31, 2019	1,398.03	154.05	13.97	3,258.64	(0.75)	4,823.94

	Reserves & Surplus				Other Comprehensive Income	Total
	Securities Premium	General Reserve	Others	Retained Earnings	Effective portion of Cash Flow Hedges	
Balance at April 1, 2017	1,452.31	154.05	11.44	2,722.50	(0.75)	4,339.55
Profit for the year	-	-	-	999.87	-	999.87
Remeasurements of defined benefit plans (net of tax)	-	-	-	(1.97)	-	(1.97)
Total comprehensive income for the year	-	-	-	997.90	-	997.90
Dividends	-	-	-	(613.12)	-	(613.12)
Dividend Distribution Tax (DDT)	-	-	-	(124.82)	-	(124.82)
Premium Received on Allotment of Shares / Exercise of Share options	6.97	-	(6.97)	-	-	-
Deferred employee compensation expense	-	-	8.72	-	-	8.72
Issue of Bonus Shares	(34.06)	-	-	-	-	(34.06)
Expenses on Issue of Bonus Shares	(0.71)	-	-	-	-	(0.71)
Balance at March 31, 2018	1,424.51	154.05	13.19	2,982.46	(0.75)	4,573.46

The accompanying notes 1 to 50 are an integral part of the Standalone Financial Statements.

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Regn No. 101248W/W-100022

Vijay Mathur
Partner
M. No. 046476

Mumbai: May 3, 2019

V Srinivasan
Chief Financial Officer
& Company Secretary

For and on behalf of the Board

Nisaba Godrej
Executive Chairperson
DIN: 00591503

Vivek Gambhir
Managing Director & CEO
DIN: 6527810

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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 subsequently amended and other relevant provisions of the Act.

Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal

operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time taken between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of the classification of assets and liabilities into current and non-current.

The financial statements of the Company for the year ended March 31, 2019 were approved for issue in accordance with the resolution of the Board of Directors on May 3, 2019.

b) Basis of Measurement

These financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities (including derivative instruments) measured at fair value (refer accounting policy regarding financial instruments -2.5.f),
- Defined benefit plans – plan assets/(liability) and share-based payments measured at fair value (Note 42 & 43)

2.2 Key judgements, estimates and assumptions

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The areas involving critical estimates or judgements are:

- Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalized; (Note 2.5 (a))
- Determination of the estimated useful lives of intangible assets and determining intangible assets having an indefinite useful life; (Note 2.5 (b))
- Recognition and measurement of defined benefit obligations, key actuarial assumptions; (Note 42)
- Recognition and measurement of provisions and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources; (Note 2.5 (j))
- Fair valuation of employee share options, Key assumptions made with respect to expected volatility; (Note 2.5 (l)(ii))
- Fair values of financial instruments (Note 2.3)
- Impairment of financial and Non- Financial assets (Note 2.5.(d) and (f))
- Recognition of deferred tax assets – availability of future taxable profits against which deferred tax assets (e.g. MAT) can be used (Note 21)

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 2.5.(f).

2.4 Standards issued but not yet effective

IND AS 116: Leases

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace Ind AS 17 Leases and related Interpretations and will be effective from April 1, 2019.

The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single, on-balance sheet lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of short term or low value.

The standard allows two approaches of transition – 1) Full retrospective, 2) Modified retrospective.

In full retrospective approach, the effect of applying the standard is recognized in each prior period retrospectively. In case of modified retrospective approach, the cumulative effect of initially applying the standard is recognized on the date of transition in the financials.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset as if the standard had been

applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application with some exceptions allowed under practical expedients.

GCPL is proposing to use 'Modified Retrospective Approach' for transition to Ind-AS 116 along with certain available practical expedients and take the cumulative adjustment to retained earnings on the date of initial application i.e. April 1, 2019. Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted.

The Company has completed its preliminary evaluation of possible impact of Ind-AS 116, based on which no significant impact is expected, other than additional disclosures as required under by the new standard.

Based on the preliminary evaluation, the effect of adoption on the new standard will mainly result in an increase in right of use asset by approximately ₹ 16.48 crores, an increase in lease liability by approximately ₹ 19.04 crores and adjustment to retained earnings by approximately ₹ 2.56 crores.

Ind AS 12 Income Taxes: Appendix C – Uncertainty over Income Tax Treatments

This interpretation, which will be effective from April 1, 2019, clarifies how entities should evaluate and reflect uncertainties over income tax treatments, in particular when assessing the outcome a tax authority might reach with full knowledge and information if it were to make an examination. This amendment is not expected to have a significant impact on the Company's standalone financial statements based on currently available information.

2.5 Significant Accounting Policies

a) Property, Plant and Equipment

Recognition and measurement

Items of property, plant and equipment, other than Freehold Land, are measured at cost less accumulated depreciation and any accumulated impairment losses. Freehold land is carried at cost and is not depreciated.

The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable costs of bringing the asset to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the item and restoring the site on which it is located. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised.

Subsequent expenditure

Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate only if it is probable that the future economic benefits associated with the item will flow to the 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 profit and loss during the reporting period in which they are incurred.

Depreciation

Depreciation is provided, under the Straight Line Method, pro rata to the period of use, based on useful lives specified in Schedule II to the Companies Act, 2013 except for the following items where useful lives estimated by the management based on internal technical assessment, past trends and expected operational lives differ from those provided in Schedule II of the Companies Act 2013:

- Leasehold land is amortised equally over the lease period.
- Leasehold Improvements are depreciated over the shorter of the unexpired period of the lease and the estimated useful life of the assets.
- Office Equipments are depreciated over 5 to 10 years.
- Tools 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.

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 profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Goodwill

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that the asset may be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Other intangible assets

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization method and period are reviewed at least at the end of each reporting period. Changes in the expected useful life or expected pattern of consumption of future economic benefits embodied in the assets are considered to modify amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the

difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or 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 or 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 financial statements.

Residual value, is estimated to be immaterial by management and hence has been considered at ₹ 1.

c) Borrowing Costs

Interest and other borrowing costs attributable to qualifying assets are capitalized. Other interest and borrowing costs are charged to revenue.

d) Impairment of non-financial assets

An impairment loss is recognised whenever the carrying value of an asset or a cash-generating unit exceeds its recoverable amount. Recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. An impairment loss, if any, is recognised in the Statement of Profit and Loss in the period in which the impairment takes place. The impairment loss is allocated

first to reduce the carrying amount of any goodwill (if any) allocated to the cash generating unit and then to the other assets of the unit, pro rata based on the carrying amount of each asset in the unit.

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events and changes in circumstances indicate the carrying amount may not be recoverable.

e) Assets held for sale

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' if it is highly probable that they will be recovered primarily through sales rather than through continuing use.

Subsequently, such non-current assets and disposal groups classified as held for sale are measured at lower of its carrying value and fair value less costs to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in profit and loss. Non-current assets held for sale are not depreciated or amortised.

f) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts, futures and currency options.

(i) Financial assets *Initial recognition and*

measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost.
- Financial assets at fair value through other comprehensive income (FVTOCI).
- Financial assets at fair value through profit (FVTPL).
- Equity instruments measured at fair value through other comprehensive income (FVTOCI).

On the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Financial assets at amortised cost

- A financial asset is measured at the amortised cost if both the following conditions are met: The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables. For more information on receivables, refer to Note 46 (B).

Financial assets at fair value through profit and loss (FVTPL)

Any financial asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may, at initial recognition, irrevocably designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity investments

All equity investments within the scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial

recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the Other Comprehensive Income (OCI).

There is no recycling of the amounts from OCI to 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 profit and loss.

Investments in Subsidiaries and Associates:

Investments in subsidiaries and associates are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and associates, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The contractual rights to receive cash flows from the financial asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-

through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company assesses on a forward looking basis the Expected Credit Losses (ECL) associated with its financial assets that are debt instruments and are carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Company applies a simplified approach. It recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits, security deposit collected etc. and expectations about future cash flows.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortised cost. A financial liability is classified at FVTPL if it is classified as held for trading or as derivatives designated as hedging instruments in an effective hedge, as appropriate. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value and net gains and losses including any interest expenses are recognised in 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 or 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 realise the assets and settle the liabilities simultaneously.

g) Derivative financial instruments and hedge accounting

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Any changes therein are generally recognised in the profit or 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 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, 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 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 re-classified to profit or 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 GENVAT/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.

For the purpose of the statement of cash flows, cash and cash equivalents as defined above is net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

j) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the enterprise has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent Assets are not recognised till the realization of the income is virtually certain. However the same are disclosed in the financial statements where an inflow of economic benefits is probable.

k) Revenue Recognition

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers". The effect on adoption of Ind AS 115 is insignificant.

Revenue is recognized upon transfer of control of promised goods to customers for an amount that reflects the consideration expected to be received in exchange for those goods. Revenue excludes taxes or duties collected on behalf of the government.

Sale of goods

Revenue from sale of goods is recognized when control of goods are transferred to the buyer which is generally on delivery for domestic sales and on dispatch/delivery for export sales

The Company recognizes revenues on the sale of products, net of returns, discounts (sales incentives/rebates), amounts collected on behalf of third parties (such as GST) and payments or other consideration given to the customer that has impacted the pricing of the transaction.

Accumulated experience is used to estimate and accrue for the discounts (using the most likely method) and returns considering the terms of the underlying schemes and agreements with the customers. No element of financing is deemed present as the sales are made with normal credit days consistent with market practice. A liability is recognised where payments are received from customers before transferring control of the goods being sold.

Royalty & Technical Fees

Royalty and Technical fees are recognized on accrual basis in accordance with the substance of their relevant agreements.

Interest income

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate which exactly discounts the estimated future cash receipts over the expected life of the financial instrument to the gross carrying amount of the financial asset. When calculating the EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayments, extensions, call and similar options). The expected credit losses are considered if the credit risk on that financial instrument has increased significantly since initial recognition.

Dividend income

Dividends are recognised in profit or loss on the date on which the Company's right to receive payment is established

l) Employee Benefits

i) Short-term Employee benefits

Liabilities for wages and salaries including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are classified as short term employee benefits and are recognized as an expense in the Statement of Profit and Loss as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii) Share-based payments

The cost of equity settled transactions is determined by the fair value at the grant date and the fair value of the employee share

options is based on the Black Scholes model.

The grant-date fair value of equity-settled share-based payment granted to employees is recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

iii) Post-Employment Benefits

Defined Contribution Plans

Payments made to a defined contribution plan such as Provident Fund maintained with Regional Provident Fund Office and Superannuation Fund are charged as an expense in the Statement of Profit and Loss as they fall due.

Defined Benefit Plans

Gratuity Fund

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. Gratuity is payable to all eligible employees on death or on separation/termination in terms of the provisions of the payment of the Gratuity (Amendment) Act,

1997 or as per the Company's scheme whichever is more beneficial to the employees.

Provident Fund

Provident Fund Contributions which are made to a Trust administered by the Company are considered as Defined Benefit Plans. The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. The Company's liability towards interest shortfall, if any, is actuarially determined at the year end.

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed at each reporting period by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the

effect of the asset ceiling (if any, excluding interest), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv) Other Long Term Employee Benefits

The liabilities for earned leaves are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by the employees upto the end of the reporting period using the projected unit credit method based on actuarial valuation.

Re-measurements are recognised in profit or loss in the period in which they arise including actuarial gains and losses.

m) Leases

Lease payments

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in the arrangement.

As a lessee

Leases of assets where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Leases of assets under which significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease payments under operating leases are recognised as an expense on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary

cost increases. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

As a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight line basis over the term of the relevant lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase.

Income Tax

Income tax expense/ income comprises current tax expense /income and deferred tax/ expense income. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in Other comprehensive income, in which case, the tax is also recognized directly in equity or other comprehensive income, respectively.

Current Tax

Current tax comprises the expected tax payable or recoverable on the taxable profit or loss for the year and any adjustment to the tax payable or recoverable in respect of previous years. It is measured using tax rates enacted or substantively enacted by the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretations and establishes provisions where appropriate.

- Current tax assets and liabilities are offset only if, the 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:

- the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- 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.

n) Foreign Currency Transactions

i) Functional and Presentation currency

The Company's financial statements are prepared in Indian Rupees (INR "₹") which is also the Company's functional currency.

ii) Transactions and balances

Foreign currency transactions are recorded on initial recognition in the functional currency using the exchange rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into

the functional currency at the exchange rate at the reporting date. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate at the date the fair value is determined.

Exchange differences arising on the settlement or translation of monetary items are recognized in profit or 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.

o) 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 profit and loss on a straight line basis over the expected lives of the related assets.

p) 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.

q) 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.

r) 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.

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, 2019											
Gross Carrying Amount											
Opening Gross Carrying Amount	0.51	14.41	140.29	30.53	289.45	12.83	11.25	12.55	28.04	90.26	630.12
Additions	-	0.01	26.04	0.28	59.58	1.17	2.67	3.21	5.00	-	97.96
Disposals / Adjustments	-	-	-	-	(0.38)	(0.01)	(2.72)	(0.02)	(2.41)	-	(5.54)
Closing Gross Carrying Amount	0.51	14.42	166.33	30.81	348.65	13.99	11.20	15.74	30.63	90.26	722.54
Accumulated Depreciation											
Opening Accumulated Depreciation	-	2.63	8.57	8.77	89.58	3.12	4.22	3.80	14.07	5.68	140.44
Depreciation charge during the year	-	0.84	4.49	4.17	36.53	1.40	2.12	1.92	6.73	1.50	59.70
Disposals / Adjustments	-	-	1.35	-	0.25	-	(1.65)	(0.02)	(2.39)	(1.34)	(3.80)
Closing Accumulated Depreciation	-	3.47	14.41	12.94	126.36	4.52	4.69	5.70	18.41	5.84	196.34
Net Carrying Amount	0.51	10.95	151.92	17.87	222.29	9.47	6.51	10.04	12.22	84.42	526.20
Year ended March 31, 2018											
Gross Carrying Amount											
Opening Gross Carrying Amount	0.51	14.41	124.81	26.40	231.86	10.38	10.33	10.03	22.84	90.26	541.83
Additions	-	-	15.48	4.13	57.76	2.45	8.05	2.52	5.28	-	95.67
Disposals/ Adjustments	-	-	-	-	(0.17)	-	(7.13)	-	(0.08)	-	(7.38)
Closing Gross Carrying Amount	0.51	14.41	140.29	30.53	289.45	12.83	11.25	12.55	28.04	90.26	630.12
Accumulated Depreciation											
Opening Accumulated Depreciation	-	1.49	5.99	5.19	53.34	1.99	3.26	2.20	8.12	2.82	84.40
Depreciation charge during the year	-	1.14	2.58	3.58	33.04	1.13	2.09	1.60	6.03	2.86	54.05
Disposals/Adjustments	-	-	-	-	3.20	-	(1.13)	-	(0.08)	-	1.99
Closing Accumulated Depreciation	-	2.63	8.57	8.77	89.58	3.12	4.22	3.80	14.07	5.68	140.44
Net Carrying Amount	0.51	11.78	131.72	21.76	199.87	9.71	7.03	8.75	13.97	84.58	489.68

NOTE 4 : INTANGIBLE ASSETS

₹ Crore

	Other Intangible assets				Total Other Intangible assets
	Goodwill	Trademarks and Brands *	Computer Software	Technical Knowhow	
Year ended March 31, 2019					
Gross Carrying Amount					
Opening Gross Carrying Amount	2.48	791.56	52.08	1.85	845.49
Additions	-	-	3.64	-	3.64
Disposals	-	-	(1.52)	(1.75)	(3.27)
Closing Gross Carrying Amount	2.48	791.56	54.20	0.10	845.86
Accumulated Amortisation					
Opening Accumulated Amortisation	-	0.21	22.57	0.81	23.59
Amortisation recognised for the year	-	0.07	9.13	0.17	9.37
Disposals	-	-	(1.05)	(0.88)	(1.93)
Closing Accumulated Amortisation	-	0.28	30.65	0.10	31.03
Closing Net Carrying Amount	2.48	791.28	23.55	-	814.83
Year ended March 31, 2018					
Gross Carrying Amount					
Opening Gross Carrying Amount	2.48	791.56	44.52	1.85	837.93
Additions	-	-	7.56	-	7.56
Disposals	-	-	-	-	-
Closing Gross Carrying Amount	2.48	791.56	52.08	1.85	845.49
Accumulated Amortisation					
Opening Accumulated Amortisation	-	0.14	13.65	0.55	14.34
Amortisation recognised for the year	-	0.07	8.92	0.26	9.25
Disposals	-	-	-	-	-
Closing Accumulated Amortisation	-	0.21	22.57	0.81	23.59
Closing Net Carrying Amount	2.48	791.35	29.51	1.04	821.90

Note :

* Includes trademarks / brands amounting to ₹ 791.25 crore (31-Mar-18 ₹ 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.

NOTE 5 : INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

₹ Crore

	Face Value	Numbers		Amounts	
		As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Unquoted, fully paid up:					
Carried at cost					
(a) Investments in Equity Instruments					
(i) Subsidiary Companies					
Godrej Netherlands B.V.	EUR 100	200	200	140.93	140.93
Godrej South Africa (Pty) Ltd.	ZAR 1	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	982.02
Godrej Household Products Lanka (Pvt) Ltd.	LKR 10	43,933,546	43,933,546	37.33	37.33
Godrej Consumer Products (Bangladesh) Ltd.	BDT 100	4,999	4,999	0.04	0.04
Godrej Mauritius Africa Holdings Ltd.	USD 1	136,240,553	136,240,553	865.50	865.49
Godrej East Africa Holdings Ltd.	USD 1	35,450,001	35,450,001	250.80	250.80
Godrej Tanzania Holdings Ltd.	USD 1	17,850,001	17,850,001	121.29	121.29
Godrej SON Holdings INC.	USD 1	77,600,000	77,600,000	504.72	504.72
(ii) Associate Company					
Bhabhani Blunt Hairdressing Pvt Ltd.	₹ 10	4,967	5,546	20.04	22.32
				2,935.46	2,937.61

₹ Crore

	Face Value	Numbers		Amounts	
		As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
(b) Investments in Compulsorily Convertible Debentures of Associate Company					
Bhabhani Blunt Hairdressing Pvt Ltd.	₹ 10	3,060	3,060	12.00	12.00
TOTAL				2,947.46	2,949.61
Aggregate Amount of Unquoted Investments				2,947.46	2,949.61

Note:

As per the Company's policy, investments include the fair value of financial guarantees issued as security for loans taken by subsidiaries. The details of such fair values included in the investments above is as shown below:

₹ Crore

	As at March 31, 2019	As at March 31, 2018
Godrej Netherlands B.V.	4.52	4.52
Godrej Consumer Products Holding (Mauritius) Ltd.	11.95	11.83
Godrej Mauritius Africa Holdings Ltd.	29.02	29.01
Godrej East Africa Holdings Ltd.	19.62	19.62
Godrej Tanzania Holdings Ltd.	3.07	3.07
TOTAL	68.18	68.05

NOTE 6 : OTHER INVESTMENTS (NON-CURRENT)

₹ Crore

	As at March 31, 2019	As at March 31, 2018
Unquoted, fully paid up		
At amortised cost		
Investments in Deposits with Non-Banking Financial Companies	-	20.54
At Fair Value through Profit or Loss		
Investment in Equity Instruments*	-	-
Quoted, fully paid up		
At amortised cost		
Investments in Non-convertible Debentures with Non-Banking Financial Companies	-	84.66
TOTAL	-	105.20
Aggregate Amount of Unquoted Investments	-	20.54
Aggregate Amount of Quoted Investments	-	84.66
Aggregate Market Value of Quoted Investments	-	84.79

* amounts less than ₹ 0.01 crore

NOTE 7 : LOANS (NON-CURRENT)

₹ Crore

	As at March 31, 2019	As at March 31, 2018
Unsecured, Considered Good, Unless Otherwise Stated		
Loans to Employees	0.04	0.03
Security Deposits	16.95	16.29
TOTAL	16.99	16.32

NOTE 8 : OTHER NON-CURRENT FINANCIAL ASSETS

₹ Crore

	As at March 31, 2019	As at March 31, 2018
Fixed Deposits with remaining maturity of more than 12 months (under lien against Bank Guarantees)	-	0.07
Share application money for investments in subsidiaries	10.32	-
Financial Guarantee Fee Receivables	20.75	4.20
TOTAL	31.07	4.27

NOTE 9 : OTHER NON-CURRENT ASSETS

₹ Crore

	As at March 31, 2019	As at March 31, 2018
Capital Advances (Refer Note below)	29.38	27.39
Balances with Government Authorities	21.65	17.56
Other non-current assets (includes prepaid expenses, vendor advances)		
Considered Good	1.07	1.06
	1.07	1.06
TOTAL	52.10	46.01

Note:

Capital Advances include ₹ 15.92 crore (31-Mar-18 ₹ 13.96 crore) paid to Related Parties.

NOTE 10 : NON-CURRENT TAX ASSETS (NET)

₹ Crore

	As at March 31, 2019	As at March 31, 2018
Advance Tax	22.84	19.66
[Net of Provision for taxation - ₹ 1742.56 crore (31-Mar-18 ₹ 1422.53)]		
TOTAL	22.84	19.66

(Refer Note 21 for tax reconciliations)

NOTE 11 : INVENTORIES

₹ Crore

	As at March 31, 2019	As at March 31, 2018
(Valued at lower of cost and net realizable value)		
Raw Materials (Including Packing Materials)	303.17	251.89
Goods-in Transit	16.48	2.05
	319.65	253.94
Work-in-Progress	40.20	36.86
Finished Goods	210.74	250.25
Stock-in-Trade	34.59	26.17
Stores and Spares	9.94	9.03
TOTAL	615.12	576.25

NOTE 12 : INVESTMENTS (CURRENT)

₹ Crore

	As at March 31, 2019	As at March 31, 2018
Unquoted, fully paid up		
At Fair Value through Profit or Loss		
Investments in Mutual Funds	13.01	107.63
At amortised cost		
Investments in Deposits with Non-Banking Financial Companies	135.06	306.97
Investments in Commercial Papers	-	97.04
Quoted, fully paid up		
At amortised cost		
Investments in Non-convertible Debentures with Non-Banking Financial Companies	329.27	336.01
TOTAL	477.34	847.65
Aggregate Amount of Unquoted Investments	148.07	511.64
Aggregate Amount of Quoted Investments	329.27	336.01
Aggregate Market Value of Quoted Investments	329.94	339.38

NOTE 13 : TRADE RECEIVABLES

₹ Crore

	As at March 31, 2019	As at March 31, 2018
Considered Good - Secured	7.17	2.81
Considered Good - Unsecured	346.01	245.77
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables - credit impaired	6.34	5.62
Less: Provision for Doubtful Debts	(6.34)	(5.62)
TOTAL	353.18	248.58

Refer note 46 (B)

Note :

There are no outstanding trade receivables which resulted into significant increase in credit risk apart from receivables which are impaired and provided.

NOTE 14 A : CASH AND CASH EQUIVALENTS

₹ Crore

	As at March 31, 2019	As at March 31, 2018
Balances with Banks		
- In Current Accounts	78.13	71.91
- Deposits with less than 3 months original maturity	0.08	14.00
	78.21	85.91
Cash on Hand	1.48	0.20
TOTAL	79.69	86.11

NOTE 14 B : OTHER BANK BALANCES

₹ Crore

	As at March 31, 2019	As at March 31, 2018
Deposits with maturities more than 3 months but less than 12 months (Refer Note below)	3.07	2.92
In Unpaid Dividend Accounts	14.48	9.08
TOTAL	17.55	12.00

Note:

The fixed deposits include deposits under lien against bank guarantees ₹ 2.99 crore (31-Mar-18 ₹ 2.82 crore)

NOTE 15 : LOANS (CURRENT)

₹ Crore

	As at March 31, 2019	As at March 31, 2018
Unsecured, Considered Good, Unless Otherwise Stated		
Loans to Employees	0.06	0.07
Security Deposits	0.08	0.18
TOTAL	0.14	0.25

NOTE 16 : OTHER CURRENT FINANCIAL ASSETS

₹ Crore

	As at March 31, 2019	As at March 31, 2018
Financial guarantee fee receivable	10.27	7.89
Refunds/Incentives receivables from Govt. Authorities		
Considered Good	117.37	173.66
Considered Doubtful	15.62	14.62
Less: Provision for Doubtful Advances	(15.62)	(14.62)
	117.37	173.66
Derivative assets	-	0.61
Others (includes receivables of insurance claims, exports incentives)	11.19	11.08
TOTAL	138.83	193.24

NOTE 17 : OTHER CURRENT ASSETS

₹ Crore

	As at March 31, 2019	As at March 31, 2018
Balances with Government Authorities	129.96	111.53
Contract assets (Right to receive inventory)	3.54	2.34
Other Advances (includes prepaid expenses, vendor advances)		
Considered Good	29.00	38.62
Considered Doubtful	0.83	0.78
Less: Provision for Doubtful Advances	(0.83)	(0.78)
TOTAL	162.50	152.49

NOTE 18 : EQUITY SHARE CAPITAL

₹ Crore

	As at March 31, 2019	As at March 31, 2018
Authorised		
1,030,000,000 Equity Shares (31-Mar-18: 690,000,000) of ₹ 1 each	103.00	69.00
10,000,000 Preference Shares (31-Mar-18: 10,000,000) of ₹ 1 each	1.00	1.00
Issued		
1,022,197,220 Equity Shares (31-Mar-18: 681,360,642) of ₹ 1 each	102.22	68.14
Subscribed and Fully Paid up		
1,022,166,096 Equity Shares (31-Mar-18: 681,329,518) of ₹ 1 each fully paid up	102.22	68.13
TOTAL	102.22	68.13

Notes:

- a) During the year, the Company has issued 1,14,546 equity shares (31-Mar-2018 1,27,886) under the Employee Stock Grant Scheme.
- b) 31,124 Right Issue equity shares (31-Mar-2018 year 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, 2019		As at March 31, 2018	
	No. of Shares	₹ Crore	No. of Shares	₹ Crore
Shares outstanding at the beginning of the year	681,329,518	68.13	340,600,816	34.06
Add : Shares Issued during the year (Bonus Shares)	340,722,032	34.08	340,600,816	34.06
Add : Shares Issued on exercise of employee stock grant scheme	114,546	0.01	127,886	0.01
Shares outstanding at the end of the year	1,022,166,096	102.22	681,329,518	68.13

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, 2019 the amount of per share dividend recognised as distribution to equity shareholders was ₹ 15 (31-Mar-2018 ₹ 15).

- e) Pursuant to the approval of the shareholders on Sep 5, 2018, record date for ascertaining the eligibility of the shareholders for receiving the bonus shares was fixed on Sep 14, 2018. Accordingly, the 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.
- f) Shares held by Holding Company and Subsidiary of Holding Company and details of shareholders holding more than 5% shares in the Company:

Name of the Shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	% held	No. of Shares	% held
Godrej & Boyce Manufacturing Co Ltd	75,011,445	7.34	50,007,630	7.34
Godrej Industries Limited	242,812,860	23.75	161,875,240	23.76
Godrej Seeds & Genetics Limited	280,500,000	27.44	187,000,000	27.45

g) Shares Reserved for issue under options

The Company has 295,015 (31-Mar-2018 year 224,011) equity shares reserved for issue under Employee Stock Grant Scheme as at March 31, 2019. (As detailed in Note 43)

h) Information regarding aggregate number of equity shares issued during the five years immediately preceding the date of Balance Sheet:
Pursuant to the approval of Shareholders, Company has allotted 340,722,032 (31-Mar-2018 year - 340,600,816) number of fully paid Bonus shares on Sep 17,2018 in the ratio of one equity share of ₹1 each fully paid up for every two existing equity shares of ₹1 each fully paid up.

Pursuant to the approval of Shareholders, Company has allotted 340,600,816 (31-Mar-2017 year - Nil) number of fully paid Bonus shares on June 27,2017 in the ratio of one equity share of ₹1 each fully paid up for every one existing equity shares of ₹1 each fully paid up.

The Company has not issued shares for consideration other than cash and has not bought back any shares during the past five years.

The Company has not allotted any shares pursuant to contract without payment being received in cash.

i) There are no calls unpaid on equity shares, other than shares kept in abeyance as mentioned in Note (b) above.

j) No equity shares have been forfeited.

k) Capital Management

The primary objective of the 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 balancesheet date there are no Net debt.

NOTE 19 : OTHER EQUITY

₹ Crore

	As at March 31, 2019	As at March 31, 2018
Securities Premium	1,398.03	1,424.51
General Reserve	154.05	154.05
Other Reserves		
Capital Investment Subsidy Reserve	0.15	0.15
Capital Redemption Reserve	1.46	1.46
Employee Stock Options Outstanding	12.36	11.58
	13.97	13.19
Retained Earnings	3,258.64	2,982.46
Other Comprehensive Income (Effective portion of cash flow hedges)	(0.75)	(0.75)
TOTAL	4,823.94	4,573.46

OTHER RESERVES MOVEMENT

₹ Crore

	As at March 31, 2019	As at March 31, 2018
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	11.58	9.83
(-) Exercise of Share options	(8.34)	(6.97)
(+) Deferred Employee Compensation Expense (Refer Note 31)	9.12	8.72
Closing Balance	12.36	11.58
TOTAL	13.97	13.19

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 43 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 20 : PROVISIONS (NON-CURRENT)

₹ Crore

	As at March 31, 2019	As at March 31, 2018
Provision for Employee Benefits		
Gratuity (Refer Note 42)	51.89	47.35
Compensated Absences	4.43	4.31
TOTAL	56.32	51.66

NOTE 21 : TAX RECONCILIATIONS

₹ Crore

	Year ended March 31, 2019	Year ended March 31, 2018
Tax expense recognised in the Statement of Profit and Loss		
Current Tax		
Current tax on profits for the year (net of MAT credit utilised)	320.66	283.28
Deferred tax (Net) Others	7.31	5.86
Deferred tax (Net) - MAT credit		
MAT credit recognised	(634.58)	-
MAT credit Utilised	24.71	-
Total income tax expense	(281.90)	289.14

Deferred tax is in respect of origination and reversal of temporary differences.

₹ Crore

	Year ended March 31, 2019	Year ended March 31, 2018
Current Tax and Deferred Tax related to items recognised in Other Comprehensive Income during in the year :		
On remeasurements of defined benefit plans	(0.21)	(2.63)
Total	(0.21)	(2.63)

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, 2019	Year ended March 31, 2018
Profit before income taxes	1,473.08	1,289.01
Indian statutory income tax rate	34.94%	34.61%
Expected income tax expense	514.75	446.10
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Deduction under Sec 80IC and 80IE	(168.12)	(223.05)
Effect of other tax offsets	1.66	(0.03)
Tax impact of income not subject to tax	0.15	1.35
Tax effects of amounts which are not deductible for taxable income	4.24	8.82
Additional tax paid on book profits	-	58.31
MAT Credit recognised	(634.58)	-
Effect of different Tax rate	-	(2.36)
Total income tax expense	(281.90)	289.14

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, 2019	As at March 31, 2018
Property, Plant and Equipment	(34.12)	(32.90)
Intangible assets	(248.81)	(239.59)
Total deferred tax liabilities	(282.93)	(272.49)

Deferred Tax Assets:

	₹ Crore	
	As at March 31, 2019	As at March 31, 2018
Defined benefit obligations	23.81	21.80
Provisions	21.69	20.46
Others	1.79	1.77
MAT credit	609.87	-
Total deferred tax assets	657.16	44.03
Net Deferred tax (Liabilities) / Assets	374.23	(228.46)

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 2017	(30.04)	(225.10)	17.56	11.57	1.77	-	(224.24)
(Charged)/Credited :							
- to profit or loss	(2.86)	(14.49)	2.59	8.89	-	-	(5.87)
- to other comprehensive income	-	-	1.65	-	-	-	1.65
At 1st April 2018	(32.90)	(239.59)	21.80	20.46	1.77	-	(228.46)
(Charged)/Credited :							
- to profit or loss	(1.22)	(9.22)	1.88	1.23	0.02	609.87	602.56
- to other comprehensive income	-	-	0.13	-	-	-	0.13
As at 31st March 2019	(34.12)	(248.81)	23.81	21.69	1.79	609.87	374.23

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.

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.

As on March 31, 2019 the tax liability with respect to the dividends proposed is ₹ 42.02 crores (31-Mar-18 : ₹ 98.03 crores)

During the year, the Company has recognised tax credits in respect of Minimum Alternate Tax (MAT credit) of ₹ 634.58 crores. 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 ₹ 24.71 crores. Accordingly the 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 said credit in future years against the normal tax expected to be paid in those years and accordingly has recognised a deferred tax asset for the same.

NOTE 22 : OTHER NON-CURRENT LIABILITIES

₹ Crore

	As at March 31, 2019	As at March 31, 2018
Unearned premium on guarantees given to subsidiaries	23.82	15.38
Others (includes deferred grants, sundry deposits)	4.27	2.37
TOTAL	28.09	17.75

NOTE 23 : TRADE PAYABLES

₹ Crore

	As at March 31, 2019	As at March 31, 2018
Dues to Micro and Small enterprises	53.49	-
Others*	1,404.12	1,452.92
TOTAL	1,457.61	1,452.92

* Trade Payables includes invoices discounted by Vendors with banks

Refer Note 46C

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues (principal and/or interest), which are outstanding for more than 45 days as at the balance sheet date. During the year, there have been no payments made to Micro, Small and Medium Enterprises beyond 45 days. There were no amounts on account of interest due that were payable for the period where the principal has been paid but interest under the MSMED Act, 2006 not paid. Further, there were no amounts towards interest accrued that were remaining unpaid at the end of accounting year. Accordingly, there were no amounts of further interest remaining due and payable in the succeeding years.

The above details regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified in the current year on the basis of information obtained by the Company.

NOTE 24 : OTHER CURRENT FINANCIAL LIABILITIES

₹ Crore

	As at March 31, 2019	As at March 31, 2018
Security Deposit Received	2.31	3.91
Unclaimed Dividends (Refer Note (a) below)	14.48	9.08
Derivative Liability	8.69	-
Capital creditors and other payables	23.34	26.01
TOTAL	48.82	39.00

Refer Note 46C

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 25 : OTHER CURRENT LIABILITIES

₹ Crore

	As at March 31, 2019	As at March 31, 2018
Statutory Dues (VAT, Excise, Service Tax, Octroi, TDS etc)	6.98	7.54
Contract Liabilities (Advance received from Customers)	13.13	23.83
Employee Benefits Payable	67.55	101.31
Unearned premium on guarantees given to subsidiaries	15.36	17.35
Others (includes PF, deferred revenue)	4.65	4.78
TOTAL	107.67	154.81

NOTE 26 : PROVISIONS (CURRENT)

₹ Crore

	As at March 31, 2019	As at March 31, 2018
Provision for Employee Benefits		
Gratuity (Refer Note 42)	8.44	7.82
Compensated Absences	3.38	2.90
Other provisions		
Provision for Sales Returns	14.33	13.50
Provision towards Litigations	12.77	12.71
TOTAL	38.92	36.93

Movements in each class of other provisions during the financial year are set out below:

₹ Crore

	Sales Returns	Provision towards Litigation
As at April 1, 2018	13.50	12.71
Additional provisions recognised	0.83	0.06
Amount Utilised /Unused amounts reversed	-	-
As at March 31, 2019	14.33	12.77

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 26 A : LIABILITIES FOR CURRENT TAX (NET)

₹ Crore

	As at March 31, 2019	As at March 31, 2018
Liabilities for Current Tax (Net)	0.96	0.96
[Net of advance tax of ₹ 128.87 crore (31-Mar-18 ₹ 128.87 crore)]		
TOTAL	0.96	0.96

NOTE 27 : REVENUE FROM OPERATIONS

₹ Crore

	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from contract with customers		
Sale of Products (including excise duty)	5,556.79	5,256.36
Other Operating Revenues		
a) Royalty & Technical Fees	22.47	17.63
b) Miscellaneous Income (includes Refunds/Incentives from Govt. Authorities)	100.05	80.75
TOTAL	5,679.31	5,354.74

Notes :

a) Sales for the year ended March 31, 2019 is net of Goods and Service tax (GST). However, for the previous year ended March 31, 2018, sales till period ended June 30, 2017 is gross of excise duty.

b) Revenue Information

₹ Crore

	Year ended March 31, 2019
Revenue by product categories	
Home care	2,834.32
Personal care	2,042.57
Hair care	679.90
TOTAL	5,556.79

c) **Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price**

₹ Crore

	Year ended March 31, 2019
Revenue as per contracted price	5,862.53
Sales returns	(0.83)
Rebates/Discounts	(304.91)
Revenue from contract with customers	5,556.79

d) **Contract Balances**

₹ Crore

	March 31, 2019	April 1, 2018
Trade receivables (Note 13)	353.18	248.58
Contract assets (Note 17)	3.54	2.34
Contract liabilities (Note 25)	13.13	23.83

Note: Contract assets represents right to receive the inventory (on estimated sales returns) and contract liabilities represents advances received from customers for sale of goods at the reporting date.

e) **Significant changes in contract assets and liabilities during the period**

₹ Crore

	Year ended March 31, 2019
Revenue recognised that was included in the contract liability balance at the beginning of the period	23.83

NOTE 28 : OTHER INCOME

₹ Crore

	Year ended March 31, 2019	Year ended March 31, 2018
Interest Income on:		
Non-convertible debentures and fixed deposits with Non-Banking Financial Companies at amortised cost	54.27	39.06
Deposits with banks	2.54	1.52
On Income-tax Refund	-	0.84
On Others	3.39	1.19
Net Gain on Sale of Investments (Mutual Funds)	8.03	18.54
Fair Value Gain/(Loss) on financial assets measured at fair value through profit or loss	0.01	(8.14)
Other Non-Operating Income		
Guarantee Commission income	21.62	20.24
Miscellaneous Non-operating Income	4.59	0.64
TOTAL	94.45	73.89

NOTE 29 : COST OF MATERIALS CONSUMED

₹ Crore

	Year ended March 31, 2019	Year ended March 31, 2018
Raw material and packing material		
Opening Inventory	253.94	194.32
Add : Purchases (Net)	2,096.53	1,944.57
	2,350.47	2,138.89
Less: Closing Inventory	(319.65)	(253.94)
Cost of Materials Consumed	2,030.82	1,884.95

NOTE 30 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN- TRADE AND WORK-IN-PROGRESS

₹ Crore

	Year ended March 31, 2019	Year ended March 31, 2018
Opening Inventory		
Finished Goods	250.25	299.18
Stock-in-Trade	26.17	29.53
Work-in-Progress	36.86	30.81
	313.28	359.52
Less: Closing Inventory		
Finished Goods	210.74	250.25
Stock-in-Trade	34.59	26.17
Work-in-Progress	40.20	36.86
	285.53	313.28
(Increase)/Decrease in Inventories	27.75	46.24

NOTE 31 : EMPLOYEE BENEFITS EXPENSE

₹ Crore

	Year ended March 31, 2019	Year ended March 31, 2018
Salaries and Wages	314.32	322.45
Contribution to Provident and Other Funds	21.10	18.20
Share based payments to Employees (Employee Stock Grant Scheme) (Refer Note 43)	9.12	8.72
Staff Welfare Expenses	6.96	6.14
TOTAL	351.50	355.51

NOTE 32 : FINANCE COSTS

₹ Crore

	Year ended March 31, 2019	Year ended March 31, 2018
Interest Expense		
Unwinding of interest on liabilities	2.46	1.70
Others (mainly includes interest on Short-term borrowings)	22.65	15.51
Bill discounting Charges	39.75	34.68
TOTAL	64.86	51.89

NOTE 33 : DEPRECIATION AND AMORTISATION EXPENSES

₹ Crore

	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation on property, plant and equipment	59.70	54.05
Amortisation on intangible assets	9.37	9.25
TOTAL	69.07	63.30

NOTE 34 : OTHER EXPENSES

₹ Crore

	Year ended March 31, 2019	Year ended March 31, 2018
Consumption of Stores and Spare Parts	15.58	15.18
Power and Fuel	94.14	80.12
Rent (Net) (Refer Note 40)	43.36	41.53
Repairs and Maintenance		
Plant and Equipment	5.11	4.47
Buildings	5.64	5.22
Others (Net)	29.00	25.21
	39.75	34.90
Insurance	4.51	4.31
Rates and Taxes	3.26	6.38
Processing and Other Manufacturing Charges	156.67	149.33
Travelling and Conveyance	37.64	36.61
Auditors' Remuneration (includes amount paid to previous auditors)		
As Statutory Auditor	1.45	1.48
For Other Services	0.07	-
Reimbursement of Expenses	0.14	0.08
	1.66	1.56
Legal and Professional Charges	18.65	19.28
Donations	2.24	2.18
Sales Promotion	52.15	45.55
Advertising and Publicity	641.33	613.07
Selling and Distribution Expenses	75.40	71.36
Freight	215.17	188.92
Net Loss on Sale/ write off of Fixed Assets	0.43	4.14
Net Loss on Foreign Currency Transactions and Translations	9.41	1.08
Bad Debts Written Off	0.95	0.30
Provision for Doubtful Debts / Advances	0.77	0.31
Miscellaneous Expenses (Net) (Refer Note (a) below)	88.91	80.48
TOTAL	1,501.98	1,396.59

Note :

- a) Miscellaneous Expenses include the Company's share of various expenses incurred by group companies for sharing of services and use of common facilities.

NOTE 35 : EARNINGS PER SHARE

₹ Crore

	Year ended March 31, 2019	Year ended March 31, 2018
Net Profit After Tax (₹ Crore)	1,754.98	999.87
Number of Shares outstanding at the beginning of the year (Refer Note below)	1,021,994,277	1,021,802,448
Add : Shares Issued during the year	171,819	191,829
Number of Shares outstanding at the end of the year	1,022,166,096	1,021,994,277
Weighted Average Number of Equity Shares		
For calculating Basic EPS	1,022,111,340	1,021,928,057
Effect of dilution:		
Shared based payments	204,688	232,154
For calculating Diluted EPS	1,022,316,028	1,022,160,210
Earnings Per Share		
(Face Value ₹ 1)		
Basic (₹)	17.17	9.78
Diluted (₹)	17.17	9.78

Note: Number of shares for the year ended 31 March 2018 have been adjusted for the bonus shares issued during the current year.

NOTE 36 : COMMITMENTS

Estimated value of contracts remaining to be executed on capital account to the extent not provided for : ₹ 28.36 crore (31-Mar-18 ₹ 29.60 crore), net of advances there against of ₹ 29.38 crore (31-Mar-18 ₹ 27.39 crore)

NOTE 37 : DIVIDEND

During the year 2018-19, the Board has paid four interim dividends. The first dividend was declared on May 8, 2018 at the rate of ₹ 7 per equity share (700% of the face value of ₹ 1 each) and the second dividend was declared on July 30, 2018 at the rate of ₹ 2 per equity share (200% of the face value of ₹ 1 each) on the pre-bonus paid up capital of the Company. The Company made a bonus issue in the ratio of 2:1 on Sep 17, 2018. Subsequent to the bonus issue, the Board paid two more interim dividends aggregating to ₹ 6 per share (600% of the face value ₹ 1 each). The total dividend rate for all the four interim dividends during the year after adjusting for the pre-bonus interim dividend rate aggregates to ₹ 12 per equity share (1200% of the face value ₹ 1 each) and amounts to ₹ 1226.52 crore. The dividend distribution tax on the said dividends is ₹ 252.11 crore. Subsequent to the close of the financial year, the Board has declared an interim dividend of ₹ 2 per equity share (200% of the face value ₹ 1 each) aggregating to ₹ 204.43 crore. The dividend distribution tax on the said dividend is ₹ 42.02 crore.

NOTE 38 : CONTINGENT LIABILITIES

₹ Crore

	As at March 31, 2019	As at March 31, 2018
a) CLAIMS FOR EXCISE DUTIES, TAXES AND OTHER MATTERS		
i) Excise duty and service tax matters	54.69	65.14
ii) Sales tax and VAT matters	54.73	48.43
iii) Income-tax matters	14.33	14.33
iv) Other matters	3.00	3.00
b) GUARANTEES GIVEN ON BEHALF OF SUBSIDIARIES		
i) Guarantee amounting to USD Nil (31-Mar-18 USD 29 million) given by the Company to DBS Bank Limited, Singapore against loan provided to Godrej Mauritius Africa Holdings Ltd.	-	186.40
ii) Guarantee amounting to GBP Nil (31-Mar-18 GBP 18 million) given by the Company to Hongkong and Shanghai Banking Corporation Limited, Hongkong against loan provided to Godrej Netherlands BV.	-	163.79
iii) Guarantee amounting to USD Nil (31-Mar-18 USD 51 million) given by the Company to Hongkong and Shanghai Banking Corporation Limited, Hongkong against loan provided to Godrej East Africa Holdings Limited.	-	329.52
iv) Guarantee amounting to USD Nil (31-Mar-18 USD 87 million) given by the Company to Hongkong and Shanghai Banking Corporation Limited (Hongkong), DBS Bank (Singapore) and Standard Chartered Bank Mauritius Limited against loan provided to Godrej Mauritius Africa Holdings Ltd.	-	567.80
v) Guarantee amounting to USD Nil (31-Mar-18 USD 23 million) given by the Company to Barclays Bank PLC, London towards loan against provided to Godrej Mauritius Africa Holdings Ltd.	-	149.12
vi) Guarantee amounting to USD Nil (31-Mar-18 USD 57 million) given by the Company to Hongkong and Shanghai Banking Corporation Limited & Standard Chartered Bank Mauritius Limited against loan provided to Godrej East Africa Holdings Limited.	-	372.80
vii) Guarantee amounting to USD 88 million (31-Mar-18 USD 88 million) given by the Company to DBS Bank Ltd (Singapore) & Sumitomo Mitsui Banking Corporation (Singapore) against loan provided to Godrej Consumer Products Holdings Mauritius Ltd.	608.56	573.54
viii) Guarantee amounting to USD 121 million (31-Mar-18 USD 121 million) given by the Company to Bank of Tokyo Mitsubishi UFJ Ltd (London) against loan provided to Godrej SON Holdings, Inc.	836.78	788.62
ix) Guarantee amounting to USD Nil (31-Mar-18 USD 1 million) given by the Company to Sumitomo Mitsui Banking Corporation (Singapore) towards IRS taken by Godrej Consumer Products Holdings Mauritius Ltd.	-	7.82
x) Guarantee amounting to USD 28 million (31-Mar-18 USD 28 million) given by the Company to Hongkong and Shanghai Banking Corporation Limited, Mauritius, against loan provided to Godrej East Africa Holdings Ltd.	190.18	179.23
xi) Guarantee amounting to USD Nil (31-Mar-18 USD 1 million) given by the Company to DBS Bank Ltd (Singapore) towards IRS taken by Godrej Consumer Products Mauritius Ltd.	-	7.82
xii) Guarantee amounting to USD Nil (31-Mar-18 USD 2 million) given by the Company to JP Morgan Chase towards IRS taken by Godrej East Africa Holdings Ltd	-	10.43
xiii) Guarantee amounting to USD Nil (31-Mar-18 USD 1 million) given by the Company to Hongkong and Shanghai Banking Corporation Limited Mauritius towards SBLC line given to Godrej Tanzania Holdings Limited	-	65.18

₹ Crore

	As at March 31, 2019	As at March 31, 2018
xiv) Guarantee amounting to USD 28 million (31-Mar-18 USD 28 million) given by the Company to Standard Chartered Bank Mauritius towards SBLC line given to Godrej Tanzania Holdings Limited	190.18	179.23
xv) Guarantee amounting to USD 44 million (31-Mar-18 USD 44 million) given by the Company to CITI US towards loan provided to Godrej Mauritius Africa Holdings Ltd.	304.28	286.77
xvi) Guarantee amounting to USD 2 million (31-Mar-18 USD 2 million) given by the Company to DBS Bank Limited towards IRS taken by Godrej Mauritius Africa Holdings Ltd.	13.83	13.04
xvii) Guarantee amounting to USD 1.20 million (31-Mar-18 USD Nil) given by the Company to DBS Bank Limited towards IRS taken by Godrej Consumer Products Holdings Mauritius Ltd.	8.30	-
xviii) Guarantee amounting to USD 64.35 million (31-Mar-18 USD Nil) given by the Company to DBS Bank Ltd (Singapore) & Sumitomo Mitsui Banking Corporation (Singapore) against loan provided to Godrej SON Holding, INC	445.01	-
xix) Guarantee amounting to USD 148.72 million (31-Mar-18 USD Nil) given by the Company to DBS Bank Ltd (Singapore) & Sumitomo Mitsui Banking Corporation (Singapore) against loan provided to Godrej Consumer Products Holdings Mauritius Ltd.	1,028.47	-
	3,625.59	3,881.11
c) OTHER GUARANTEES		
i) Guarantees issued by banks [secured by bank deposits under lien with the bank ₹ 2.99 crore	14.36	12.17
ii) Guarantee given by the Company to Yes Bank for credit facilities extended to M/s. Broadcast Audience Research Council	0.80	0.80
	15.16	12.97
d) CLAIMS AGAINST THE COMPANY NOT ACKNOWLEDGED AS DEBT:		
i) Claims by various parties on account of unauthorized, illegal and fraudulent acts by an employee.	32.22	32.22
ii) Others	0.06	0.18
e) OTHER MATTERS		
The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. Pending decision on the subject review petition and directions from the EPFO, the impact, if any, is not ascertainable and consequently no effect has been given in the accounts.		

NOTE 39 : 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, 2019	% Holding as at March 31, 2018
Godrej Netherland B.V.	Netherlands	100%	100%
Godrej (UK) Ltd	UK	100%	100%
Godrej Consumer Products (UK) Limited *	UK	100%	100%
Godrej Consumer Investments (Chile) Spa	Chile	100%	100%
Godrej Holdings (Chile) Limitada	Chile	100%	100%
Cosmetica National	Chile	100%	100%
Godrej South Africa Proprietary Limited	South Africa	100%	100%
Godrej Consumer Products Holding (Mauritius) Limited	Mauritius	100%	100%
Indovest Capital	Labuan	100%	100%
Godrej Global Mideast FZE	Sharjah,UAE	100%	100%
Godrej Indonesia IP Holdings Ltd	Mauritius	100%	100%
Godrej Mid East Holding Limited	Dubai,UAE	100%	100%
Godrej Consumer Products Dutch Cooperatief UA	Netherlands	100%	100%
Godrej Consumer Products (Netherlands) B.V.	Netherlands	100%	100%
Godrej Consumer Holdings (Netherlands) B.V.	Netherlands	100%	100%

Name of the Subsidiary	Country	% Holding as at March 31, 2019	% Holding as at March 31, 2018
PT Indomas Susemi Jaya	Indonesia	100%	100%
PT Intrasari Raya	Indonesia	100%	100%
PT Megasari Makmur	Indonesia	100%	100%
PT Ekamas Sarijaya	Indonesia	100%	100%
PT Sarico Indah	Indonesia	100%	100%
Laboratorio Cuenca S.A	Argentina	100%	100%
Consell	Argentina	100%	100%
Godrej Peru SAC	Peru	100%	100%
Deciral S.A.	Uruguay	100%	100%
Issue Group Brazil LTDA	Brazil	100%	100%
Panamar Producciones SA	Argentina	100%	100%
Godrej SON Holdings Inc.	USA	100%	100%
Strength of Nature LLC	USA	100%	100%
Strength of Nature South Africa Proprietary Limited	South Africa	100%	100%
Old Pro International, Inc.	USA	100%	100%
Godrej Household Products (Bangladesh) Pvt. Ltd.	Bangladesh	100%	100%
Godrej Household Products Lanka (Pvt). Ltd.	Sri Lanka	100%	100%
Godrej Consumer Products Bangladesh Limited	Bangladesh	100%	100%
Godrej Mauritius Africa Holdings Limited	Mauritius	100%	100%
Darling Trading Company Mauritius Limited	Mauritius	90%	90%
Godrej Consumer Products International FZCO	Dubai,UAE	90%	90%
Godrej Africa Holdings Limited	Mauritius	100%	100%
Frika Weave (Pty) Ltd	South Africa	100%	100%
Kinky Group (Proprietary) Limited	South Africa	100%	100%
Loma Nigeria Limited	Nigeria	100%	100%
Weave Ghana	Ghana	100%	100%
Weave Trading Mauritius Pvt. Ltd.	Mauritius	51%	51%
Hair Trading (Offshore) S.A.L.	Lebanon	51%	51%
Godrej International Trading Company	Sharjah,UAE	51%	51%
Godrej West Africa Holdings Limited	Mauritius	90%	90%
Subinite (Pty) Ltd	South Africa	90%	90%
Weave IP Holdings Mauritius Pvt. Ltd.	Mauritius	90%	90%
Weave Mozambique Limitada	Mozambique	90%	90%
Godrej Nigeria Limited	Nigeria	100%	100%
Godrej Hair Care Nigeria Limited	Nigeria	100%	100%
Godrej Household Insecticide Nigeria Ltd	Nigeria	100%	100%
Godrej Hair Weave Nigeria Ltd	Nigeria	100%	100%
Godrej East Africa Holdings Limited	Mauritius	100%	100%
DGH Phase Two Mauritius	Mauritius	90%	90%
Godrej Consumer Products Malaysia Limited	Malaysia	100%	100%
Style Industries Ltd	Kenya	90%	90%
Charm Industries Limited	Kenya	100%	100%
Canon Chemicals Limited	Kenya	75%	75%
Godrej Tanzania Holdings Limited	Mauritius	100%	100%
DGH Tanzania Limited	Mauritius	100%	100%
Sigma Hair Industries Ltd.	Tanzania	100%	100%
Belaza Mozambique LDA	Mozambique	100%	100%
Hair Credentials Zambia Limited	Zambia	100%	100%
DGH Uganda	Mauritius	51%	51%
Style Industries Uganda Limited	Uganda	51%	51%
Weave Senegal	Senegal	100%	100%
Godrej CP Malaysia SDN BHD (wef from June 4, 2018)	Malaysia	100%	Nil

* Divested on 31st August 2018

c) Joint Venture:

Name of the Joint Venture	Country	% Holding as at March 31, 2019	% Holding as at March 31, 2018
Godrej Easy IP Holdings (FZC) (Dubai)	Dubai, UAE	Nil*	50%

* Dissolved during FY 2018-19

d) Associate Company:

Name of the Associate Company	Country	% Holding as at March 31, 2019	% Holding as at March 31, 2018
Bhabani Blunt Hairdressing Pvt Limited	India	28%	30%

e) Investing Entity in which the reporting entity is an Associate

- i) Godrej Industries Limited
- ii) Godrej Seeds & Genetics Limited

f) Companies under common Control with whom transactions have taken place during the year

i) Godrej & Boyce Mfg. Co. Limited			
ii) Godrej Agrovet Limited			
iii) Godrej Tyson Foods Limited			
iv) Godrej Properties Limited			
v) Natures Basket Limited			
vi) Godrej Vikhroli Properties LLP			
vii) Godrej Infotech Limited			
viii) Godrej Projects Development Private Limited			
ix) Godrej Anandan			
x) Godrej One Premises Management Private Limited			
xi) Godrej Seaview Properties Private Limited			
xii) Creamline Dairy Products Limited			

g) Key Management Personnel and Relatives

i) Mr. Adi Godrej	Chairman Emeritus
ii) Ms. Nisaba Godrej	Executive Chairperson / Daughter of Mr. Adi Godrej
iii) Mr. Vivek Gambhir	Managing Director & CEO
iv) Mr. V. Srinivasan	Chief Financial Officer and Company Secretary
v) Mr. Pirojsha Godrej	Non-Executive Director / Son of Mr. Adi Godrej
vi) Mr. Nadir Godrej	Non-Executive Director/ Brother of Mr. Adi Godrej
vii) Ms. Tanya Dubash	Non-Executive Director/ Daughter of Mr. Adi Godrej
viii) Mr. Jamshyd Godrej	Non Executive Director
ix) Mr. D Shivakumar	Independent Director (till 1 st November, 2018)
x) Mr. Aman Mehta	Independent Director
xi) Mr. Omkar Goswami	Independent Director
xii) Ms. Ireena Vittal	Independent Director
xiii) Mr. Bharat Doshi	Independent Director
xiv) Mr. Narendra Ambwani	Independent Director
xv) Ms. Nididi Nwuneli	Independent Director
xvi) Ms. Pippa Armerding	Independent Director
xvii) Mr. Burjis Godrej	Son of Mr.Nadir Godrej
xviii) Ms. Rati Godrej	Wife of Mr.Nadir Godrej
xix) Mr. Sohrab Godrej	Son of Mr.Nadir Godrej
xx) Mr. Hormazd Godrej	Son of Mr.Nadir Godrej
xxi) Mr.Navroze Godrej	Son of Mr. Jamshyd Godrej
xxii) Mr. Arvind Dubash	Husband of Ms. Tanya Dubash

h) Trust where the reporting entity exercises significant influence

- i) Godrej Consumer Products Limited Employees' Stock Option Trust

i) 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		
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year			
	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year			
Sale of Goods	48.71	40.21	0.40	0.57	12.89	18.86	3.37	1.71	-	-	-	-	65.37	61.35	
Sale of Capital Asset	-	-	-	-	-	0.02	-	-	-	-	-	-	-	-	0.02
Purchase of Materials and Spares	6.00	4.26	0.16	-	58.47	40.16	0.29	0.13	-	-	-	-	64.92	44.55	
Purchase of Fixed Asset including Assets under Construction	-	-	-	-	-	-	0.07	10.74	-	-	-	-	0.07	10.74	
Advance Paid	-	-	-	-	1.51	1.51	0.05	0.25	-	-	-	-	1.56	1.76	
Royalty and Technical Fees Received	22.47	17.63	-	-	-	-	-	-	-	-	-	-	22.47	17.63	
Royalty and Technical Fees Paid	0.13	0.12	0.62	0.87	-	-	-	-	-	-	-	-	0.75	0.99	
Establishment & Other Expenses Paid (Including provision for doubtful debts if any)	0.26	0.35	0.14	1.19	34.38	33.50	8.95	6.92	-	-	-	-	43.73	41.96	
Expenses Recovered	20.41	16.36	-	0.01	0.21	0.23	0.03	0.35	-	-	-	-	20.65	16.95	
Investments Made	10.31	156.52	-	-	-	-	-	-	-	-	-	-	10.31	156.52	
Investments Sold / Redeemed	-	-	2.28	-	-	-	-	-	-	-	-	-	2.28	-	
Fair Value of Financial Guarantees included in Investments	0.13	7.54	-	-	-	-	-	-	-	-	-	-	0.13	7.54	
Guarantees Given / (Cancelled)	1,481.78	544.21	-	-	-	-	-	-	-	-	-	-	1,481.78	544.21	
Financial Guarantee Fee Received	9.13	4.01	-	-	-	-	-	-	-	-	-	-	9.13	4.01	
Guarantee Commission Income	21.62	20.24	-	-	-	-	-	-	-	-	-	-	21.62	20.24	
Income from Business Support Services	11.39	11.57	-	-	-	-	-	-	-	-	-	-	11.39	11.57	
Dividend Paid	-	-	-	-	627.98	313.99	90.01	45.01	35.43	17.69	-	-	753.42	376.69	
Commission on Profits and Sitting Fees	-	-	-	-	-	-	-	-	4.20	2.64	-	-	4.20	2.64	
Lease Rentals Received	-	-	-	-	9.25	10.87	-	-	-	-	-	-	9.25	10.87	
Lease Rentals Paid	-	-	-	-	14.21	15.49	-	-	-	0.26	-	-	14.21	15.75	
Contribution during the year (Including Employees' Share)	-	-	-	-	-	-	-	-	-	-	16.63	15.34	16.63	15.34	
Short Term Employment Benefits	-	-	-	-	-	-	-	-	23.32	33.40	-	-	23.32	33.40	
Post Employment Benefits	-	-	-	-	-	-	-	-	0.50	0.42	-	-	0.50	0.42	
Share Based Payment	-	-	-	-	-	-	-	-	3.85	3.80	-	-	3.85	3.80	
TOTAL	1,632.34	823.02	3.60	2.64	758.90	434.63	102.77	65.11	67.30	58.21	16.63	15.34	2,581.54	1,398.95	

₹ Crore

	Receivables		Payables		Guarantees Outstanding - Given / (Taken)				Commitments	
	As at	As at	As at	As at	As at	As at				
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2018
Subsidiary Companies	79.32	46.39	1.34	0.88	3,625.59	3,881.11	-	-	-	-
Associate Company	0.04	0.07	-	-	-	-	-	-	-	0.01
Investing Entity in which the reporting entity is an associate	1.40	0.97	3.63	-	(26.88)	(26.88)	-	-	-	2.61
Common Control	2.17	0.34	0.56	0.02	(1.21)	(1.21)	-	1.59	-	0.99
Key Management Personnel and Relatives	-	-	5.00	16.22	-	-	-	-	-	-
TOTAL	82.93	47.77	10.53	17.12	3,597.50	3,853.02	1.59	1.59	1.59	3.61

Note : Refer note 5 for investments in subsidiaries and associates.

NOTE 40 : LEASES

The Company's significant leasing agreements are in respect of operating lease for premises (office, godown, etc.) and the aggregate lease rentals payable are charged as rent. The Total lease payments accounted for the year ended March 31, 2019 is ₹ 43.36 crore (previous year ₹ 41.53 crore).

The future minimum lease payments outstanding under non-cancellable operating leases are as follows:

	₹ Crore	
	As at March 31, 2019	As at March 31, 2018
Not later than one year	12.15	12.63
Later than one year and not later than five years	9.54	36.27
Later than five years	-	10.59
TOTAL	21.69	59.49

The Company has entered into an agreement to give one of its office building on operating lease effective May 2015. Total lease rentals earned during the year ended March 31, 2019 amounting to ₹ 9.13 crore have been netted off against rent expense of ₹ 9.13 crore in Note 34 for similar premises in the same building.

The future minimum lease rental receivable under the non-cancellable operating lease is as follows:

	₹ Crore	
	As at March 31, 2019	As at March 31, 2018
Not later than one year	9.13	9.13
Later than one year and not later than five years	1.10	10.20
Later than five years	-	-
TOTAL	10.23	19.33

NOTE 41 : HEDGING 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, 2019		As at March 31, 2018	
	In million		In million	
Forward Contracts to Purchase (USD)	US \$	29.17	US \$	20.53
[86 contracts (31-Mar-18: 31 contracts)]				

NOTE 42 : 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, 2019.

	₹ Crore	
	As at March 31, 2019	As at March 31, 2018
Plan assets at period end, at fair value	149.31	129.57
Provident Fund Corpus	148.00	128.51
Valuation assumptions under Deterministic Approach:		
Weighted Average Yield	8.67%	8.75%
Weighted Average Yield to Maturity	9.07%	8.95%
Guaranteed Rate of Interest	8.65%	8.65%

c) Amounts Recognised as Expense:

i) Defined Contribution Plan

Employer's Contribution to Provident Fund including contribution to Family Pension Fund amounting to ₹ 11.90 crore (*previous year ₹ 11.03 crore*) has been included in Note 31 under Contribution to Provident and Other Funds.

ii) Defined Benefit Plan

Gratuity cost amounting to ₹ 8.30 crore (*previous year ₹ 6.41 crore*) has been included in Note 31 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, 2019	As at March 31, 2018
i) Change in Present Value of Obligation		
Present value of the obligation at the beginning of the year	56.38	48.07
Current Service Cost	3.99	3.40
Interest Cost	4.40	3.28
Actuarial (Gain) / Loss on Obligation- Due to Change in Demographic Assumptions	(0.79)	(0.13)
Actuarial (Gain) / Loss on Obligation- Due to Change in Financial Assumptions	1.51	2.82
Actuarial (Gain) / Loss on Obligation- Due to Experience	(0.42)	1.79
Benefits Paid	(4.14)	(2.85)
Present value of the obligation at the end of the year	60.93	56.38
ii) Change in Plan Assets		
Fair value of Plan Assets at the beginning of the year	1.20	3.91
Interest Income	0.09	0.27
Return on plan assets excluding interest income	(0.08)	(0.13)
Contributions by the Employer	3.53	-
Benefits Paid	(4.14)	(2.85)
Fair value of Plan Assets at the end of the year	0.60	1.20
iii) Amounts Recognised in the Balance Sheet:		
Present value of Obligation at the end of the year	60.93	56.38
Fair value of Plan Assets at the end of the year	0.60	1.20
Funded status - Deficit	60.33	55.18
Net Liability recognised in the Balance Sheet	60.33	55.18
iv) Amounts Recognised in the Statement of Profit and Loss:		
Current Service Cost	3.99	3.40
Interest Cost/Income on Obligation/ Plan assets (Net)	4.31	3.01
Net Cost Included in Personnel Expenses	8.30	6.41
v) Recognised in other comprehensive income for the year		
Actuarial (Gain) / Loss on Obligation	0.30	4.47
Return on plan assets excluding interest income	0.08	0.13
Recognised in other comprehensive income	0.38	4.60
vi) Weighted average duration of Present Benefit Obligation	6 years	6 years
vii) Estimated contribution to be made in next financial year	8.44	7.82
viii) Major categories of Plan Assets as a % of total Plan Assets		
Insurer Managed Funds	100%	100%
ix) Actuarial Assumptions		
i) Discount Rate	7.22% P.A.	7.80% P.A.
ii) Salary Escalation Rate	9.00% P.A.	9.00% P.A.
iii) Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

x) Maturity Analysis of Projected Benefit Obligation: From the Fund

₹ Crore

	As at March 31, 2019	As at March 31, 2018
Projected Benefits Payable in Future Years From the Date of Reporting		
Within the next 12 months	14.49	12.41
2 nd Following Year	6.94	4.99
3 rd Following Year	6.28	5.41
4 th Following Year	5.87	5.02
5 th Following Year	6.67	4.85
Sum of Years 6 To 10	23.68	23.89

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, 2019		March 31, 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(2.54)	2.82	(2.77)	3.11
Future salary growth (1% movement)	2.74	(2.53)	3.04	(2.77)

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 43 : EMPLOYEE STOCK BENEFIT PLANS**I. EMPLOYEE STOCK GRANT SCHEME**

- a) The Company set up the Employees Stock Grant Scheme 2011 (ESGS) pursuant to the approval by the Shareholders on March 18, 2011.
- b) The ESGS Scheme is effective from April 1, 2011, (the "Effective Date") and shall continue to be in force until (i) its termination by the Board or (ii) the date on which all of the shares to be vested under Employee Stock Grant Scheme 2011 have been vested in the Eligible Employees and all restrictions on such Stock Grants awarded under the terms of ESGS Scheme, if any, have lapsed, whichever is earlier.
- c) The Scheme applies to the Eligible Employees of the Company or its Subsidiaries. The entitlement of each employee will be decided by the Compensation Committee of the Company based on the employee's performance, level, grade, etc.
- d) The total number of Stock Grants to be awarded under the ESGS Scheme are restricted to 2,500,000 (Twenty Five Lac) fully paid up equity shares of the Company. Not more than 500,000 (Five Lac) fully paid up equity shares or 1% of the issued equity share capital at the time of awarding the Stock Grant, whichever is lower, can be awarded to any one employee in any one year.
- e) The Stock Grants shall vest in the Eligible Employees pursuant to the ESGS Scheme in the proportion of 1/3rd at the end of each year or as may be decided by the Compensation Committee from the date on which the Stock Grants are awarded for a period of three consecutive years subject to the condition that the Eligible Employee continues to be in employment of the Company or the Subsidiary company as the case may be.
- f) The Eligible Employee shall exercise her / his right to acquire the shares vested in her / him all at one time within 1 month from the date on which the shares vested in her / him or such other period as may be determined by the Compensation Committee.
- g) The Exercise Price of the shares has been fixed at ₹ 1 per share. The fair value is treated as Employee Compensation Expenses and charged to the Statement of Profit and Loss. The value of the options is treated as a part of employee compensation in the financial statements and is amortised over the vesting period.

h) The details of the scheme are as below:

Scheme	Grant Date	No. of Options	Vesting Condition	Exercise Price (₹) per share	Weighted average Exercise Price (₹) per share	Exercise period
Employees Stock Grant Scheme 2011	From 2011 to 2018	635,424	Vested in the proportion of 1/3 rd at the end of each year	1.00	1.00	within 1 month from the date of vesting

Movement in the number of share options during the year:

	As at March 31, 2019	As at March 31, 2018
Outstanding at the beginning of the year	224,011	128,895
Add: Bonus issue during the year	102,049	122,214
Add: Granted during the year	98,343	111,829
Less: Exercised during the year	114,546	127,886
Less: Forfeited/ lapsed during the year	14,842	11,041
Outstanding at the end of the year	295,015	224,011

Weighted average remaining contractual life of options as at 31st March, 2019 was 2.93 years (31-Mar-18: 1.24 years).

Weighted average equity share price at the date of exercise of options during the year was ₹ 1213.37 (previous year ₹ 1297.64).

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, 2019	As at March 31, 2018
Risk-free interest rate (%)	7.51%	6.46%
Expected life of options (years)	2.00	2.00
Expected volatility (%)	28.29%	32.21%
Dividend yield	1.05%	0.31%
The price of the underlying share in market at the time of option grant (₹)*	1,139.45	1,868.75

* Price is before issue of Bonus shares

II. Pursuant to SEBI notification dated January 17, 2013, no further securities of the Company will be purchased from the open market.

NOTE 44 : 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 ₹ 21.87 crore (previous year ₹ 18.83 crore):

	₹ Crore	
	Year ended March 31, 2019	Year ended March 31, 2018
Revenue Expenditure in cash on CSR activities	21.90	18.88
TOTAL	21.90	18.88

NOTE 45 : 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.

As at March 31, 2019	Carrying amount / Fair Value			Fair value Hierarchy			Total
	FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3	
Financial assets							
Non Current							
Investments							
Non-convertible Debentures with Non-Banking Financial Companies	-	-	-	-	-	-	-
Deposits with Non-Banking Financial Companies	-	-	-	-	-	-	-
Loans	-	-	16.99	-	-	-	16.99
Other Non-Current Financial Assets	-	-	31.07	-	-	-	31.07
Current							
Investments							
Non-convertible Debentures with Non-Banking Financial Companies	-	-	329.27	-	329.94	-	329.94
Mutual Funds	13.01	-	-	-	13.01	-	13.01
Deposits with Non-Banking Financial Companies	-	-	135.06	-	135.06	-	135.06
Trade receivables	-	-	353.18	-	-	-	353.18
Cash and cash equivalents	-	-	79.69	-	-	-	79.69
Other Bank balances	-	-	17.55	-	-	-	17.55
Loans	-	-	0.14	-	-	-	0.14
Refunds/Incentives receivables from Govt. Authorities	-	-	117.37	-	-	-	117.37
Other Current Financial Assets	-	-	21.46	-	-	-	21.46
TOTAL	13.01	-	1,101.78	-	478.01	-	478.01
Financial liabilities							
Current							
Trade and other payables	-	-	1,457.61	-	-	-	1,457.61
Derivative liability	8.69	-	8.69	-	-	-	8.69
Other Current Financial Liabilities	-	-	40.13	-	-	-	40.13
TOTAL	8.69	-	1,497.74	-	8.69	-	1,506.43

There are no transfers between levels 1 and 2 during the year

As at March 31, 2018	Carrying amount / Fair Value			Fair value Hierarchy			
	FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3	Total
Financial assets							
Non Current							
Investments							
Non-convertible Debentures with Non-Banking Financial Companies	-	-	84.66		84.79		84.79
Deposits with Non-Banking Financial Companies	-	-	20.54		20.54		20.54
Loans	-	-	16.32				-
Other Non-Current Financial Assets	-	-	4.27				-
Current							
Investments							
Non-convertible Debentures with Non-Banking Financial Companies	-	-	336.01		339.38		339.38
Mutual Funds	107.63	-	-		107.63		107.63
Commercial papers			97.04		97.04		97.04
Deposits with Non-Banking Financial Companies			306.97		306.97		306.97
Trade receivables	-	-	248.58				-
Cash and cash equivalents	-	-	86.11				-
Other Bank balances	-	-	12.00				-
Loans	-	-	0.25				-
Refunds/incentives receivables from Govt. Authorities	-	-	173.66				-
Derivative assets	0.61	-	-		0.61		0.61
Other Current Financial Assets	-	-	18.97				-
TOTAL	108.24	-	1,405.38	-	956.95	-	956.95
Financial liabilities							
Current							
Borrowings (Commercial Paper)							
Trade and other payables	-	-	1,452.92				-
Other Current Financial Liabilities	-	-	39.00				-
TOTAL	-	-	1,491.92	-	-	-	-

There are no transfers between levels 1 and 2 during the year

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Mutual Fund Investments	NAV quoted by the Mutual Fund	NA	NA
Investments in Non Convertible Debenture/Commercial papers with Non-Banking Financial Companies	Broker Quote	NA	NA
Deposits with Non-Banking Financial Companies	Present Value of expected cashflows using an appropriate discounting rate	NA	NA
Commercial Paper issued by the Company	Present Value of expected cashflows using an appropriate discounting rate	NA	NA
Derivative Financial Instruments	MTM from Banks	NA	NA

NOTE 46 : FINANCIAL RISK MANAGEMENT

The activities of the Company exposes it to a number of financial risks namely market risk, credit risk and liquidity risk. The Company seeks to minimize the potential impact of unpredictability of the financial markets on its financial performance. The Company has constituted a Risk Management Committee and risk management policies which are approved by the Board to identify and analyze the risks faced by the Company and to set and monitor appropriate risk limits and controls for mitigation of the risks.

A. MANAGEMENT OF MARKET RISK:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks: interest rate risk, price risk and currency rate risk. Financial instruments affected by market risk includes borrowings, foreign currency receivables/payables, EEFC bank account balances, investments and derivative financial instruments. The Company has international trade operations and is exposed to a variety of market risks, including currency and interest rate risks.

(i) Management of interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any exposure to interest rate risks since its borrowings and investments are all in fixed rate instruments.

(ii) Management of price risk:

The Company invests its surplus funds in various debt instruments including liquid and short term schemes of debt mutual funds, deposits with banks and financial institutions, commercial papers and non-convertible debentures (NCD's). Investments in mutual funds, deposits and NCD's are susceptible to market price risk, arising from changes in interest rates or market yields which may impact the return and value of the investments. This risk is mitigated by the Company by investing the funds in various tenors depending on the liquidity needs of the Company.

(iii) Management of currency risk:

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has foreign currency trade payables and receivables and is therefore exposed to foreign exchange risk. The Company mitigates the foreign exchange risk by setting appropriate exposure limits, periodic monitoring of the exposures and hedging exposures using derivative financial instruments like foreign exchange forward contracts. The exchange rates have been volatile in the recent years and may continue to be volatile in the future. Hence the operating results and financials of the Company may be impacted due to volatility of the rupee against foreign currencies.

Exposure to currency risk (Exposure in different currencies converted to functional currency i.e. INR)

The currency profile of financial assets and financial liabilities as at March 31, 2019 is as below:

	₹ Crore			
	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019
	GBP	USD	EURO	AED
Financial assets				
Cash and cash equivalents	-	6.39	-	-
Trade and other receivables	2.12	71.92	31.82	-
Less: Forward contracts for trade receivables	-	-	-	-
Other Non-Current Financial Assets	-	20.75	-	-
Other Current Financial Assets	-	10.27	-	-
	2.12	109.33	31.82	-
Financial liabilities				
Trade and other payables	0.42	313.06	0.20	-
Less: Forward contracts for trade payables	-	(201.72)	-	-
Other Non-current financial liabilities	-	0.00	-	-
Other Current Financial Liabilities	-	0.02	-	-
	0.42	111.36	0.20	-
Net exposure	1.70	(2.03)	31.62	-

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, 2018 is as below:

	₹ Crore			
	March 31, 2018	March 31, 2018	March 31, 2018	March 31, 2018
	GBP	USD	EURO	AED
Financial assets				
Cash and cash equivalents	-	6.11	-	-
Trade and other receivables	1.19	47.05	36.10	2.32
Less: Forward contracts for trade receivables	-	-	-	-
Other Non-Current Financial Assets	-	4.20	-	-
Other Current Financial Assets	-	7.89	-	-
	1.19	65.25	36.10	2.32
Financial liabilities				
Trade and other payables	1.95	198.64	5.05	-
Less: Forward contracts for trade payables	-	(133.80)	-	-
Other Current Financial Liabilities	-	0.21	-	-
	1.95	65.05	5.05	-
Net exposure	(0.76)	0.20	31.05	2.32

The following significant exchange rates have been applied during the year.

INR	Year-end spot rate as at	
	March 31, 2019	March 31, 2018
GBP INR	90.48	91.76
USD INR	69.35	65.18
EUR INR	77.69	80.45
ZAR INR	4.74	5.53
AED INR	18.84	17.74
JPY INR	0.63	-

Sensitivity analysis

A reasonably possible 5% strengthening (weakening) of GBP/USD/EURO/AED against the Indian Rupee at March 31 would have affected the measurement of financial instruments denominated in GBP/USD/EURO/AED and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Effect in INR	Profit or loss	
	Strengthening	Weakening
March 31, 2019		
5% movement		
GBP	0.08	(0.08)
USD	(0.10)	0.10
EUR	1.58	(1.58)
	1.56	(1.56)

Effect in INR	Profit or loss	
	Strengthening	Weakening
March 31, 2018		
5% movement		
GBP	(0.04)	0.04
USD	0.01	(0.01)
EUR	1.55	(1.55)
AED	0.12	-0.12
	1.64	(1.64)

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 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.

At March 31, 2019, the ageing for the financial assets as mentioned in the note below & that were not impaired (not provided for) was as follows.

	₹ Crore	
Trade receivables	As at March 31, 2019	As at March 31, 2018
Neither past due nor impaired	188.62	171.78
Past due 1-90 days	125.80	54.11
Past due 91-120 days	14.00	0.93
Past due 120 days	24.76	21.76
	353.18	248.58

Management believes that the unimpaired amounts that are past due are still collectible in full, based on historical payment behavior and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available. The Company uses an allowance matrix to measure the expected credit loss of trade receivables from individual customers which comprise on large number of small balances.

The movement in the allowance for impairment in respect of trade receivables is as follows

	₹ Crore	
	As at March 31, 2019	As at March 31, 2018
Opening balance	5.62	5.07
Impairment loss recognised during the year	0.72	0.55
Closing balance	6.34	5.62

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, 2019	Carrying amount	Total	Contractual cash flows		
			Less than 1 Year	1-3 years	More than 3 years
Non-derivative financial liabilities					
Trade payables	1,457.61	1,457.61	1,457.61	-	-
Other Financial Liabilities	48.82	48.82	48.82	-	-
Derivative financial liabilities					
Forward exchange contracts					
- Outflow	201.72	201.72	201.72	-	-
- Inflow	-	-	-	-	-

₹ Crore

March 31, 2018	Contractual cash flows				
	Carrying amount	Total	Less than 1 Year	1-3 years	More than 3 years
Non-derivative financial liabilities					
Trade payables	1,452.92	1,452.92	1,452.92	-	-
Other Financial Liabilities	39.00	39.00	39.00	-	-
Derivative financial liabilities					
Forward exchange contracts					
- Outflow	134.37	134.37	134.37	-	-
- Inflow	-	-	-	-	-

NOTE 47 : HEDGE ACCOUNTING

The objective of hedge accounting is to represent, in the Company's financial statements, the effect of the Company'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 Company makes use of financial derivative instruments, including foreign exchange forward contracts, for hedging the risk embedded in some of its highly probable forecast investment.

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 foreign currency risk on highly probable forecast investment. The tenor of hedging instrument may be less than or equal to the tenor of underlying highly probable forecast investment.

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 the future cash flows on the overseas remittance to its subsidiaries, subject to foreign exchange risk.

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 in 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's hedging strategy, typical composition of the Company's hedge portfolio, the instruments used to hedge risk exposures and the type of hedging relationship:

Sr No	Type of risk/ hedge position	Hedged item	Description of hedging strategy	Hedging instrument	Description of hedging instrument	Type of hedging relationship
1	Currency risk hedge	Highly Probable Foreign currency (FCY) denominated investment in Overseas Subsidiary	FCY denominated highly probable forecast investment is converted into functional currency using a plain vanilla foreign currency forward contract	Foreign exchange 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

The table below provide details of the derivatives that have been designated as cash flow hedges for the year presented:

For the year ended March 31, 2019

Hedging Instrument	Notional principal amount	Derivative Financial Instruments - Assets	Derivative Financial Instruments - Liabilities	Gain/(Loss) due to change in fair value	Change in fair value for the year recognized in Other Comprehensive Income (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	-	-	-	-	-	-	NA	NA	NA

For the year ended March 31, 2018

Hedging Instrument	Notional principal amount	Derivative Financial Instruments - Assets	Derivative Financial Instruments - Liabilities	Gain/(Loss) due to change in fair value	Change in fair value for the year recognized in Other Comprehensive Income (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	-	-	-	-	-	-	NA	NA	NA

The following table provides a reconciliation by risk category of the components of equity and analysis of Other Comprehensive Income (OCI) items resulting from hedge accounting:

	Movement in Cash flow hedge reserve for the years ended	
	As at March 31, 2019	As at March 31, 2018
Opening balance	(0.75)	(0.75)
Gain / (Loss) on the Effective portion of changes in fair value:		
Currency risk	-	-
Net amount reclassified to profit or loss:		
Currency risk	-	-
Tax on movements on reserves during the year	-	-
Closing balance	(0.75)	(0.75)

Disclosure of effects of hedge accounting on financial performance for the year ended March 31, 2019

Type of hedge	Gain/(Loss) due to change in the value of the hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash Flow Hedge				
Currency risk	-	-	-	NA

Disclosure of effects of hedge accounting on financial performance for the year ended March 31, 2018

Type of hedge	Gain/(Loss) due to change in the value of the hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash Flow Hedge				
Currency risk	-	-	-	NA

NOTE 48 : DISCLOSURE U/S 186 (4) OF THE COMPANIES ACT, 2013

Details of Investments made are disclosed under Note 5 and details of corporate guarantees given to banks on behalf of other body corporates are disclosed under Note 38.

NOTE 49 : SUBSEQUENT EVENTS

There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the balance sheet date.

NOTE 50 : GENERAL

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crore as per the requirements of Schedule III, unless otherwise stated.

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm Regn No. 101248W/W-100022

Vijay Mathur

Partner

M. No. 046476

V Srinivasan

Chief Financial Officer
& Company Secretary

For and on behalf of the Board

Nisaba Godrej

Executive Chairperson

DIN: 00591503

Vivek Gambhir

Managing Director & CEO

DIN: 6527810

Mumbai: May 3, 2019

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INDEPENDENT AUDITORS' REPORT

To the Members of Godrej Consumer Products Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Godrej Consumer Products Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associate and its joint venture, which comprise the consolidated balance sheet as at 31 March 2019, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries, associate and joint venture 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, its associate and its joint venture as at 31 March 2019, 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 Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matters:

The key audit matter	How the matter was addressed in our audit
<p>Impairment evaluation of Intangible assets (refer note 53 to the consolidated financial statements)</p> <p>The carrying amount of intangible assets (other than goodwill) represent 16 % of the Group's total assets.</p> <p>We consider the impairment evaluation of intangible assets by management to involve significant estimates and judgement, due to the inherent uncertainty involved in forecasting and discounting future cash flows. Further due to their materiality in the context of total assets of the Group, this is considered significant to our overall audit strategy and planning.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> Assessing the valuation methodology and evaluating and challenging the reasonableness of the assumptions used, in particular those relating to forecast revenue growth and royalty rates, with the assistance of our valuations team; Performing sensitivity analysis on the assumptions noted above; and considering the adequacy of disclosures in respect of the intangible assets.
<p>Impairment evaluation of Goodwill (refer note 53 to the consolidated financial statements)</p> <p>The carrying amount of Goodwill represents 35 % of the Group's total assets.</p> <p>We consider the annual impairment evaluation of Goodwill by management to involve significant estimates and judgement, due to the inherent uncertainty involved in forecasting and discounting future cash flows and in determining the recoverable amount. Further due to the materiality in the context of total assets of the Group, this is considered to be significant to our overall audit strategy and planning.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> Reviewing the appropriateness of management's basis to identify relevant Cash Generating Units (CGU) for which Goodwill is being tested; Involving our valuations team to assist in evaluating the appropriateness of the discount rates applied, which included comparing the weighted-average cost of capital with sector averages for the relevant markets in which the CGUs operate; Evaluating the appropriateness of the assumptions applied to key inputs such as sales volumes and prices, operating costs, inflation and long-term growth rates,;

The key audit matter	How the matter was addressed in our audit
	<ul style="list-style-type: none"> Performing our own sensitivity analysis, which included assessing the effect of reasonably possible reductions in growth rates and forecast cash flows to evaluate the impact on the currently estimated headroom and Evaluating the adequacy of the consolidated financial statement disclosures, including disclosures of key assumptions, judgements and sensitivities.

Other Information

The Holding Company’s management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company’s annual report, but does not include the financial statements and our auditors’ report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company’s management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit

and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associate and joint venture 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 Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group and of its associate and joint venture 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 management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate and joint venture is responsible for overseeing the financial reporting process of each company.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of

the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on 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 management.
- Conclude on the appropriateness of management's 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 (company and subsidiaries) as well as its associate and joint venture to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- (a) We did not audit the financial statements of 33 subsidiaries whose financial statements reflect total assets of ₹ 9,414.53 crore as at 31 March 2019, total revenues of ₹ 6,989.91 crore and net cash outflows amounting to ₹ 162.90 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been

audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the audit reports of the other auditors.

- (b) The consolidated financial statements also include the Group's share of net profit/loss (and other comprehensive income) of ₹ 0.63 crore for the year ended 31 March 2019, as considered in the consolidated financial statements, in respect of an associate and a joint venture, whose financial statements have not been audited either by us or by other auditors. These unaudited financial statements have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this joint venture and associate, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid joint venture and associate, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work

done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with

the Ind AS specified under section 133 of the Act.

- e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2019 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on 31 March 2019 from being appointed as a director in terms of section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries as noted in the 'Other Matters' paragraph:
- i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2019 on the consolidated financial position of the Group, its associate and joint venture. Refer Note 41 to the consolidated financial statements.
 - ii. Provision has been made in the consolidated financial

statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 51 to the consolidated financial statements in respect of such items as it relates to the Group, its associate and joint venture.

- iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2019.
- iv. The disclosures in the consolidated financial

statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the consolidated financial statements since they do not pertain to the financial year ended 31 March 2019.

- C. With respect to the matter to be included in the Auditor's report under section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company to its directors is in accordance with the provisions of section 197 of the

Act. The remuneration paid to any director by the Holding Company is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/
W-100022

Vijay Mathur
Partner

Membership No: 046476

Mumbai : May 3, 2019

Annexure A to the Independent Auditors' report on the consolidated financial statements of Godrej Consumer Products Limited for the year ended 31 March 2019

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2019, we have audited the internal financial controls with reference to consolidated financial statements of Godrej Consumer Products Limited (hereinafter referred to as "the Holding Company") as of that date.

In our opinion, the Holding Company, has, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Holding Company's management and the Board of Directors are

responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Holding company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to

consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A Holding Company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Holding Company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Holding Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting

principles, and that receipts and expenditures of the Holding Company are being made only in accordance with authorisations of management and directors of the Holding Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Holding Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements

may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/
W-100022

Vijay Mathur

Partner

Membership No: 046476

Mumbai : May 3, 2019

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

		₹ Crore		
		Note No.	As at March 31, 2019	As at March 31, 2018
I. ASSETS				
1. Non-current assets				
(a)	Property, Plant and Equipment	3	1,192.29	1,066.36
(b)	Capital work-in-progress		50.90	82.08
(c)	Goodwill	4	4,918.03	4,718.87
(d)	Other Intangible assets	4	2,559.94	2,529.77
(e)	Intangible assets under development		1.16	1.80
(f)	Investments in associate	5	34.67	36.32
(g)	Financial Assets			
(i)	Other Investments	6	-	105.20
(ii)	Loans	7	18.77	18.87
(iii)	Others	8	5.77	9.57
(h)	Deferred tax assets (net)	9D	549.32	100.04
(i)	Other non-current assets	10	53.39	64.89
(j)	Non-Current Tax Assets (net)	9C	97.43	61.26
Total Non Current Assets			9,481.67	8,795.03
2. Current assets				
(a)	Inventories	11	1,558.59	1,577.72
(b)	Financial Assets			
(i)	Investments	12	481.31	855.76
(ii)	Trade receivables	13	1,292.90	1,245.50
(iii)	Cash and cash equivalents	14A	862.21	898.02
(iv)	Bank balances other than (iii) above	14B	32.51	62.19
(v)	Loans	15	3.73	2.89
(vi)	Others	16	154.86	199.11
(c)	Other current assets	17	302.30	327.59
Total Current Assets			4,688.41	5,168.78
TOTAL ASSETS			14,170.08	13,963.81
II. EQUITY AND LIABILITIES				
1. EQUITY				
(a)	Equity Share capital	18	102.22	68.13
(b)	Other Equity	19	7,164.70	6,190.18
Total Equity			7,266.92	6,258.31
2. LIABILITIES				
Non-current liabilities				
(a)	Financial liabilities			
(i)	Borrowings	20	2,604.78	2,380.32
(ii)	Other financial liabilities	21	217.55	753.95
(b)	Provisions	22	108.25	98.24
(c)	Deferred tax liabilities (net)	9E	76.53	294.65
(d)	Other non-current liabilities	23	4.27	2.37
Total Non Current liabilities			3,011.38	3,529.53
Current liabilities				
(a)	Financial liabilities			
(i)	Borrowings	24	270.94	154.33
(ii)	Trade payables			
(a)	Total outstanding dues of Micro and Small Enterprises	25	53.49	-
(b)	Total outstanding dues of creditors other than Micro and Small Enterprises	25	2,486.39	2,353.10
(iii)	Other financial liabilities	26	827.85	1,285.03
(b)	Other current liabilities	27	166.87	311.36
(c)	Provisions	28	50.85	49.28
(d)	Current tax liabilities (net)	9C	35.39	22.87
Total Current Liabilities			3,891.78	4,175.97
TOTAL EQUITY AND LIABILITIES			14,170.08	13,963.81

The accompanying notes 1 to 58 are an integral part of the Consolidated Financial Statements.

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Regn No. 101248W/W-100022

Vijay Mathur
Partner
M. No. 046476

Mumbai: May 3, 2019

V Srinivasan
Chief Financial Officer
& Company Secretary

For and on behalf of the Board

Nisaba Godrej
Executive Chairperson
DIN: 00591503

Vivek Gambhir
Managing Director & CEO
DIN: 6527810

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

₹ Crore

	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
Revenue			
I. Revenue from Operations	29	10,314.34	9,941.15
II. Other income	30	108.76	107.55
III. Total Income (I + II)		10,423.10	10,048.70
IV. Expenses			
Cost of Materials Consumed	31	4,062.43	3,646.23
Purchases of Stock-in-Trade		337.36	572.13
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	32	154.54	56.00
Excise Duty		-	93.72
Employee Benefits Expenses	33	1,090.90	1,057.41
Finance costs	34	224.25	160.74
Depreciation and Amortization Expenses	35	169.98	155.68
Other Expenses	36	2,551.50	2,448.55
Total Expenses		8,590.96	8,190.46
V. Profit before Exceptional Items, Share of Net Profits of equity accounted investees and Tax (III-IV)		1,832.14	1,858.24
VI. Share of net profits of equity accounted investees (net of income tax)		0.63	1.08
VII. Profit before Exceptional Items and Tax (V+VI)		1,832.77	1,859.32
VIII. Exceptional Items (Net)	37	252.56	179.56
IX. Profit before Tax (VII+VIII)		2,085.33	2,038.88
X. Tax expense:			
(1) Current Tax	9A	417.90	402.46
(2) Deferred Tax	9A	(674.10)	2.24
Total Tax Expense		(256.20)	404.70
XI. Profit for the Year (IX-X)		2,341.53	1,634.18
XII. Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans		5.13	(5.24)
(ii) Income tax related to items that will not be reclassified to profit or loss	9A	0.21	2.63
		5.34	(2.61)
B (i) Items that will be reclassified to profit or loss			
a) Exchange differences in translating financial statements of foreign operations		146.75	45.48
b) The effective portion of gains and loss on hedging instruments in a cash flow hedge		(13.58)	(5.92)
(ii) Income tax related to items that will be reclassified to profit or loss	9A	-	-
		133.17	39.56
Other Comprehensive Income (net of income tax)		138.51	36.95
XII. Total Comprehensive Income for the Year		2,480.04	1,671.13
Profit attributable to:			
Owners of the Company		2,341.53	1,634.18
Non-controlling interests		-	-
Other Comprehensive Income attributable to:			
Owners of the Company		138.51	36.95
Non-controlling interests		-	-
Total comprehensive income attributable to:			
Owners of the Company		2,480.04	1,671.13
Non-controlling interests		-	-
XIII. Earnings per equity share (₹)			
1. Basic	38	22.91	15.99
2. Diluted		22.90	15.99

The accompanying notes 1 to 58 are an integral part of the Consolidated Financial Statements.

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Regn No. 101248W/W-100022

Vijay Mathur
Partner
M. No. 046476

V Srinivasan
Chief Financial Officer
& Company Secretary

For and on behalf of the Board

Nisaba Godrej
Executive Chairperson
DIN: 00591503

Vivek Gambhir
Managing Director & CEO
DIN: 6527810

Mumbai: May 3, 2019

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019

₹ Crore

	Year ended March 31, 2019	Year ended March 31, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Exceptional Items and Tax	1,832.77	1,859.32
Adjustments for :		
Depreciation and amortization expenses	169.98	155.68
Bad Debts Written off	6.41	6.00
Provision / (Write-back) for Doubtful Debts / Advances	6.89	12.67
Write back of Old Balances	(0.21)	(0.78)
Expenses on Employee Stock Grant Scheme (ESGS)	9.12	8.71
(Profit)/ Loss on sale of Property, Plant & Equipment and Intangible assets (net)	0.59	(4.35)
Finance cost	224.25	160.74
Interest Income	(86.76)	(68.50)
Share of profit of equity accounted investees	(0.63)	(1.08)
Fair value (Gain) / Loss on financial assets measured at FVTPL (net)	(0.01)	8.14
Profit on Sale of Investments (net)	(8.03)	(18.54)
Adjustment due to hyperinflation	13.23	-
Unrealised foreign exchange (Gain)/ Loss	13.78	29.06
	348.61	287.75
Operating Cash Flows Before Working Capital Changes	2,181.38	2,147.07
Adjustments for :		
Increase in inventories	(20.01)	(165.22)
Increase in trade receivables	(174.20)	(245.47)
(Increase)/Decrease in loans	(0.74)	1.13
(Increase)/ Decrease in other financial assets	39.74	(19.04)
Increase in other non-current assets	(4.58)	(0.72)
(Increase)/Decrease in other current assets	21.62	(184.27)
Increase in trade and other payables	274.22	613.22
Decrease in other financial liabilities	(17.66)	(30.83)
Increase/ (Decrease) in other liabilities and provisions	(117.82)	15.66
	0.57	(15.54)
Cash Generated from Operating Activities	2,181.95	2,131.53
Income Taxes paid (net)	(435.07)	(392.75)
Cash Flow before exceptional items	1,746.88	1,738.78
Exceptional Items:		
Restructuring Cost	(18.03)	(15.43)
Net Cash Flow from Operating Activities (A)	1,728.85	1,723.35
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment and Intangible assets (net)	(207.73)	(311.49)
Investments in Mutual Funds (net)	106.80	349.15
Investments in Deposits with NBFCs (net)	192.43	(90.14)
Investments in Non Convertible Debentures with NBFCs (net)	86.06	(212.20)
Investments in Commercial Papers	97.04	(97.04)
Sale of investment in equity accounted investees	2.28	-
Payment for Business Acquisitions	(425.33)	-
Divestment of business unit, net of cash disposed of	278.22	-
Investments in Fixed Deposits having maturities greater than 3 months (net)	29.68	(44.58)
Interest Received	92.10	66.47
Net Cash Flow used in Investing Activities (B)	251.55	(339.83)

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019

₹ Crore

	Year ended March 31, 2019	Year ended March 31, 2018
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Allotment of Equity Shares under ESGS	0.01	0.01
Loans and borrowings (net)	(344.69)	(487.56)
Expenses on issue of bonus shares	(0.75)	(0.70)
Finance Cost	(214.67)	(157.82)
Dividend Paid	(1,226.52)	(613.12)
Dividend Distribution Tax Paid	(252.11)	(124.82)
Net Cash Flow from/ (used in) Financing Activities (C)	(2,038.73)	(1,384.01)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(58.33)	(0.49)
CASH AND CASH EQUIVALENTS:		
As at the beginning of the year *(Refer Note 14A)	898.02	895.05
Less: Cash credit	(3.42)	(0.84)
Effect of exchange difference on translation of cash and cash equivalents on consolidation	20.19	0.88
As at the end of the year* (Refer Note 14A)	862.21	898.02
Less: Cash credit	(5.75)	(3.42)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(58.33)	(0.49)

*Cash and Cash equivalents includes cash credits, that are repayable on demand and form an integral part of Group's cash management.

₹ Crore

	Year ended March 31, 2019	Year ended March 31, 2018
Movement of loans and borrowings:		
Opening Balance	3,504.15	4,000.09
Cash Flows (net)	(344.69)	(487.56)
Add/(Less): Exchange difference	216.84	(8.38)
Closing Balance	3,376.30	3,504.15

Note:

- The above statement of cash flow has been prepared under the 'Indirect Method' as set out in IND AS 7, 'Statement of Cash Flows'.
- The accompanying notes 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

For and on behalf of the Board

Nisaba Godrej
Executive Chairperson
DIN: 00591503

Vijay Mathur
Partner
M. No. 046476

V Srinivasan
Chief Financial Officer
& Company Secretary

Vivek Gambhir
Managing Director & CEO
DIN: 6527810

Mumbai: May 3, 2019

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

(a) Equity Share Capital

	Note No.	₹ Crore
As at April 1, 2018		68.13
Changes in equity share capital during the year	18	34.09
As at March 31, 2019		102.22

(b) Other Equity (Refer Note 19)

	Reserves & Surplus			Other Comprehensive Income			Total	Non-Controlling Interests	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, 2017	1,452.31	154.05	11.44	3,793.30	13.61	(156.82)	5,267.89	-	5,267.89
Profit for the year	-	-	-	1,634.18	-	-	1,634.18	-	1,634.18
Remeasurements of defined benefit plans (net of tax)	-	-	-	(2.61)	-	-	(2.61)	-	(2.61)
Other comprehensive income for the year	-	-	-	-	(5.92)	45.48	39.56	-	39.56
Total comprehensive income for the year	-	-	-	1,631.57	(5.92)	45.48	1,671.13	-	1,671.13
Premium received on allotment of shares / Exercise of Share Options	6.97	-	(6.97)	-	-	-	-	-	-
Deferred employee compensation expense	-	-	8.71	-	-	-	8.71	-	8.71
Issue of Bonus Shares	(34.06)	-	-	-	-	-	(34.06)	-	(34.06)
Expenses on Issue of Bonus Shares	(0.70)	-	-	-	-	-	(0.70)	-	(0.70)
Dividends	-	-	-	(613.12)	-	-	(613.12)	-	(613.12)
Dividend Distribution Tax (DDT)	-	-	-	(124.82)	-	-	(124.82)	-	(124.82)
Revaluation of put option liability	-	-	-	15.15	-	-	15.15	-	15.15
Balance as at March 31, 2018	1,424.52	154.05	13.18	4,702.08	7.69	(111.34)	6,190.18	-	6,190.18
Profit for the year	-	-	-	2,341.53	-	-	2,341.53	-	2,341.53
Remeasurements of defined benefit plans	-	-	-	5.34	-	-	5.34	-	5.34
Other comprehensive income for the year	-	-	-	-	(13.58)	146.75	133.17	-	133.17

	Reserves & Surplus			Other Comprehensive Income			Total	Non-Controlling Interests	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			
Total comprehensive income for the year	-	-	-	2,346.87	(13.58)	146.75	2,480.04	-	2,480.04
Premium received on allotment of shares / Exercise of Share Options	8.34	-	(8.34)	-	-	-	-	-	-
Deferred employee compensation expense	-	-	9.12	-	-	-	9.12	-	9.12
Issue of Bonus Shares	(34.07)	-	-	-	-	-	(34.07)	-	(34.07)
Impact on account of Hyperinflation for the year	-	-	-	4.97	-	-	4.97	-	4.97
Expenses on Issue of Bonus Shares	(0.75)	-	-	-	-	-	(0.75)	-	(0.75)
Dividends	-	-	-	(1,226.52)	-	-	(1,226.52)	-	(1,226.52)
Dividend Distribution Tax (DDT)	-	-	-	(252.11)	-	-	(252.11)	-	(252.11)
Revaluation of put option liability	-	-	-	(6.16)	-	-	(6.16)	-	(6.16)
Balance as at March 31, 2019	1,398.04	154.05	13.96	5,569.13	(5.89)	35.41	7,164.70	-	7,164.70

The accompanying notes 1 to 58 are an integral part of the Consolidated Financial Statements.

As per our report of even date attached
For **BSR & Co. LLP**
Chartered Accountants
Firm Regn No. 101248W/W-100022

Vijay Mathur
Partner
M. No. 046476

Mumbai: May 3, 2019

For and on behalf of the Board

Nisaba Godrej
Executive Chairperson
DIN: 00591503

Vivek Gambhir
Managing Director & CEO
DIN: 6527810

V Srinivasan
Chief Financial Officer
& Company Secretary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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 along-with its subsidiaries, associate and joint venture 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. These Consolidated financial statements comprise the Company and its subsidiaries (referred to collectively as the 'Group') and the Group's interest in an associate and a joint venture.

2) BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation and measurement

a. Basis of preparation

The Consolidated financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

The Consolidated financial statements were authorized for issue by the Company's Board of Directors on May 3, 2019.

Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time taken between acquisition of assets for processing and their realization in cash and cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of classification of assets and liabilities into current and non-current.

b. Basis of measurement

These Consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amounts:

- Certain financial assets and liabilities (including derivative instruments) measured at fair value [refer accounting policy regarding financial instruments - Note 2.5.(f)]
- Defined benefit plans - plan assets and share based payments measured at fair value [Note 2.5(i)]
- Assets held for sale - measured at lower of carrying value or fair value less cost to sell [Note 2.5 (e)]

c. Principles of consolidation

The Company consolidates all the entities which are controlled by it.

The Company establishes control when, it has the power over

the entity, is exposed or has rights to variable return from its involvement with the entity and has the ability to affect the entity's returns by using its power over relevant activities of the entity.

Entities controlled by the Company are consolidated from the date control commences until the date control ceases.

All inter-company transactions, balances and income and expenses are eliminated in full on consolidation.

Changes in the Company's interests in subsidiaries that do not result in a loss of control are accounted as equity transactions. The carrying amount of the Company's interest and non-controlling interest are adjusted to reflect the change in their relative interest in the subsidiaries. Any difference between the amount at which the non-controlling interest are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to shareholders of the Company.

Investments in associate and joint venture are accounted using equity method. They are initially recognized at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements includes Group's share of profit or loss and OCI of equity accounted investees until the date on which significant influence or joint control ceases.

d. Business combination and goodwill

The Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognized in the Consolidated statement of profit and loss

as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognized at their fair value at the acquisition date.

Purchase consideration paid in excess of the fair value of the net assets acquired is recognized as goodwill. Where the fair value of the identifiable assets and liabilities exceeds the cost of acquisition after reassessing sale values of the net assets and contingent liabilities, the excess is recognized as capital reserve.

The interest of non-controlling shareholders is initially measured either at fair value or at non-controlling interest's proportionate share of acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on an acquisition by acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interest's share of subsequent changes in equity of subsidiaries.

Business combinations arising from transfer of interests in entities that are under common control are accounted at historical cost. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in capital reserve.

e. Classification of Argentina as a hyperinflationary economy

The Argentinian economy was designated as hyperinflationary from 1 July 2018. As a result, application of Ind AS 29 'Financial Reporting in Hyperinflationary Economies' has been applied for the first time to the Group's subsidiaries whose functional

currency is the Argentinian Peso. Ind AS 29 requires that adjustments are applicable from the start of the group's reporting period i.e. from 1st April 2018. Ind AS 21, "The Effects of Changes in Foreign Exchange Rates", does not require prior period comparatives to be restated due to hyperinflation, consequently, the comparative numbers for such entities are the same as reported in Consolidated financial statements of previous periods. The effect of retranslation of Equity share capital, securities premium and other reserves due to hyperinflation has been recorded in the Foreign currency translation reserve.

The application of Ind AS 29 includes:

- Adjustment of historical cost non-monetary assets and liabilities for the change in purchasing power caused by inflation from the date of initial recognition to the balance sheet date;
- Adjustment of the income statement for inflation during the reporting period;
- Translation of the income statement at the closing rate instead of an average rate; and
- Adjustment of the income statement to reflect the impact of inflation and exchange rate movement on holding monetary assets and liabilities in local currency.

The main effects on the Group Consolidated financial statements for the year ended March 31, 2019 are:

- Net assets increased by ₹ 36.51 crore mainly due to restatement of property, plant and equipment,

intangible assets, deferred tax assets and inventories, with corresponding increase in Total equity as at March 31, 2019;

- Opening retained profit decreased by ₹ 13.50 crore reflecting the impact of adjusting the historical cost of non-monetary assets and liabilities from the date of their initial recognition to 1st April 2018 for the effect of inflation;
- Total Revenue from operations is reduced by ₹ 21.26 crore;
- Profit after tax is reduced by ₹ 9.09 crore; and
- A net monetary gain of ₹ 0.16 crore (grouped under finance cost) is recognised from the inflation and exchange rate movements in the year on the net monetary items held in Argentinian Peso and adjustment to income statement.

2.2 Key estimates and assumptions

In preparing these Consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, disclosure of contingent liabilities, income and expenses. Actual results may differ from these estimates.

The areas involving critical estimates or judgements are:

- Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalized; [Note 2.5(a)]
- Determination of the estimated useful lives

- of intangible assets and determining intangible assets having an indefinite useful life; [Note 2.5 (b)]
- iii. Recognition and measurement of defined benefit obligations, key actuarial assumptions; [Note 45]
- iv. Recognition of deferred tax assets, availability of future taxable profit against which tax losses carried forward and MAT credit can be used; [Note 2.5 (n)]
- v. Recognition and measurement of provisions and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources; [Note 2.5 (j)]
- vi. Fair valuation of employee share options, Key assumptions made with respect to expected volatility; [Note 2.5 (l)]
- vii. Rebates and sales incentives accruals [Note 2.5 (k)]
- viii. Fair value of financial instruments [Note 2.3]
- ix. Impairment of Goodwill [Note 2.5 (b)]
- x. Impairment of financial and non-financial assets [Note 2.5 (d) and (f)]

2.3 Measurement of fair values

The Group's accounting policies and disclosures require certain financial and non-financial assets and liabilities to be measured at fair values.

The Group has an established control framework with respect to the measurement of fair values. The Group uses valuation techniques that are appropriate in

the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value

hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair value is included in the (Note 2.5.f).

2.4 Standards issued but not yet effective

IND AS 116: Leases

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace Ind AS 17 Leases and related Interpretations and will be effective from April 1, 2019.

The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single, on-balance sheet lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of short term or low value.

The standard allows two approaches of transition – 1) Full retrospective, 2) Modified retrospective.

In full retrospective approach, the effect of applying the standard is recognized in each prior period retrospectively. In case of modified retrospective approach, the cumulative effect of initially applying the standard is recognized on the date of transition in the financial statements.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset as if the standard had been

applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application with some exceptions allowed under practical expedients.

The Group is proposing to use 'Modified Retrospective Approach' for transition to Ind AS 116 along with certain available practical expedients and record the cumulative adjustment to retained earnings on the date of initial application i.e. April 1, 2019. Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted.

The Group has completed its preliminary evaluation of possible impact of Ind AS 116.

Based on the preliminary evaluation, the effect of adoption on the new standard will mainly result in an increase in right of use asset by approximately ₹ 51.50 crores, an increase in lease liability by approximately ₹ 53.70 crores, decrease in prepaid lease rental by approximately ₹ 2.50 crores and adjustment to retained earnings by approximately ₹ 4.70 crores.

Ind AS 12 Income Taxes:
Appendix C – Uncertainty over Income Tax Treatments

This interpretation, which will be effective from April 1, 2019, clarifies how entities should evaluate and reflect uncertainties over income tax treatments, in particular when assessing the outcome a tax authority might reach with full knowledge and information if it were to make an examination. This amendment is not expected to have a significant impact on the Company's Consolidated financial statements based on currently available information.

2.5 Significant Accounting Policies

a. Property, Plant and Equipment

Recognition and measurement

Items of property, plant and equipment, other than Freehold Land, are measured at cost less accumulated depreciation and any accumulated impairment losses. Freehold land is carried at cost.

The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable costs of bringing the asset to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised.

Subsequent expenditure

Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate only if it is probable that the future economic benefits associated with the item will flow to the Group and the cost of the item can be reliably measured. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

Depreciation

Depreciation is provided, under the Straight Line Method, pro rata to the period of use, based on useful lives specified in Schedule II to the Companies Act, 2013, except the following items where useful lives estimated by the management based on internal technical assessment, past trends and expected operational lives differ from those provided in Schedule II of the Companies Act 2013:

- Leasehold land is amortised equally over the lease period.
- Leasehold Improvements are depreciated over the shorter of the unexpired period of the lease and the estimated useful life of the assets.
- Office Equipments are depreciated over 5 to 10 years.
- Tools are depreciated over a period of 9 years, and dies and moulds over 3 years.
- Vehicles are depreciated over a period ranging from 5 years to 8 years depending on the use of vehicles.
- In some of the subsidiaries, useful lives are estimated to be lower or higher as compared to useful lives defined in Schedule II of the Companies Act 2013 for certain class of assets due to different geographical environment.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

b. Goodwill and other Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost

of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization (where applicable) and accumulated impairment losses. Internally generated intangibles, excluding eligible development costs are not capitalized and the related expenditure is reflected in profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Goodwill

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that the asset may be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Other intangible assets

Intangible assets with definite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization method and period are reviewed at the end of each reporting period. Changes in the expected useful life or expected pattern of consumption of future economic benefits embodied in the assets are considered to modify amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment

annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

Amortisation of other intangible assets

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 generally recognised in profit or loss.

The estimated useful lives for current and comparative periods are as follows:

Software licences	6 years
Trademarks	10 years
Technical knowhow	10 years

Trademarks acquired are amortised equally over the best estimate of their useful life not exceeding a period of 10 years, except in the case of Soft & Gentle, Non-Valon brands like Pride, Climax, Odonil, Supalite, Twilite, Lavik, Peurex, Corawwi and Simba brands where the brands are amortised equally over a period of 20 years.

Brands like Goodknight, Hit, SON, Pamela Grant and Millefiori are assessed as intangibles having indefinite useful life and are not amortised in the Consolidated financial statements, but are tested for impairment annually.

Residual value, is estimated to be immaterial by management and hence has been considered at ₹ 1.

c. Borrowing Cost

Interest and other borrowing costs attributable to qualifying assets are capitalized. Other interest and borrowing costs are charged to revenue.

d. Impairment of Non-Financial Assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial (except for inventories and deferred tax assets) assets are assessed at the end of each reporting date to determine whether there is any indication of impairment.

An impairment loss is recognised whenever the carrying value of an asset or a cash-generating unit exceeds its recoverable amount. Recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. An impairment loss, if any, is recognised in the Consolidated Statement of Profit and Loss in the period in which the impairment takes place. The impairment loss is allocated first to reduce the carrying amount of any goodwill (if any) allocated to the cash generating unit and then to the other assets of the unit, pro-rata based on the carrying amount of each asset in the unit.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has

decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

e. **Assets held for sale**

Non-current assets or disposal comprising of assets and liabilities are classified as 'held for sale' when all of the following criteria's are met (i) decision has been made to sell (ii) the assets are available for immediate sale in its present condition (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be conducted within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as held for sale are measured at lower of its carrying value and fair value less costs to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in profit and loss. Non-current assets held for sale are not depreciated or amortised.

f. **Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts, interest rate swaps and futures.

Financial assets

Initial recognition and measurement

All financial assets are recognised

initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost,
- Financial assets at fair value through other comprehensive income (FVTOCI)
- Financial assets at fair value through profit (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Financial assets at amortised cost

- A financial asset is measured at the amortised cost if both the following conditions are met. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPP) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Financial assets at fair value through other comprehensive income (FVTOCI)

A debt instrument is measured at FVOCI if it means both of the following conditions and is not designated as at FVTPL

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

Financial assets at fair value through profit and loss (FVTPL)

A financial asset, which does not meet the criteria for categorization as at amortised cost or as FVOCI, is classified as at FVTPL. This includes all derivative financial assets.

In addition, the Group may, at initial recognition, irrevocably designate a financial asset, which otherwise meets amortised cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

All equity investments within the scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group decides to classify the same either as at FVOCI or FVTPL. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the other comprehensive income. There is no recycling of the amounts from other comprehensive income to profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is primarily derecognised (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 recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group 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 Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group assesses on a forward looking basis the Expected Credit Losses (ECL) associated with its financial assets that are debt instruments and are carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group 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.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortised cost. A financial liability is classified at FVTPL if it is classified as held for trading or as derivatives designated as hedging instruments in an effective hedge, as appropriate. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value and net gains and losses including any interest expenses are recognised in profit or loss.

In the case of loans and borrowings and payables, these are measured at amortised cost and recorded, net of directly attributable and incremental transaction cost. Gains and losses are recognised in Consolidated statement of profit and loss when the liabilities are derecognised as well as through the EIR amortization process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Consolidated statement of profit and loss.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Derecognition

A financial liability is 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 Consolidated statement of profit or loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require specified payments to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortization.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

g. Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments, such as forward currency contracts, futures and interest rate swaps, to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit and loss, except for the effective portion of cash flow hedges, which is recognized in other comprehensive income and later reclassified to profit and loss when the hedged item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the

Group risk management objective and strategy for undertaking the hedge, the hedging economic relationship the hedged item or transaction the nature of the risk being hedged, hedge ration and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they are designated.

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.

Finished goods valuation also includes excise duty (to the extent applicable). Provision is made for cost of obsolescence and other anticipated losses, whenever considered necessary.

If payment for inventory is deferred beyond normal credit terms then cost is determined by discounting the future cash flows at an interest rate determined with reference to market rates. The difference between the total cost and the deemed cost is recognised as interest expense over the period of financing under the effective interest method.

i. Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet includes cash at bank and on hand, deposits held at call with financial institutions, other short term highly liquid investments, with original maturities less than three months which are readily convertible into cash and which are subject to insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents as defined above is net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

j. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the enterprise has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

A contingent asset is a possible asset that arises from past events

and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent Assets are not recognised till the realization of the income is virtually certain. However, the same are disclosed in the financial statements where an inflow of economic benefits is probable.

k. Revenue Recognition

Effective April 1, 2018, the Group adopted Ind AS 115 "Revenue from Contracts with Customers". The effect on adoption of IND AS 115 is insignificant.

Revenue is recognized upon transfer of control of promised goods to customers for an amount that reflects the consideration expected to be received in exchange for those goods. Revenue excludes taxes or duties collected on behalf of the government

Sale of goods

Revenue from sale of goods is recognized when control of goods are transferred to the buyer which is generally on delivery for domestic sales and on dispatch/delivery for export sales

The Group recognizes revenues on the sale of products, net of returns, discounts (sales incentives/rebates), amounts collected on behalf of third parties (such as GST) and payments or other consideration given to the customer that has impacted the pricing of the transaction.

Accumulated experience is used to estimate and accrue for the discounts (using the most likely method) and returns considering the terms of the underlying schemes and agreements with the customers. No element of financing is deemed present as the sales are made with normal

credit days consistent with market practice. A liability is recognised where payments are received from customers before transferring control of the goods being sold.

Royalty & Technical Fees

Royalty is recognized on accrual basis in accordance with the substance of the relevant agreement.

Interest income

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate which exactly discounts the estimated future cash receipts over the expected life of the financial instrument to the gross carrying amount of the financial asset. When calculating the EIR the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayments, extensions, call and similar options). The expected credit losses are considered if the credit risk on that financial instrument has increased significantly since initial recognition.

Dividend income

Dividends are recognised in profit or loss on the date on which the Group's right to receive payment is established.

I. Employee Benefit

i. Short-term Employee benefits

Liabilities for wages and salaries including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are classified as short term employee benefits and are recognized as an expense in the Consolidated Statement of Profit and Loss as the related service is provided. A liability is recognised

for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. Share-based payments

The cost of equity settled transactions is determined by the fair value at the grant date. The fair value of the employee share options is based on the Black Scholes model.

The grant-date fair value of equity-settled share-based payment granted to employees is recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

iii. Post-Employment Benefits

Defined Contribution Plans

Payments made to a defined contribution plan such as Provident Fund maintained with Regional Provident Fund Office and Superannuation Fund are charged as an expense in the

Consolidated Statement of Profit and Loss as they fall due.

Defined Benefit Plans

Gratuity Fund

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. Gratuity is payable to all eligible employees on death or on separation/termination in terms of the provisions of the payment of the Gratuity (Amendment) Act, 1997 or as per the Company's scheme whichever is more beneficial to the employees.

Provident Fund

Provident Fund Contributions which are made to a Trust administered by the Company are considered as Defined Benefit Plans. The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 or as applicable in the respective geography and shortfall, if any, shall be made good by the Company. The Company's liability towards interest shortfall, if any, is actuarially determined at the year end.

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic

benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv. Other Long Term Employee Benefits

The liabilities for earned leaves are not expected to be settled wholly within 12 months after the end of

the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees upto the end of the reporting period using the projected unit credit method based on actuarial valuation.

Actuarial gains and losses in respect of such benefits are charged to the Consolidated Statement Profit or Loss account in the period in which they arise.

m. Leases

Lease payments

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in the arrangement.

As a lessee

Leases of assets where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with

the accounting policy applicable to that asset.

Leases of assets under which significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease payments under operating leases are recognised as an expense on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

As lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight line basis over the term of the relevant lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase.

n. Income Tax

Income tax expense / income comprises current tax expense / income and deferred tax expense / income. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income. In which case, the tax is also recognized directly in equity or other comprehensive income, respectively.

Current Tax

Current tax comprises the expected tax payable or recoverable on the taxable profit or loss for the year and any adjustment to the tax payable or

recoverable in respect of previous years. It is measured using tax rates enacted or substantively enacted by the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretations and establishes provisions where appropriate.

- Current tax assets and liabilities are offset only if, the Group has a legally enforceable right to set off the recognised amounts; and
- Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred Tax

Deferred Income tax is recognized in respect of temporary difference between the carrying amount of assets and liabilities for financial reporting purpose and the amount considered for taxation purpose.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized.

Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be recovered.

Deferred tax is measured at the tax rates that are expected to be

applied to temporary differences when they reverse, using tax rates enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax base of investments in subsidiaries, branches, associates and interest in joint arrangements where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset only if:

- the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Deferred tax asset / liabilities in respect of temporary differences which originate and reverse during the tax holiday period are not recognised. Deferred tax assets / liabilities in respect of temporary differences that originate during the tax holiday period but reverse after the tax holiday period are recognised.

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there

is a convincing evidence that the Group will pay normal tax during the specified period.

o. Foreign Currency Transactions and Translation

i. Functional and Presentation currency

The Consolidated financial statements are prepared in Indian Rupees (INR “₹”) which is also the Parent Company’s functional currency.

ii. Transactions and balances

Foreign currency transactions are recorded on initial recognition in the functional currency using the exchange rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate at the date the fair value is determined.

Exchange differences arising on the settlement or translation of monetary items are recognized in profit or loss in the year in which they arise except for the qualifying cash flow hedge, which are recognized in other comprehensive income to the extent that the hedges are effective. Tax charges and credits attributable to exchange differences on these monetary items are also recorded in other comprehensive income, qualifying cash flow hedge to the extent that the hedges are effective.

In respect of non-monetary items, where a gain or loss is recognized

in other comprehensive income as required by other Ind AS, the exchange component of that gain or loss is also recognized in other comprehensive income.

Group Companies

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit and loss are translated at average rate during the year. The exchange differences arising on translation for consolidation are recognized in other comprehensive income.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operations recognized in OCI is reclassified to Consolidated Statement of Profit and Loss as part of the gain or loss on disposal.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amount of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate of exchange at the reporting date

p. Government grants

Government grants, including non-monetary grants at fair value are recognised when there is reasonable assurance that the

grants will be received and the Group will comply with all the attached conditions.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods necessary to match them with the costs that they are intended to compensate.

Government grants relating to purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to the profit and loss on a straight line basis over the expected lives of the related assets.

q. Dividend

The Group recognises a liability for any dividend declared but not distributed at the end of the reporting period, when the distribution is authorised and the distribution is no longer at the discretion of the Group on or before the end of the reporting period. A corresponding amount is recognized directly in equity.

r. Earnings Per Share

Basic Earnings per share is calculated by dividing the profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to the equity shareholders and the weighted

average number of equity shares outstanding during the period is adjusted to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- Weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

s. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM) as defined in Ind AS-108 'Operating Segments' for allocating resources and assessing performance. The Group has identified geographical segments as its reporting segments based on the CODM approach. Refer Note 54 in the Consolidated financial statements for additional disclosures on segment reporting.

t. Exceptional Items

In certain cases when, the size, type or incidence of an item of income or expenses, pertaining to the ordinary activities of the Group is such that its disclosure improves the understanding of the performance of the Group, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying the Consolidated financial statements.

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, 2019												
Gross Carrying amount												
Opening gross carrying amount	37.75	80.02	394.27	52.47	517.26	32.17	44.63	23.96	46.73	90.26	2.05	1,321.57
Hyperinflation restatement as on 1 st April 2018 #	0.10	-	5.77	-	7.01	1.19	0.14	1.42	1.63	-	-	17.26
Additions	26.25	3.02	92.27	2.12	100.12	4.69	8.57	4.94	9.77	-	-	251.75
Disposals	(3.00)	-	(4.57)	(2.69)	(2.44)	(1.05)	(7.12)	(0.50)	(4.31)	-	(0.12)	(25.80)
Hyperinflationary adjustment #	0.07	-	6.87	-	6.24	1.36	0.24	2.10	2.62	-	-	19.50
Other Adjustments (consist of exchange difference on translation of foreign operations)	(1.09)	3.79	(3.32)	(6.82)	5.95	(2.87)	(0.67)	(2.15)	(1.41)	-	0.06	(8.53)
Closing Gross Carrying Amount	60.08	86.83	491.29	45.08	634.14	35.49	45.79	29.77	55.03	90.26	1.99	1,575.75
Accumulated Depreciation												
Opening Accumulated Depreciation	-	4.11	27.59	17.83	145.70	7.70	15.33	5.64	23.84	5.68	1.79	255.21
Hyperinflation restatement as on 1 st April 2018 #	-	-	1.10	-	4.77	0.88	0.05	0.83	1.25	-	-	8.88
Depreciation charge during the year	-	1.78	16.16	6.19	72.90	4.69	9.13	3.61	11.63	1.50	0.27	127.86
Additional depreciation due to hyperinflation #	-	-	0.47	-	0.92	0.11	0.03	0.23	0.43	-	-	2.19
Disposals	-	-	1.19	(1.00)	(0.45)	(1.00)	(5.42)	(0.49)	(4.05)	(1.35)	(0.12)	(12.69)
Hyperinflationary adjustment #	-	-	0.95	-	3.76	0.66	0.08	0.73	1.53	-	-	7.71
Other Adjustments (consist of exchange difference on translation of foreign operations)	-	0.17	(0.64)	(1.53)	(1.08)	(1.65)	(0.21)	(0.48)	(0.33)	-	0.05	(5.70)
Closing Accumulated Depreciation	-	6.06	46.82	21.49	226.52	11.39	18.99	10.07	34.30	5.83	1.99	383.46
Net Carrying Amount	60.08	80.77	444.47	23.59	407.62	24.10	26.80	19.70	20.73	84.43	-	1,192.29
Year ended March 31, 2018												
Gross Carrying amount												
Opening gross carrying amount	36.42	72.08	301.82	38.20	434.59	24.78	44.85	17.27	38.28	90.26	2.19	1,100.74
Additions	2.71	6.72	93.11	13.91	103.43	9.27	14.11	8.70	11.11	-	-	263.07
Reclassified as Investment Property	-	-	(1.01)	-	-	-	-	(0.02)	-	-	-	(1.03)
Disposals	(2.25)	-	(2.20)	-	(22.01)	(2.96)	(11.12)	(1.37)	(1.63)	-	(0.07)	(43.61)
Other Adjustments (consist of exchange difference on translation of foreign operations)	0.87	1.22	2.55	0.36	1.25	1.08	(3.21)	(0.62)	(1.03)	-	(0.07)	2.40
Closing Gross Carrying Amount	37.75	80.02	394.27	52.47	517.26	32.17	44.63	23.96	46.73	90.26	2.05	1,321.57

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	
Accumulated Depreciation												
Opening Accumulated Depreciation	-	2.06	18.36	7.47	89.77	4.80	12.53	4.02	14.47	2.82	1.86	158.16
Depreciation charge during the year	-	1.97	10.78	9.65	58.69	3.42	8.70	3.09	11.12	2.86	0.31	110.59
Reclassified as Investment Property	-	-	(0.47)	-	-	-	-	(0.01)	-	-	-	(0.48)
Disposals	-	-	(0.89)	-	(3.17)	(1.25)	(3.62)	(1.06)	(1.55)	-	0.27	(11.27)
Other Adjustments (consist of exchange difference on translation of foreign operations)	-	0.08	(0.19)	0.71	0.41	0.73	(2.28)	(0.40)	(0.20)	-	(0.65)	(1.79)
Closing Accumulated Depreciation	-	4.11	27.59	17.83	145.70	7.70	15.33	5.64	23.84	5.68	1.79	255.21
Net Carrying Amount	37.75	75.91	366.68	34.64	371.56	24.47	29.30	18.32	22.89	84.58	0.26	1,066.36

Refer Note 55 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 for the year ended 31 March 2019. Ind AS 21 “The Effects of Changes in Foreign Exchange Rates” has been applied to translate the financial statements of such entities for consolidation. Ind AS 21 does not require prior year comparatives to be restated due to hyperinflation, consequently, the comparative numbers for such entities are the same as reported in the consolidated financial results of previous periods. Refer Note 2.1 (e) for impact of these standards.

NOTE 4 : INTANGIBLE ASSETS

₹ Crore

	Other Intangible assets				Total Other Intangible assets
	Goodwill (Refer Note 53)	Trademarks and Brands *	Computer Software	Technical Knowhow	
Year ended March 31, 2019					
Opening Gross carrying amount	4,718.87	2,524.60	106.86	1.85	2,633.31
Hyperinflation restatement as on 1 st April 2018 #	-	4.11	3.90	-	8.01
Additions	-	-	11.33	-	11.33
Disposals	-	(134.02)	(5.29)	(1.75)	(141.06)
Hyperinflationary adjustment #	-	3.21	4.39	-	7.60
Other Adjustments (consist of exchange difference on translation of foreign operations)	199.16	116.53	(2.33)	-	114.20
Closing Gross Carrying Amount	4,918.03	2,514.43	118.86	0.10	2,633.39
Accumulated Amortisation					
Opening Accumulated Amortization	-	63.60	39.14	0.80	103.54
Hyperinflation restatement as on 1 st April 2018 #	-	2.49	3.48	-	5.97
Amortisation recognised for the year	-	21.30	17.36	0.17	38.83
Additional amortization due to hyperinflation #	-	0.70	0.40	-	1.10
Disposals	-	(78.07)	(2.94)	(0.87)	(81.88)
Hyperinflationary adjustment #	-	1.93	3.02	-	4.95
Other Adjustments (consist of exchange difference on translation of foreign operations)	-	0.58	0.36	-	0.94
Closing Accumulated Amortisation	-	12.53	60.82	0.10	73.45
Net Carrying Amount	4,918.03	2,501.90	58.04	-	2,559.94
Year ended March 31, 2018					
Opening Gross carrying amount	4,662.56	2,458.78	67.06	1.85	2,527.69
Additions	-	28.98	40.67	-	69.65
Disposals	-	-	(0.02)	-	(0.02)
Other Adjustments (consist of exchange difference on translation of foreign operations)	56.31	36.84	(0.85)	-	35.99
Closing Gross Carrying Amount	4,718.87	2,524.60	106.86	1.85	2,633.31
Accumulated Amortisation					
Opening Accumulated Amortisation	-	28.76	20.66	0.52	49.94
Amortisation recognised for the year	-	25.34	19.03	0.72	45.09
Disposals	-	-	-	-	-
Other Adjustments (consist of exchange difference on translation of foreign operations)	-	9.50	(0.55)	(0.44)	8.51
Closing Accumulated Amortisation	-	63.60	39.14	0.80	103.54
Net Carrying Amount	4,718.87	2,461.00	67.72	1.05	2,529.77

NOTE :

* Includes trademarks / brands amounting to ₹ 2,196.22 crore (Mar-31-2018 : ₹ 2,130.64 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.

Ind AS 29 “Financial Reporting in Hyperinflationary Economies” has been applied to the Group’s entities with a functional currency of Argentina Peso for the year ended 31 March 2019. Ind AS 21 “The Effects of Changes in Foreign Exchange Rates” has been applied to translate the financial statements of such entities for consolidation. Ind AS 21 does not require prior year comparatives to be restated due to hyperinflation, consequently, the comparative numbers for such entities are the same as reported in the consolidated financial results of previous periods. Refer Note 2.1 (e) for impact of these standards.

NOTE 5 : INVESTMENTS IN ASSOCIATES

₹ Crore

	Face Value	Numbers		Amounts	
		As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
<i>Unquoted, fully paid up:</i>					
Carried at cost					
(a) Investments in Equity Instruments of Associate Company					
Bhabhani Blunt Hairdressing Pvt. Ltd.	₹ 10	4,967	5,546	22.67	24.32
(b) Investments in Compulsorily Convertible Debentures of Associate Company					
Bhabhani Blunt Hairdressing Pvt. Ltd.	₹ 10	3,060	3,060	12.00	12.00
TOTAL				34.67	36.32

Note:

The Group's interest in associate is accounted for using the equity method in the Consolidated Financial Statements.

NOTE 6 : OTHER INVESTMENTS (NON-CURRENT)

₹ Crore

	Amounts	
	As at March 31, 2019	As at March 31, 2018
<i>Unquoted, fully paid up:</i>		
At Amortised Cost		
Investments in Deposits with Non-Banking Financial Companies	-	20.54
<i>Quoted, fully paid up:</i>		
At Amortised Cost		
Investments in Non-convertible Debentures with Non-Banking Financial Companies	-	84.66
TOTAL	-	105.20
Aggregate Amount of Unquoted Investments	-	20.54
Aggregate Amount of Quoted Investments	-	84.66
Aggregate Market Value of Quoted Investments	-	84.79

NOTE 7 : LOANS (NON-CURRENT)

₹ Crore

	As at	As at
	March 31, 2019	March 31, 2018
<i>Unsecured, Considered Good, Unless Otherwise Stated</i>		
Security Deposits	18.53	18.67
Others	0.24	0.20
TOTAL	18.77	18.87

NOTE 8 : OTHER NON-CURRENT FINANCIAL ASSETS

₹ Crore

	As at	As at
	March 31, 2019	March 31, 2018
Fixed Deposits with maturity of more than 12 months (under lien against Bank Guarantees)	-	0.07
Others (includes sundry deposits)	5.77	9.50
TOTAL	5.77	9.57

NOTE 9 : INCOME TAXES**A Income tax expense consists of the following:****i Tax expense recognised in the Statement of Profit and Loss**

₹ Crore

	Year ended	Year ended
	March 31, 2019	March 31, 2018
Current Tax:		
Current tax on profits for the year (net of MAT credit utilised)	417.90	402.46
Deferred tax (net)	(64.23)	2.24
MAT credit recognised	(634.58)	-
MAT credit utilised	24.71	-
Total income tax expense	(256.20)	404.70

ii **Current Tax and Deferred Tax related to items recognised in Other Comprehensive Income during the year :**

₹ Crore

	Year ended March 31, 2019	Year ended March 31, 2018
On remeasurements of defined benefit plans	(0.21)	(2.63)
TOTAL	(0.21)	(2.63)

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, 2019	Year ended March 31, 2018
Profit Before Tax	2,085.33	2,038.88
Statutory Income tax rate	29.90%	28.96%
Expected income tax expense	623.60	590.37
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	(168.12)	(223.05)
Effect of other tax offsets	1.66	(0.03)
Tax impact of income not subject to tax	(59.93)	(48.45)
Tax effects of amounts which are not deductible for taxable income	8.69	12.43
Additional tax paid on book profits	-	58.31
MAT Credit recognised	(634.58)	-
Tax benefit in respect of intangible assets	(98.03)	-
Deferred Tax Asset not recognised on losses	57.74	26.24
Others	12.77	(11.12)
Total income tax expense	(256.20)	404.70

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

	Year ended March 31, 2019	Year ended March 31, 2018
Non-Current Tax Assets (net)	97.43	61.26
Current Tax Liabilities (net)	35.39	22.87

D Deferred Tax Assets (Net of Liabilities):

₹ Crore

	As at March 31, 2019	As at March 31, 2018
Deferred Tax Liability on account of :		
Property, Plant and Equipment	(42.92)	(8.81)
Intangible assets	(253.00)	(0.41)
Others	(1.76)	(0.95)
Deferred Tax Asset on account of :		
Defined benefit obligations	36.78	11.50
Intangible assets (Refer Note)	99.56	2.12
Provisions	63.50	55.97
MAT credit	609.87	-
Others (includes hyperinflation)	37.29	40.62
Total Deferred Tax Assets	549.32	100.04

E Deferred Tax Liabilities (Net of Assets):

₹ Crore

	As at March 31, 2019	As at March 31, 2018
Deferred Tax Liability on account of :		
Property, Plant and Equipment	(10.94)	(48.97)
Intangible assets	(91.08)	(313.32)
Others	(2.29)	(1.49)
Deferred Tax Asset on account of :		
Defined benefit obligations	0.19	21.85
Provisions	6.71	35.20
Others	20.88	12.08
Total Deferred Tax (Liabilities)	(76.53)	(294.65)
Net Deferred Tax (Liabilities) / Assets	472.79	(194.61)

Note

During the year, there has been sale of certain brands within the Group's entities that shall derive benefits of future tax deductions for the Group. Consequently, a deferred tax asset amounting to ₹ 93.95 crore has been recognised in the Consolidated Financial Statements.

F MOVEMENT IN DEFERRED TAX (LIABILITIES) / ASSET

₹ Crore

	Property, plant and equipment	Intangible assets	Other Deferred Tax Liability	Defined benefit obligations	Provisions	MAT Credit	Other Deferred Tax Asset	Deferred Tax Liabilities / Asset (net)
As at April 1, 2017	(34.05)	(290.61)	(5.40)	2.28	88.50	-	49.45	(189.83)
Charged/(credited) :								
- to profit or loss	(23.73)	(21.00)	2.96	29.44	6.84	-	3.25	(2.24)
- increase due to acquisition	-	-	-	-	(4.17)	-	-	(4.17)
- foreign currency translation	-	-	-	-	-	-	-	-
- to other comprehensive income	-	-	-	1.63	-	-	-	1.63
As at March 31, 2018	(57.78)	(311.61)	(2.44)	33.35	91.17	-	52.70	(194.61)
Charged/(credited) :								
- to profit or loss	3.92	68.63	(1.61)	3.49	(15.67)	609.87	5.47	674.10
- foreign currency translation	-	-	-	-	(5.29)	-	-	(5.29)
- to other comprehensive income	-	-	-	0.13	-	-	-	0.13
- transfer due to divestment	-	(1.54)	-	-	-	-	-	(1.54)
As at March 31, 2019	(53.86)	(244.52)	(4.05)	36.97	70.21	609.87	58.17	472.79

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgment is required in determining provision for income tax, deferred tax assets (including MAT credit) and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered.

As on March 31, 2019 the tax liability with respect to the dividends proposed is ₹ 42.02 crores (31-Mar-18 : ₹ 98.03 crores)

The Group has not recognized deferred tax liability on undistributed profits of its subsidiaries and associates amounting to ₹ 634.13 crores (Mar-31-2018 : ₹ 525.25 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.

During the year, the Group has recognised tax credits in respect of Minimum Alternate Tax (MAT credit) of ₹ 634.58 crores. MAT paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax against which the MAT paid will be adjusted.

During the year the Group has utilised MAT credit of ₹ 24.71 crores. Accordingly the 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 said credit in future years against the normal tax expected to be paid in those years and accordingly has recognised a deferred tax asset for the same.

NOTE 10 : OTHER NON-CURRENT ASSETS

₹ Crore

	As at March 31, 2019	As at March 31, 2018
Capital Advances	29.38	45.46
Balances with Government Authorities	22.94	18.37
Other non-current assets		
Considered Good	1.07	1.06
	1.07	1.06
TOTAL	53.39	64.89

NOTE 11 : INVENTORIES

₹ Crore

	As at March 31, 2019	As at March 31, 2018
<i>(Valued at lower of cost and net realizable value)</i>		
Raw Materials (Including Packing Materials)	987.70	867.05
Goods-in Transit	16.48	2.05
	1,004.18	869.10
Work-in-Progress	69.51	65.60
Finished goods	415.05	499.18
Stock-in-Trade	51.53	125.85
Stores and Spares	18.32	17.99
TOTAL	1,558.59	1,577.72

NOTE 12 : INVESTMENTS (CURRENT)

₹ Crore

	As at March 31, 2019	As at March 31, 2018
<i>Unquoted, fully paid up:</i>		
At Fair Value through Profit or Loss		
Investments in Mutual Funds	16.98	115.74
At Amortised Cost		
Investments in Deposits with Non-Banking Financial Companies	135.06	306.97
Investments in Commercial Papers	-	97.04
<i>Quoted, fully paid up:</i>		
At Amortised Cost		
Investments in Non-convertible Debentures with Non-Banking Financial Companies	329.27	336.01
TOTAL	481.31	855.76
Aggregate amount of unquoted investments	152.04	519.75
Aggregate amount of quoted investments	329.27	336.01
Aggregate Market Value of quoted Investments	329.94	339.38

NOTE 13 : TRADE RECEIVABLES

₹ Crore

	As at March 31, 2019	As at March 31, 2018
Considered Good- Secured	7.17	2.81
Considered Good - Unsecured	1,285.73	1,242.69
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables - credit impaired	48.99	44.43
Less: Provision for Doubtful Debts	(48.99)	(44.43)
TOTAL	1,292.90	1,245.50

Refer note 50 (B)

Note:

There are no outstanding trade receivables which resulted into significant increase in credit risk apart from receivables which are impaired and provided.

NOTE 14 A : CASH AND CASH EQUIVALENTS

₹ Crore

	As at March 31, 2019	As at March 31, 2018
Balances with Banks		
- In Current Accounts	703.59	304.75
- Deposits with less than 3 months original maturity	153.92	579.55
	857.51	884.30
Cheques, Drafts on Hand	-	9.96
Cash on hand	4.70	3.76
TOTAL	862.21	898.02

NOTE 14 B : OTHER BANK BALANCES

₹ Crore

	As at March 31, 2019	As at March 31, 2018
Deposits with maturities more than 3 months but less than 12 months (Refer Note (a))	18.03	53.11
In Unpaid Dividend Accounts	14.48	9.08
TOTAL	32.51	62.19

Note:

a) The fixed deposits include deposits under lien against bank guarantees ₹ 2.99 crore (Mar-31-2018 : ₹ 2.82 crore)

NOTE 15 : LOANS (CURRENT)

₹ Crore

	As at March 31, 2019	As at March 31, 2018
<i>Unsecured, Considered Good, Unless Otherwise Stated</i>		
Security Deposits	3.67	2.82
Other Loans and Advances	0.06	0.07
TOTAL	3.73	2.89

NOTE 16 : OTHER CURRENT FINANCIAL ASSETS

₹ Crore

	As at March 31, 2019	As at March 31, 2018
Derivative asset	2.43	10.74
Refunds/Incentives receivables from Govt. Authorities		
Considered Good	117.37	173.66
Considered Doubtful	15.62	14.62
Less: Provision for Doubtful Advances	(15.62)	(14.62)
	117.37	173.66
Others (includes insurance claim receivables & export incentive receivables)	35.06	14.71
TOTAL	154.86	199.11

NOTE 17 : OTHER CURRENT ASSETS

₹ Crore

	As at March 31, 2019	As at March 31, 2018
Balances with Government Authorities	152.08	131.98
Contract Assets (right to receive inventory)	6.59	6.35
Other Advances		
Considered Good	143.63	189.26
Considered Doubtful	1.32	1.71
Less: Provision for Doubtful Advances	(1.32)	(1.71)
	143.63	189.26
TOTAL	302.30	327.59

NOTE 18 : EQUITY SHARE CAPITAL

₹ Crore

	As at March 31, 2019	As at March 31, 2018
Authorised		
1,030,000,000 Equity Shares (31-Mar-18: 690,000,000) of ₹ 1 each	103.00	69.00
10,000,000 Preference Shares (31-Mar-18: 10,000,000) of ₹ 1 each	1.00	1.00
Issued		
1,022,197,220 Equity Shares (31-Mar-18: 681,360,642) of ₹ 1 each	102.22	68.14
Subscribed and Fully Paid up		
1,022,166,096 Equity Shares (31-Mar-18: 681,329,518) of ₹ 1 each fully paid up	102.22	68.13
TOTAL	102.22	68.13

Notes:

- a) During the year, the Company has issued 114,546 equity shares (Mar-31-2018 : 127,886) under the Employee Stock Grant Scheme.
- b) 31,124 Right Issue equity shares (Mar-31-2018 : 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, 2019		As at March 31, 2018	
	No. of Shares	₹ Crore	No. of Shares	₹ Crore
Shares outstanding at the beginning of the year	681,329,518	68.13	340,600,816	34.06
Add : Shares Issued during the year (Bonus Shares)	340,722,032	34.08	340,600,816	34.06
Add : Shares Issued on exercise of employee stock grant scheme	114,546	0.01	127,886	0.01
Shares outstanding at the end of the year	1,022,166,096	102.22	681,329,518	68.13

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, 2019 the amount of per share dividend recognised as distribution to equity shareholders was ₹ 15 (March-31-2018 : ₹ 15).

- e) Pursuant to the approval of the shareholders on Sep 5, 2018 record date for ascertaining the eligibility of the shareholders for receiving the bonus shares was fixed on Sep 14, 2018. Accordingly, the 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.
- f) Shares held by Holding Company and Subsidiary of Holding Company and details of shareholders holding more than 5% shares in the Company:

Name of the Shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	% held	No. of Shares	% held
Godrej & Boyce Manufacturing Co Ltd	75,011,445	7.34	50,007,630	7.34
Godrej Industries Limited	242,812,860	23.75	161,875,240	23.76
Godrej Seeds & Genetics Limited	280,500,000	27.44	187,000,000	27.45

g) Shares Reserved for issue under options

The Company has 295,015 (previous year 224,011) equity shares reserved for issue under Employee Stock Grant Scheme as at March 31, 2019. (As detailed in Note 46)

h) Information regarding aggregate number of equity shares during the five years immediately preceding the date of Balance Sheet:

Pursuant to the approval of Shareholders, company has allotted 340,722,032 (31-Mar-2018 year - 340,600,816) number of fully paid Bonus shares on Sep 17, 2017 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.

Pursuant to the approval of the shareholders the Company has allotted 340,600,816 (Mar-31-2018 : 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.

The Company has not issued shares for consideration other than cash and has not bought back any shares during the past five years.

The Company has not allotted any shares pursuant to contract without payment being received in cash.

- i) There are no calls unpaid on equity shares, other than shares kept in abeyance as mentioned in Note (b) above.
- j) No equity shares have been forfeited.

k) Capital Management

The primary objective of the Group's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios to support its business and maximize shareholder value. The Group makes adjustments to its capital structure based on economic conditions or its business requirements. To maintain / adjust the capital structure the Group may make adjustments to dividend paid to its shareholders or issue new shares.

The Group monitors capital using the metric of Net Debt to Equity. Net Debt is defined as borrowings less cash and cash equivalents, fixed deposits and readily redeemable investments.

NOTE 19 : OTHER EQUITY

₹ Crore

	As at March 31, 2019	As at March 31, 2018
Securities Premium	1,398.04	1,424.52
General Reserve	154.05	154.05
Other Reserves		
Capital Investment Subsidy Reserve	0.15	0.15
Capital Redemption Reserve	1.46	1.46
Employee Stock Options Outstanding	12.35	11.57
	13.96	13.18
Retained Earnings	5,569.13	4,702.08
Other Comprehensive Income (effective portion of cash flow hedges & exchange differences in translating financial statements of foreign operations)	29.52	(103.65)
Equity attributable to the owners of the parent	7,164.70	6,190.18
TOTAL	7,164.70	6,190.18

OTHER RESERVES MOVEMENT

₹ Crore

	As at March 31, 2019	As at March 31, 2018
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	11.57	9.83
(-) Exercise of Share options	(8.34)	(6.97)
(+) Deferred Employee Compensation Expense (Refer Note 33)	9.12	8.71
Closing Balance	12.35	11.57
TOTAL	13.96	13.18

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 46 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.

7) 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.

NOTE 20: NON-CURRENT BORROWINGS

₹ Crore

	Maturity Date	Terms of Repayment	Coupon/ Interest rate	As at March 31, 2019	As at March 31, 2018
A. Secured					
Term Loans from banks in USD	Upto August 2024	Payable in Multiple Installments every year	6%	0.30	-
Unsecured					
Term loans					
a) From Banks in USD	Upto December 2023	Payable in Multiple Installments every year	2.6%-3.5%	3,108.04	3,347.94
b) Term Loans from Banks	Upto March 2021	Payable in Multiple Installments every year	5.75%-27.6%	2.77	5.28
c) Others				-	0.02
				3,111.11	3,353.24
				3,111.11	3,353.24
Less: Current maturities of long term debt (from banks in USD) (Refer Note 26)				(506.33)	(972.92)
TOTAL				2,604.78	2,380.32

NOTE 21: OTHER NON-CURRENT FINANCIAL LIABILITIES

₹ Crore

	As at March 31, 2019	As at March 31, 2018
Liabilities for business combinations (Refer Note 37)	217.55	753.95
TOTAL	217.55	753.95

NOTE 22 : PROVISIONS

₹ Crore

	As at March 31, 2019	As at March 31, 2018
Provision for Employee Benefits		
Gratuity (Refer Note 45)	103.75	93.93
Compensated Absences	4.50	4.31
TOTAL	108.25	98.24

NOTE 23 : OTHER NON-CURRENT LIABILITIES

₹ Crore

	As at March 31, 2019	As at March 31, 2018
Others (includes deferred grants, sundry deposits)	4.27	2.37
TOTAL	4.27	2.37

NOTE 24: CURRENT BORROWINGS

₹ Crore

	Maturity Date	Terms of Repayment	Coupon/ Interest rate	As at March 31, 2019	As at March 31, 2018
A. Secured					
Loans repayable on demand from banks (Refer Note below)	Cash Credit	Payable on demand	9%-9.5%	5.75	3.42
				5.75	3.42
B. Unsecured					
Loans repayable on demand from banks	Upto 12 months	Multiple dates	2.50%-13.00%	96.20	19.24
USD Overdraft from banks	On demand	On demand	2.50%-7.00%	50.89	34.07
Overdraft from banks	On demand	On demand	9.00%-60.00%	118.10	97.60
				265.19	150.91
TOTAL				270.94	154.33

NOTES:

The Group does not have any default as on the Balance Sheet date in the repayment of any loan or interest.

NOTE 25 : TRADE PAYABLES

₹ Crore

	As at March 31, 2019	As at March 31, 2018
Dues to Micro, Small and Medium Enterprises	53.49	-
Other Payables*	2,486.39	2,353.10
TOTAL	2,539.88	2,353.10

*Trade Payables Includes invoices discounted by Vendors with banks

Refer Note 50 (C)

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues (principal and/or interest), which are outstanding for more than 45 days as at the balance sheet date. During the year, there have been no payments made to Micro, Small and Medium Enterprises beyond 45 days. There were no amounts on account of interest due that were payable for the period where the principal has been paid but interest under the MSMED Act, 2006 not paid. Further, there were no amounts towards interest accrued that were remaining unpaid at the end of accounting year. Accordingly, there were no amounts of further interest remaining due and payable in the succeeding years.

The above details regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified in the current year on the basis of information obtained by the Company.

NOTE 26 : OTHER CURRENT FINANCIAL LIABILITIES

₹ Crore

	As at March 31, 2019	As at March 31, 2018
Current Maturities of Long Term Debt (Refer Note 20)	506.33	972.92
Security deposit received	4.69	8.50
Unclaimed Dividends (Refer Note (a) below)	14.48	9.08
Put Option liability	242.50	244.56
Interest accrued	7.13	7.11
Derivative liability	22.62	17.41
Other payables	30.10	25.45
TOTAL	827.85	1,285.03

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, 2019	As at March 31, 2018
Statutory Dues (VAT, Excise, Service Tax, Octroi, TDS etc.)	15.42	36.89
Other Payables (includes employee payables, advance received from customers)	151.45	274.47
TOTAL	166.87	311.36

NOTE 28 : PROVISIONS

₹ Crore

	As at March 31, 2019	As at March 31, 2018
Provision for Employee Benefits		
Gratuity (net) (Refer Note 45)	8.76	8.18
Compensated Absences	4.03	2.90
Other Provision :		
Provision for Sales Returns	21.69	20.42
Provision towards Litigations	16.37	17.78
TOTAL	50.85	49.28

Movements in each class of other provisions during the financial year are set out below:

₹ Crore

	Sales Returns	Provision towards Litigation
As at April 1, 2018	20.42	17.78
Additional provisions recognised	1.86	1.51
Amount Utilised /Unused amounts reversed	(0.44)	-
Foreign currency translation difference	(0.15)	(2.92)
As at March 31, 2019	21.69	16.37

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, 2019	Year ended March 31, 2018
Sale of Products	10,221.07	9,865.90
Other Operating Revenues (includes export incentive, GST refunds, scrap sales etc.)	93.27	75.25
TOTAL	10,314.34	9,941.15

Notes :

- a) Sales for the year ended March 31, 2019 is net of Goods and Service tax (GST). However, for the previous year ended March 31, 2018, sales till period ended June 30, 2017 is gross of excise duty.

b) Revenue Information

₹ Crore

	Year ended March 31, 2019
Revenue by product categories	
Home care	4,166.62
Hair care	3,268.08
Personal care	2,786.37
TOTAL	10,221.07

c) Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price

₹ Crore

	Year ended March 31, 2019
Revenue as per contracted price	11,430.78
Sales returns	(24.46)
Rebates / Discounts	(1,185.25)
Revenue from contract with customers	10,221.07

d) Contract Balances

₹ Crore

	April 1, 2018	March 31, 2019
Trade receivables (Refer Note 13)	1,245.50	1,292.90
Contract assets (Refer Note 17)	6.35	6.59
Contract liabilities (Refer Note 27)	26.12	20.66

Note: Contract assets represents right to receive the inventory and contract liabilities represents advances received from customers for sale of goods at the reporting date.

e) **Significant changes in contract liabilities during the period**

₹ Crore

	Year ended March 31, 2019
Revenue recognised that was included in the contract liability balance at the beginning of the period	26.12

NOTE 30 : OTHER INCOME

₹ Crore

	Year ended March 31, 2019	Year ended March 31, 2018
Interest Income on:		
Non-convertible debentures and fixed deposits with Non-Banking Financial Companies at amortised cost	54.27	39.06
On Advances and Fixed Deposits	32.49	29.44
Net Gain on Sale of Investments	8.03	18.54
Fair Value Gain \ (Loss) on financial assets measured at fair value through profit or loss (net)	0.01	(8.14)
Other Non-Operating Income		
Profit on Sale of Property, Plant & Equipment	1.56	9.26
Miscellaneous non operating income	12.40	19.39
TOTAL	108.76	107.55

NOTE 31 : COST OF MATERIALS CONSUMED

₹ Crore

	Year ended March 31, 2019	Year ended March 31, 2018
Raw material and packing material		
Opening Inventory	869.10	651.12
Add : Purchases (net)	4,197.51	3,864.21
	5,066.61	4,515.33
Less: Closing Inventory	(1,004.18)	(869.10)
Cost of Materials Consumed	4,062.43	3,646.23

NOTE 32 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

₹ Crore

	Year ended March 31, 2019	Year ended March 31, 2018
Opening Inventory		
Finished Goods	499.18	619.71
Stock-in-Trade	125.85	86.82
Work-in-Progress	65.60	40.10
	690.63	746.63
Less: Closing Inventory		
Finished Goods	415.05	499.18
Stock-in-Trade	51.53	125.85
Work-in-Progress	69.51	65.60
	536.09	690.63
(Increase) / decrease in Inventories	154.54	56.00

NOTE 33 : EMPLOYEE BENEFITS EXPENSE

₹ Crore

	Year ended March 31, 2019	Year ended March 31, 2018
Salaries and Wages	1,004.02	972.98
Contribution to Provident and Other Funds (Refer Note 45)	23.58	20.71
Share based payments to Employees (Employee Stock Grant Scheme) (Refer Note 46)	9.12	8.71
Staff Welfare Expenses	54.18	55.01
TOTAL	1,090.90	1,057.41

NOTE 34 : FINANCE COSTS

₹ Crore

	Year ended March 31, 2019	Year ended March 31, 2018
Interest Expense		
Unwinding of interest on liabilities	9.62	14.58
Interest on loans	155.28	105.81
Bill discounting charges	59.51	40.35
Net Monetary gain on account of Hyperinflation	(0.16)	-
TOTAL	224.25	160.74

NOTE 35 : DEPRECIATION AND AMORTISATION EXPENSES

₹ Crore

	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation on property, plant and equipment	130.05	110.59
Amortization of intangible assets	39.93	45.09
TOTAL	169.98	155.68

NOTE 36 : OTHER EXPENSES

₹ Crore

	Year ended March 31, 2019	Year ended March 31, 2018
Consumption of Stores and Spares	34.88	29.29
Power and Fuel	119.29	101.11
Rent (net) (Refer Note 43)	95.75	89.44
Repairs and Maintenance		
Plant and Equipment	15.78	24.34
Buildings	9.80	12.11
Others (net)	51.20	43.19
	76.78	79.64
Insurance	21.03	16.48
Rates and Taxes	27.58	33.36
Processing and Other Manufacturing Charges	218.14	209.82
Travelling and Conveyance	80.50	75.99
Legal and Professional Charges	102.12	100.21
Donations	2.78	2.63
Sales Promotion	207.19	203.22
Advertising and Publicity	839.28	810.27
Selling and distribution expenses	131.36	116.08
Freight	333.31	309.68
Royalty	4.62	1.56
Commission	23.63	19.47
Bank charges	13.96	12.38
Net Loss on Sale / write off of Property, Plant and Equipment	2.15	4.91
Net Loss on Foreign Currency Transactions and Translations	13.78	29.06
Bad Debts Written Off	6.41	6.00
Provision for Doubtful Debts / Advances	6.89	12.67
Miscellaneous Expenses (net) (Refer Note (a) below)	190.07	185.28
TOTAL	2,551.50	2,448.55

Note :

- a) Miscellaneous Expenses include the Company's share of various expenses incurred by group companies for sharing of services and use of common facilities.

NOTE 37: EXCEPTIONAL ITEMS GAIN/(LOSS)

₹ Crore

	Year ended March 31, 2019	Year ended March 31, 2018
Restructuring Cost	(18.03)	(15.43)
Divestment of UK Business (Refer Note 52)	76.44	-
Reversal in liability for business combination (Refer Note below)	194.15	194.99
TOTAL	252.56	179.56

NOTE:

During the year there was a change in the provision for earn out liability on account of change in expected EBITDA of a subsidiary which is the basis for its estimation.

This consideration is payable after March 31, 2019 and is based on a multiple of future EBITDA of this business. The fair value of contingent consideration is determined by discounting the estimated amount payable to the sellers of Strength of Nature LLC (USA) based on expected future performance.

NOTE 38 : EARNINGS PER SHARE

	Year ended March 31, 2019	Year ended March 31, 2018
Net Profit After Tax (₹ Crore)	2,341.53	1,634.18
Number of Shares outstanding at the beginning of the year	1,021,994,277	1,021,802,448
Add : Shares Issued during the year	171,819	191,829
Number of Shares outstanding at the end of the year	1,022,166,096	1,021,994,277
Weighted Average Number of Equity Shares		
For calculating Basic EPS	1,022,111,340	1,021,928,057
Effect of dilution:		
Shared based payments	204,688	232,154
For calculating Diluted EPS	1,022,316,028	1,022,160,210
Earnings Per Share Before and After Extraordinary Items (Face Value ₹ 1)		
Basic (₹)	22.91	15.99
Diluted (₹)	22.90	15.99

Note: Number of shares for the year ended March 31 2018 have been adjusted for the bonus shares issued during the current year

NOTE 39 : COMMITMENTS

₹ Crore

	Year ended March 31, 2019	Year ended March 31, 2018
Estimated value of contracts remaining to be executed on capital account to the extent not provided, net of advances there against of ₹ 29.38 crore (March 31, 2018 : ₹ 27.39 crore)	32.94	31.84
Others	0.40	0.43
TOTAL	33.34	32.27

NOTE 40 : DIVIDEND

During the year 2018-19, the Board has paid four interim dividends. The first dividend was declared on May 8, 2018 at the rate of ₹ 7 per equity share (700% of the face value of ₹ 1 each) and the second dividend was declared on July 30, 2018 at the rate of ₹ 2 per equity share (200% of the face value of ₹ 1 each) on the pre-bonus paid up capital of the Company. The Company made a bonus issue in the ratio of 2:1 on Sep 17, 2018. Subsequent to the bonus issue, the Board paid two more interim dividends aggregating to ₹ 6 per share (600% of the face value ₹ 1 each). The total dividend rate for all the four interim dividends during the year after adjusting for the pre-bonus interim dividend rate aggregates to ₹ 12 per equity share (1200% of the face value ₹ 1 each) and amounts to ₹ 1226.52 crore. The dividend distribution tax on the said dividends is ₹ 252.11 crore. Subsequent to the close of the financial year, the Board has declared an interim dividend of ₹ 2 per equity share (200% of the face value ₹ 1 each) aggregating to ₹ 204.43 crore. The dividend distribution tax on the said dividend is ₹ 42.02 crore.

NOTE 41 : CONTINGENT LIABILITIES

₹ Crore

	As at March 31, 2019	As at March 31, 2018
a) CLAIMS FOR EXCISE DUTIES, TAXES AND OTHER MATTERS		
i) Excise duty demands against which the Company / Group has preferred appeals	54.69	65.14
ii) Sales tax demands against which the Company / Group has preferred appeals	79.46	63.38
iii) Income-tax matters	165.87	70.99
iv) Other matters	3.00	3.00
b) Guarantees given against Borrowings (in excess of Loans outstanding) / Bank facilities		
i) Guarantee amounting to GBP Nil (31-Mar-18 GBP 17.75 million) given by the Company to The Hongkong and Shanghai Banking Corporation Limited, Hongkong against loan provided to Godrej Netherlands BV.	-	32.76
ii) Guarantee amounting to USD Nil (31-Mar-18 USD 50.56 million) given by the Company to The Hongkong and Shanghai Banking Corporation Limited, Hongkong (1-April-15 guarantee provided to The Hongkong and Shanghai Banking Corporation Limited, Hongkong & Standard Chartered Bank Mauritius Limited) against loan provided to Godrej East Africa Holdings Limited	-	29.96
iii) Guarantee amounting to USD Nil million (31-Mar-18 USD 87.12 million) given by the Company to DBS Bank Limited, The Hongkong and Shanghai Banking Corporation Limited, Hongkong & Standard Chartered Bank Mauritius Limited against loan provided to Godrej Mauritius Africa Holding Limited	-	51.62
iv) Guarantee amounting to USD Nil (31-Mar-18 USD 28.60 million) given by the Company to DBS Bank Limited, Singapore against loan provided to Godrej Mauritius Africa Holding Limited	-	16.95
v) Guarantee amounting to USD Nil (31-Mar-18 USD 22.88 million) given by the Company to Barclays Bank PLC, London against loan provided to Godrej Mauritius Africa Holding Limited	-	13.56
vi) Guarantee amounting to USD Nil (31-Mar-18 USD 57.2 Million) given by the Company to The Hongkong and Shanghai Banking Corporation Limited, Hongkong & Standard Chartered Bank Mauritius Limited against loan provided to Godrej East Africa Holdings Limited	-	33.89
vii) Guarantee amounting to USD 88 million (31-Mar-18 USD 88 million) given by the Company to DBS Bank Limited, Singapore and Sumitomo Mitsui Banking Corporation, Singapore Branch towards loan provided to Godrej Consumer Products Holding (Mauritius) Limited	55.32	52.14
viii) Guarantee amounting to USD Nil (31-Mar-18 USD 1.20 million) given by the Company to Sumitomo Mitsui Banking Corporation, Singapore Branch towards interest rate swap / derivative facilities provided to Godrej Consumer Products Holding (Mauritius) Limited	-	7.82
ix) Guarantee amounting to USD Nil (31-Mar-18 USD 1.20 million) given by the Company to DBS Bank Limited towards interest rate swap / derivative facilities provided to Godrej Consumer Products Holding (Mauritius) Limited	-	7.82
x) Guarantee amounting to USD 27.50 million (31-Mar-18 USD 27.50 million) given by the Company to The Hongkong and Shanghai Banking Corporation Limited towards loan raised by Godrej East Africa Holdings Limited	17.29	16.29
xi) Guarantee amounting to USD Nil (31-Mar-18 USD 1.60 million) given by the Company to JP Morgan Chase Bank NA towards interest rate swap / derivative facilities provided to Godrej East Africa Holdings Limited	-	10.43
xii) Guarantee amounting to USD 121 million (31-Mar-18 USD 121 million) given by the Company to The Bank of Tokyo-Mitsubishi UFJ Ltd, London Branch towards loan provided to Godrej SON Holdings, Inc.	76.07	71.69
xiii) Guarantee amounting to USD Nil (31-Mar-18 USD 10 million) given by the Company to HSBC Bank (Mauritius) Limited towards bank facilities provided to Godrej Tanzania Holdings Limited	-	65.18
xiv) Guarantee amounting to USD 27.5 million (31-Mar-18 USD 27.5 million) given by the Company to Standard Chartered Bank, Mauritius towards bank facilities provided to Godrej Tanzania Holdings Limited	190.18	179.23
xv) Guarantee amounting to USD 44 million (31-Mar-18 USD 44 million) given by the Company to CITI Bank NA, London Branch towards loan provided to Godrej Mauritius Africa Holdings Ltd.	27.66	26.07
xvi) Guarantee amounting to USD 2 million (31-Mar-18 USD 2 million) given by the Company to DBS Bank Limited towards interest rate swap / derivative facilities provided to Godrej Mauritius Africa Holdings Limited	13.83	13.04
xvii) Guarantee amounting to USD 1.2 million (31-Mar-18 USD Nil million) given by the Company to DBS Bank Limited towards interest rate swap / derivative facilities provided to Godrej Consumer Products Holding (Mauritius) Limited	8.30	-

NOTE 41 : CONTINGENT LIABILITIES

₹ Crore

	As at March 31, 2019	As at March 31, 2018
xviii) Guarantee amounting to USD 64.35 million (31-Mar-18 USD Nil million) given by the Company to Sumitomo Mitsui Banking Corporation, Singapore Branch towards loan provided to Godrej SON Holdings, Inc.	43.91	-
xix) Guarantee amounting to USD 148.72 million (31-Mar-18 USD Nil million) given by the Company to The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch towards loan provided to Godrej Mauritius Africa Holdings Limited	93.50	-
Others		
i) Guarantees issued by banks [secured by bank deposits under lien with the bank ₹ 2.99 crore]	14.36	27.41
ii) Guarantee given by the Company to Yes Bank for credit facilities extended to M/s. Broadcast Audience Research Council.	0.80	0.80
iii) Other Guarantees	0.45	0.45
c) Claims against the Company not acknowledged as debt	33.50	34.20
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 results.		
e) OTHER MATTERS		
The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. Pending decision on the subject review petition and directions from the EPFO, the impact, if any, is not ascertainable and consequently no effect has been given in the accounts.		

NOTE 42 : RELATED PARTY DISCLOSURES**A) Related Parties and their Relationship****a) Joint Venture:**

Name of the Joint Venture	Country	% Holding as at March 31, 2019	% Holding as at March 31, 2018
Godrej Easy IP Holdings (FZC) (Dubai)	Dubai	Nil*	50%

* Dissolved during FY 2018-19

b) Associate Company:

Name of the Associate Company	Country	% Holding as at March 31, 2019	% Holding as at March 31, 2018
Bhabani Blunt Hairdressing Pvt Limited	India	28%	30%

c) Investing Entity in which the reporting entity is an Associate

- i) Godrej Industries Limited
- ii) Godrej Seeds & Genetics Limited

d) Companies under common Control with whom transactions have taken place during the year

- i) Godrej & Boyce Mfg. Co. Limited
- ii) Godrej Agrovet Limited
- iii) Godrej Tyson Foods Limited
- iv) Godrej Properties Limited
- v) Natures Basket Limited
- vi) Godrej Vikhroli Properties LLP
- vii) Godrej Infotech Limited
- viii) Godrej Projects Development Private Limited
- ix) Godrej Anandan
- x) Godrej One Premises Management Private Limited
- xi) Godrej Seaview Properties Private Limited
- xii) Creamline Dairy Products Limited

e) Key Management Personnel and Relatives

- i) Mr. Adi Godrej
Chairman Emeritus
- ii) Ms. Nisaba Godrej
Executive Chairperson / Daughter of Mr. Adi Godrej
- iii) Mr. Vivek Gambhir
Managing Director & CEO
- iv) Mr. V. Srinivasan
Chief Financial Officer and Company Secretary
- v) Mr. Pirojsha Godrej
Non-Executive Director / Son of Mr. Adi Godrej
- vi) Mr. Nadir Godrej
Non-Executive Director/ Brother of Mr. Adi Godrej
- vii) Ms. Tanya Dubash
Non-Executive Director/ Daughter of Mr. Adi Godrej
- viii) Mr. Jamshyd Godrej
Non Executive Director
- ix) Mr. D Shivakumar
Independent Director (till November 1, 2017)
- x) Mr. Aman Mehta
Independent Director
- xi) Mr. Omkar Goswami
Independent Director
- xii) Ms. Ireena Vittal
Independent Director
- xiii) Mr. Bharat Doshi
Independent Director
- xiv) Mr. Narendra Ambwani
Independent Director
- xv) Ms. Nididi Nwuneli
Independent Director (from April 1, 2017)
- xvi) Ms. Pippa Armerding
Independent Director (from January 30, 2018)
- xvii) Mr. Burjis Godrej
Son of Mr.Nadir Godrej
- xviii) Ms. Rati Godrej
Wife of Mr.Nadir Godrej
- xix) Mr. Sohrab Godrej
Son of Mr.Nadir Godrej
- xx) Mr. Hormazd Godrej
Son of Mr.Nadir Godrej
- xxi) Mr.Navroze Godrej
Son of Mr. Jamshyd Godrej
- xxii) Mr. Arvind Dubash
Husband of Ms. Tanya Dubash

f) Trust where the reporting entity exercises significant influence

- i) Godrej Consumer Products Limited Employees' Stock Option Trust

g) Post employment Benefit Trust where the reporting entity exercises significant influence

- i) Godrej Consumer Products Employees' Provident Fund

B) The Related Party Transactions are as under :

	₹ Crore											
	Associate Company		Investing Entity in which the reporting entity is an associate		Companies Under Common Control		Key Management Personnel and Relatives		Post employment benefit trust		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Sale of Goods	0.40	0.57	12.89	18.86	3.37	1.71	-	-	-	-	16.66	21.14
Sale of Capital Asset	-	-	-	0.02	-	-	-	-	-	-	-	0.02
Purchase of Materials and Spares	0.16	-	66.24	44.19	0.29	0.13	-	-	-	-	66.69	44.32
Purchase of Fixed Asset including Assets under Construction	-	-	-	-	0.19	11.44	-	-	-	-	0.19	11.44
Advance Paid	-	-	1.51	1.51	0.05	0.25	-	-	-	-	1.56	1.76
Royalty and Technical Fees Paid	0.62	0.87	-	-	-	-	-	-	-	-	0.62	0.87
Establishment & Other Expenses Paid (Including provision for doubtful debts if any)	0.14	1.19	34.38	33.50	8.95	6.92	-	-	-	-	43.47	41.61
Expenses Recovered	-	0.01	0.21	0.23	0.03	0.35	-	-	-	-	0.24	0.59
Investments Sold / Redeemed	2.28	-	-	-	-	-	-	-	-	-	2.28	-
Dividend Paid	-	-	627.98	313.99	90.01	45.01	35.43	17.69	-	-	753.42	376.69
Commission on Profits and Sitting Fees	-	-	-	-	-	-	4.20	2.64	-	-	4.20	2.64
Lease Rentals Received	-	-	9.25	10.87	-	-	-	-	-	-	9.25	10.87
Lease Rentals Paid	-	-	14.21	15.49	-	-	-	0.26	-	-	14.21	15.75
Contribution during the year (Including Employees' Share)	-	-	-	-	-	-	-	-	16.63	15.34	16.63	15.34
Short Term Employment Benefits	-	-	-	-	-	-	23.32	33.40	-	-	23.32	33.40
Post Employment Benefits	-	-	-	-	-	-	0.50	0.42	-	-	0.50	0.42
Share Based Payment	-	-	-	-	-	-	3.85	3.80	-	-	3.85	3.80
TOTAL	3.60	2.64	766.67	438.66	102.89	65.81	67.30	58.21	16.63	15.34	957.09	580.66

Outstanding Balances

	₹ Crore											
	Receivables		Payables		Guarantees		Commitments					
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018				
Associate Company	0.04	0.07	-	-	-	-	-	-	-	-	-	0.01
Investing Entity in which the reporting entity is an associate	4.75	0.97	3.63	0.30	(26.88)	(26.88)	-	-	-	-	-	2.61
Companies under Common Control	2.17	0.34	0.56	0.02	(1.21)	(1.21)	-	-	1.59	-	-	0.99
Key Management Personnel and Relatives	-	-	4.99	16.22	-	-	-	-	-	-	-	-
Post employment benefit trust	-	-	-	-	-	-	-	-	-	-	-	-
	6.96	1.38	9.18	16.54	(28.09)	(28.09)	16.54	(28.09)	1.59	1.59	1.59	3.61

NOTE 43 : LEASES

The Group's significant leasing agreements are in respect of operating lease for Computers and Premises (office, godown, etc.) and the aggregate lease rentals payable are charged as rent. The Total lease payments accounted for the year ended March 31, 2019 is ₹ 95.75 crore (*Mar-31-2018 : ₹ 89.44 crore*).

The future minimum lease payments outstanding under non-cancellable operating leases are as follows:

	₹ Crore	
	As at March 31, 2019	As at March 31, 2018
Not later than one year	20.17	21.22
Later than one year and not later than five years	28.71	55.89
Later than five years	-	13.03
TOTAL	48.88	90.14

The Group has entered into an agreement to give one of its office building on operating lease effective May, 2015. Total lease rentals earned during the year ended March 31, 2019 amounting to ₹ 9.13 crore have been netted off against rent expense of ₹ 9.13 crore in Note 36 for similar premises in the same building.

The future minimum lease rental receivable under the non-cancellable operating lease is as follows:

	₹ Crore	
	As at March 31, 2019	As at March 31, 2018
Not later than one year	9.13	9.13
Later than one year and not later than five years	1.10	10.20
Later than five years	-	-
TOTAL	10.23	19.33

FINANCE LEASE

	₹ Crore	
	As at March 31, 2019	As at March 31, 2018
Not later than one year	0.14	0.02
Later than one year and not later than five years	0.25	-
Later than five years	-	-
TOTAL	0.39	0.02

NOTE 44 : HEDGING 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, 2019:

	in Million	
	As at March 31, 2019	As at March 31, 2018
Forward Contracts to Purchase (USD) [151 contracts (previous year 150 contracts)]	US \$45.37	US \$28.89
Forward Contracts to Sell (USD) [4 contracts (previous year Nil contracts)]	US \$2.60	-
Forward Contracts to Purchase (CNH) [3 contracts (previous year 5 contracts)]	¥0.78	¥1.05

NOTE 45 : EMPLOYEE BENEFITS

a) DEFINED CONTRIBUTION PLAN

Provident Fund

The contributions to the Provident Fund of certain employees (including some employees of the erstwhile Godrej Household Products Ltd) are made to a Government administered Provident Fund and there are no further obligations beyond making such contribution. The Superannuation Fund constitutes an insured benefit, which is classified as a defined contribution plan as the Company contributes to an Insurance Company and has no further obligation beyond making payment to the insurance company.

b) DEFINED BENEFIT PLAN

Gratuity:

The Company participates in the Employees' Group Gratuity-cum-Life Assurance Scheme of HDFC Standard Life Insurance Co. Ltd., a funded defined benefit plan for qualifying employees. Gratuity is payable to all eligible employees on death or on separation / termination in terms of the provisions of the Payment of Gratuity (Amendment) Act, 1997, or as per the Company's scheme whichever is more beneficial to the employees.

The Gratuity scheme of the erstwhile Godrej Household Products Ltd., which was obtained pursuant to the Scheme of Amalgamation, is funded through Unit Linked Gratuity Plan with HDFC Standard Life Insurance Company Limited.

The liability for the Defined Benefit Plan is provided on the basis of a valuation, using the Projected Unit 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 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, 2019.

	₹ Crore	
	As at March 31, 2019	As at March 31, 2018
Plan assets at period end, at fair value	149.31	129.57
Provident Fund Corpus	148.00	128.51
Valuation assumptions under Deterministic Approach:		
Weighted Average Yield	8.67%	8.75%
Weighted Average Yield to Maturity	9.07%	8.95%
Guaranteed Rate of Interest	8.65%	8.65%

c) Amounts Recognised as Expense:

i) Defined Contribution Plan

Employer's Contribution to Provident Fund including contribution to Family Pension Fund amounting to ₹ 11.90 crore (Mar-31-2018 : ₹ 11.03 crore) has been included under Contribution to Provident and Other Funds.

ii) Defined Benefit Plan

Gratuity cost amounting to ₹ 8.30 crore (Mar-31-2018 : ₹ 6.41 crore) has been included in Note 33 under Contribution to Provident and Other Funds.

d) The amounts recognised in the Company's financial statements as at year end are as under:

₹ Crore

	As at March 31, 2019	As at March 31, 2018
i) Change in Present Value of Obligation		
Present value of the obligation at the beginning of the year	103.50	88.11
Current Service Cost	11.73	9.25
Interest Cost	8.35	6.53
Exchange difference	2.12	(0.83)
Actuarial (Gain) / Loss on Obligation- Due to Change in Demographic Assumptions	(0.62)	(0.13)
Actuarial (Gain) / Loss on Obligation- Due to Change in Financial Assumptions	(1.91)	3.61
Actuarial (Gain) / Loss on Obligation- Due to Experience	(2.68)	1.68
Benefits Paid	(7.20)	(4.72)
Present value of the obligation at the end of the year	113.29	103.50
ii) Change in Plan Assets		
Fair value of Plan Assets at the beginning of the year	1.39	4.33
Interest Income	0.17	0.34
Return on plan assets excluding interest income	(0.08)	(0.13)
Actuarial Gain / (Loss) on Plan Assets	-	0.05
Contributions by the Employer	6.59	1.52
Benefits Paid	(7.20)	(4.72)
Exchange difference	(0.09)	-
Fair value of Plan Assets at the end of the year	0.78	1.39
iii) Amounts Recognised in the Balance Sheet:		
Present value of Obligation at the end of the year	113.29	103.50
Fair value of Plan Assets at the end of the year	0.78	1.39
Net Liability recognised in the Balance Sheet	112.51	102.11
iv) Amounts Recognised in the Statement of Profit and Loss:		
Current Service Cost	11.73	9.25
Interest Cost / Income on Obligation / Plan assets (net)	8.18	6.19
Net Cost Included in Personnel Expenses	19.91	15.45
v) Recognised in other comprehensive income for the year		
Actuarial (Gain) / Loss on Obligation	(5.21)	5.16
Return on plan assets excluding interest income	0.08	0.08
Recognised in other comprehensive income	(5.13)	5.24
vi) Weighted average duration of Present Benefit Obligation	8.01 years	7.90 years
vii) Estimated contribution to be made in next financial year	13.61	11.47
viii) Major categories of Plan Assets as a % of total Plan Assets		
Insurer Managed Funds	100%	100%
ix) Actuarial Assumptions		
i) Discount Rate	7.22%- 14.25%p.a	7.29%- 13.75%p.a
ii) Salary Escalation Rate	7% p.a.- 12.25%p.a	7% p.a.- 11%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, 2019	As at March 31, 2018
Projected Benefits Payable in Future Years From the Date of Reporting		
Within the next 12 months	17.74	14.42
2 nd Following Year	12.06	11.59
3 rd Following Year	11.40	12.02
4 th Following Year	11.00	11.62
5 th Following Year	56.43	11.46
Sum of Years 6 to 10	43.80	59.61

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, 2019		March 31, 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(6.26)	7.06	(6.28)	7.11
Future salary growth (1% movement)	7.06	(6.37)	7.08	(6.35)

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 46 : EMPLOYEE STOCK BENEFIT PLANS

I. EMPLOYEE STOCK GRANT SCHEME

- a) The Company set up the Employees Stock Grant Scheme 2011 (ESGS) pursuant to the approval by the Shareholders on March 18, 2011.
- b) The ESGS Scheme is effective from April 1, 2011, (the "Effective Date") and shall continue to be in force until (i) its termination by the Board or (ii) the date on which all of the shares to be vested under Employee Stock Grant Scheme 2011 have been vested in the Eligible Employees and all restrictions on such Stock Grants awarded under the terms of ESGS Scheme, if any, have lapsed, whichever is earlier.
- c) The Scheme applies to the Eligible Employees of the Company or its Subsidiaries. The entitlement of each employee will be decided by the Compensation Committee of the Company based on the employee's performance, level, grade, etc.
- d) The total number of Stock Grants to be awarded under the ESGS Scheme are restricted to 2,500,000 (Twenty Five Lac) fully paid up equity shares of the Company. Not more than 500,000 (Five Lac) fully paid up equity shares or 1% of the issued equity share capital at the time of awarding the Stock Grant, whichever is lower, can be awarded to any one employee in any one year.
- e) The Stock Grants shall vest in the Eligible Employees pursuant to the ESGS Scheme in the proportion of 1/3rd at the end of each year or as may be decided by the Compensation Committee from the date on which the Stock Grants are awarded for a period of three consecutive years subject to the condition that the Eligible Employee continues to be in employment of the Company or the Subsidiary company as the case may be.
- f) The Eligible Employee shall exercise her / his right to acquire the shares vested in her / him all at one time within 1 month from the date on which the shares vested in her / him or such other period as may be determined by the Compensation Committee.
- g) The Exercise Price of the shares has been fixed at ₹ 1 per share. The fair value is treated as Employee Compensation Expenses and charged to the Statement of Profit and Loss. The value of the options is treated as a part of employee compensation in the financial statements and is amortised over the vesting period.

h) The details of the scheme are as below:

Scheme	Grant Date	No. of Options	Vesting Condition	Exercise Price (₹) per share	Weighted average Exercise Price (₹) per share	Exercise period
Employees Stock Grant Scheme 2011	From 2011 to 2018	635,424	Vested in the proportion of 1/3 rd at the end of each year	1.00	1.00	within 1 month from the date of vesting

Movement in the number of share options during the year:

	As at March 31, 2019	As at March 31, 2018
Outstanding at the beginning of the year	224,011	128,895
Add: Bonus issue during the year	102,049	122,214
Add: Granted during the year	98,343	111,829
Less: Exercised during the year	114,546	127,886
Less: Forfeited/ lapsed during the year	14,842	11,041
Outstanding at the end of the year	295,015	224,011

Weighted average remaining contractual life of options as at 31st March, 2019 was 2.93 years (31-Mar-18: 1.24 years).

Weighted average equity share price at the date of exercise of options during the year was ₹ 1213.37 (31-Mar-18: ₹ 1297.64).

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, 2019	As at March 31, 2018
Risk-free interest rate (%)	7.51%	6.46%
Expected life of options (years)	2.00	2.00
Expected volatility (%)	28.29%	32.21%
Dividend yield	1.05%	0.31%
The price of the underlying share in market at the time of option grant (₹)*	1,139.45	1,868.75

* Price is before issue of Bonus shares

II. Pursuant to SEBI notification dated January 17, 2013, no further securities of the Company will be purchased from the open market.

NOTE 47 : DISCLOSURE U/S 186 (4) OF THE COMPANIES ACT, 2013

Details of Investments made are disclosed under Note 5 and Note 12 and details of corporate guarantees given to banks on behalf of other body corporates are disclosed under Note 41.

NOTE 48 : SUBSEQUENT EVENTS

There are no significant subsequent events that would require adjustments or disclosures in the consolidated financial statements.

NOTE 49 : 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.

	Carrying amount / Fair Value				Fair value Hierarchy			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non Current								
Investments								
Non-convertible Debentures with Non-Banking Financial Companies	-	-	-	-	-	-	-	-
Deposits with Non-Banking Financial Companies	-	-	-	-	-	-	-	-
Loans	-	-	18.77	18.77	-	-	-	-
Other Financial Assets	-	-	5.77	5.77	-	-	-	-
Current								
Current investments								
Deposits with Non-Banking Financial Companies	-	-	135.06	135.06	-	135.06	-	135.06
Mutual Fund	16.98	-	-	16.98	-	16.98	-	16.98
Non-convertible Debentures with Non-Banking Financial Companies	-	-	329.27	329.27	-	329.94	-	329.94
Trade receivables	-	-	1,292.90	1,292.90	-	-	-	-
Cash and cash equivalents	-	-	862.21	862.21	-	-	-	-
Bank balances others	-	-	32.51	32.51	-	-	-	-
Loans	-	-	3.73	3.73	-	-	-	-
Derivative Asset	-	2.43	-	2.43	-	2.43	-	2.43
Others	-	-	152.43	152.43	-	-	-	-
	16.98	2.43	2,832.65	2,852.06	-	484.41	-	484.41
Financial liabilities								
Non-Current								
Borrowings	-	-	2,604.78	2,604.78	-	-	-	-
Liabilities for business combinations	217.55	-	-	217.55	-	-	217.55	217.55
Current								
Borrowings	-	-	270.94	270.94	-	-	-	-
Trade and other payables	-	-	2,539.88	2,539.88	-	-	-	-
Put Option Liability *	-	-	-	242.50	-	-	242.50	242.50
Current Maturities of Long Term Debt	-	-	506.33	506.33	-	-	-	-
Derivative liability	-	22.62	-	22.62	-	22.62	-	22.62
Others	-	-	56.40	56.40	-	-	-	-
	217.55	22.62	5,978.33	6,461.00	-	22.62	460.05	482.67

₹ Crore

As at March 31, 2018	Carrying amount / Fair Value			Fair value Hierarchy			₹ Crore	
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2		Level 3
				Total	Level 1	Level 2		Level 3
Financial assets								
Non Current								
Investments								
Non-convertible Debentures with Non-Banking Financial Companies	-		84.66	84.66		84.79	84.79	
Deposits with Non-Banking Financial Companies	-		20.54	20.54	-	20.54	20.54	
Loans		-	18.87	18.87	-	-	-	
Other Financial Assets		-	9.57	9.57	-	-	-	
Current								
Current investments		-	-	-	-	-	-	
Deposits with Non-Banking Financial Companies		-	306.97	306.97	-	306.97	306.97	
Investments in Commercial Papers			97.04	97.04	-	97.04	97.04	
Mutual Fund	115.74		-	115.74	-	115.74	115.74	
Non-convertible Debentures with Non-Banking Financial Companies		-	336.01	336.01	-	339.38	339.38	
Trade receivables		-	1,245.50	1,245.50	-	-	-	
Cash and cash equivalents		-	898.02	898.02	-	-	-	
Bank balances others		-	62.19	62.19	-	-	-	
Loans		-	2.89	2.89	-	-	-	
Derivative Asset		10.74	-	10.74	-	10.74	10.74	
Others			188.37	188.37	-	-	-	
	115.74	10.74	3,270.63	3,397.11	-	975.20	975.20	
Financial liabilities								
Non-Current								
Borrowings								
Liabilities for business combinations	753.95		2,380.32	2,380.32	-	-	-	
			-	753.95	-	-	753.95	
Current								
Borrowings								
Trade and other payables		-	154.33	154.33	-	-	-	
Put Option Liability*		-	2,353.10	2,353.10	-	-	-	
Current Maturities of Long Term Debt		-	244.56	244.56	-	-	244.56	
Derivative liability		17.41	972.92	972.92	-	-	-	
Others			-	17.41	-	17.41	17.41	
	753.95	17.41	5,910.81	6,926.73	-	17.41	998.51	
							1,015.92	

There are no transfers between Level 1 and Level 2

Level - 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level - 2 : Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level - 3 : Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

* The put option liability is fair valued at each reporting date through equity

NOTE: The group has not disclosed fair values of financial instruments other than mutual funds, deposits with non-banking financial companies, non-convertible debentures with non-banking financial companies, investment in commercial papers, derivative asset, derivative liability and liabilities for business combinations, because the carrying amounts are a reasonable approximation of fair value.

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Mutual Fund Investments	NAV quoted by the Mutual Fund	NA	NA
Investments in Non Convertible Debenture with Non-Banking Financial Companies	Broker Quote	NA	NA
Deposits with Non-Banking Financial Companies	Present Value of expected cashflows using an appropriate discounting rate	NA	NA
Commercial Paper issued by the Company	Present Value of expected cashflows using an appropriate discounting rate	NA	NA
Derivative Asset	MTM from banks	NA	NA
Derivative Liability	MTM from banks	NA	NA
Liabilities for business combination	Present Value of expected payment discounted using a risk adjusted discounting rate	Inputs are given in next page	"Refer next page for inter-relationship between significant unobservable inputs and fair value measurement"

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:

Particulars	₹ Crore	
	As at March 31, 2019	As at March 31, 2018
Opening Balance	998.51	1,214.30
Net change in fair value through reserves	6.16	(15.15)
Net change in fair value through PL (Refer Note (a) below)	9.62	11.29
Net change in liability due to payments	(449.25)	(17.01)
Reversal in liability for business combination	(194.15)	(194.99)
Exchange difference	89.16	0.07
Closing Balance	460.05	998.51

NOTE: (a) Interest unwinding charges

Valuation processes

The main level 3 inputs for put option and liability for business combination are derived and evaluated as follows :

Liability for Business Combination -The key inputs used in the determination of fair value of Liability for Business Combination are the discount rate and expected future performance of the business (EBIDTA).

Put Option Liability -The key inputs used in the determination of fair value of put option liability is performance of the business.

Sensitivity analysis

For the fair values of put option liability and liability for business combination, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects.

Liability for Business Combination	₹ Crore	
	Year ended March 31, 2019	
	Profit and Loss impact	
Significant unobservable inputs	10% Increase	10% Decrease
Achievement of financial target (10% movement) (Refer note below)	-	12.23
Note: Liability has been recognised at maximum threshold and hence there will be no further increase		

Liability for Business Combination	₹ Crore	
	Year ended March 31, 2018	
	Profit and Loss impact	
Significant unobservable inputs	10% Increase	10% Decrease
Achievement of financial target (10% movement)	(80.48)	80.48

Put Option Liability	₹ Crore	
	Year ended March 31, 2019	
	Equity impact	
Significant unobservable inputs	10% Increase	10% Decrease
Achievement of financial target (10% movement)	(24.25)	24.25

Put Option Liability	₹ Crore	
	Year ended March 31, 2018	
	Equity impact	
Significant unobservable inputs	10% Increase	10% Decrease
Achievement of financial target (10% movement)	(24.57)	24.57

NOTE 50 : FINANCIAL RISK MANAGEMENT

The activities of the Group exposes it to a number of financial risks – market risk, credit risk and liquidity risk. The Group seeks to minimize the potential impact of unpredictability of the financial markets on its financial performance. The risk management policy which is approved by the Board, is closely monitored by the senior management.

A. MANAGEMENT OF MARKET RISK:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks: currency rate risk, interest rate risk and price risk. Financial instruments affected by market risk includes borrowings, trade receivables and payables, bank deposits, investments and derivative financial instruments. The Group has international operations and is exposed to a variety of market risks, including currency and interest rate risks.

(i) Management of price risk:

The Company invests its surplus funds in various debt instruments including liquid and short term schemes of debt mutual funds, deposits with banks and financial institutions, commercial papers and non-convertible debentures (NCD's). Investments in mutual funds and NCD's are susceptible to market price risk, arising from changes in interest rates or market yields which may impact the return and value of the investments. This risk is mitigated by the Company by investing the funds in various tenors depending on the liquidity needs of the Company.

(ii) Management of currency risk:

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has foreign currency trade payables and receivables 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, 2019 and March 31, 2018 are as below:

	₹ Crore					
As at March 31, 2019	GBP	USD	EURO	ZAR	AED	Others
Financial assets						
Cash and cash equivalents	0.02	37.73	0.01	0.62	-	0.16
Current investments	-	0.41	-	-	-	-
Long-term loans and advances	-	-	-	-	-	-
Short-term loans and advances	-	-	-	-	-	-
Trade and other receivables	2.98	246.25	31.82	0.31	-	0.42
Less: Forward contracts for trade receivables	-	(18.03)	-	-	-	-
Other Non-Current financial assets	-	22.70	2.66	-	-	-
Other Current financial assets	-	10.55	-	-	-	-
	3.00	299.61	34.49	0.93	-	0.58
Financial liabilities						
Long term borrowings	-	1.95	-	-	-	-
Short term borrowings	-	42.63	-	-	-	-
Trade and other payables	0.22	660.51	0.62	0.05	-	5.73
Less: Forward contracts for trade payables	-	(314.05)	-	-	-	(0.80)
Other Current financial liabilities	-	0.35	3.35	-	-	-
	0.22	391.39	3.97	0.05	-	4.93
Net Exposure	2.78	(91.78)	30.52	0.88	-	(4.35)

₹ Crore

As at March 31, 2018	GBP	USD	EURO	ZAR	AED	Others
Financial assets						
Cash and cash equivalents	0.08	70.69	0.29	0.23	-	2.24
Current investments	-	-	-	-	-	-
Long-term loans and advances	-	10.52	-	-	-	-
Short-term loans and advances	-	1.99	-	-	-	-
Trade and other receivables	1.52	241.64	36.12	0.49	2.32	-
Less: Forward contracts for trade receivables	-	-	-	-	-	-
Other Non-Current financial assets	-	7.81	-	-	-	-
Other Current financial assets	-	7.89	-	-	-	-
	1.60	340.54	36.41	0.72	2.32	2.24
Financial liabilities						
Long term borrowings	-	8.37	-	-	-	-
Short term borrowings	-	92.72	-	-	-	-
Trade and other payables	2.96	449.96	7.95	-	-	5.38
Less: Forward contracts for trade payables	-	(187.94)	-	-	-	(1.09)
Other Current financial liabilities	-	0.19	-	-	-	-
	2.96	363.30	7.95	-	-	4.29
Net Exposure	(1.36)	(22.76)	28.46	0.72	2.32	(2.05)

The following significant exchange rates have been applied during the year.

INR	Year-end spot rate	
	March 31, 2019	March 31, 2018
GBP INR	90.48	91.76
USD INR	69.35	65.18
EUR INR	77.69	80.62
ZAR INR	4.76	5.53
AED INR	18.84	17.74

Sensitivity analysis

A reasonably possible 5% strengthening (weakening) of GBP/USD/EURO/ZAR/AED/CNH/KWD against the India rupee at March 31, 2019 and March 31, 2018 would have affected the measurement of financial instruments denominated in GBP/USD/EURO/ZAR/AED and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

₹ Crore

Effect in INR	Profit or loss	
	Strengthening	Weakening
March 31, 2019		
GBP	0.14	(0.14)
USD	(4.59)	4.59
EURO	1.53	(1.53)
ZAR	0.04	(0.04)
AED	-	-
Others - CNH/KWD	(0.22)	0.22
	(3.10)	3.10

₹ Crore

Effect in INR	Profit or loss	
	Strengthening	Weakening
March 31, 2018		
GBP	(0.07)	0.07
USD	(1.14)	1.14
EURO	1.42	(1.42)
ZAR	0.04	(0.04)
AED	0.12	(0.12)
Others - CNH/KWD	(0.10)	0.10
	0.27	(0.27)

(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, 2019	As at March 31, 2018
Borrowings		
Fixed rate instruments	167.44	145.46
Variable-rate instruments	3,214.61	3,362.11
	3,382.05	3,507.57

Fair value sensitivity analysis for fixed-rate instruments

The Company 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, 2019		
Variable-rate instruments	(16.07)	16.07
Less : Interest-rate swap on Variable rate instrument	6.59	(6.59)
Cash flow sensitivity (net)	(9.48)	9.48
As at March 31, 2018		
Variable-rate instruments	(16.81)	16.81
Less : Interest-rate swap on Variable rate instrument	9.03	(9.03)
Cash flow sensitivity (net)	(7.78)	7.78

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 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.

At March 31, 2019, the ageing for the trade receivables as mentioned in the note below and that were not impaired (not provided for) was as follows:

	₹ Crore	
Trade receivables	As at March 31, 2019	As at March 31, 2018
Neither past due nor impaired	656.25	732.52
Past due 1–90 days	417.07	340.91
Past due 91–120 days	62.49	94.27
Past due more than 120 days	157.09	77.80
TOTAL	1,292.90	1,245.50

Loans and advances given are monitored by the Group on a regular basis and these are neither past due nor impaired.

Management believes that the unimpaired amounts that are past due are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available. The Company uses an allowance matrix to measure the expected credit loss of trade receivables from individual customers which comprise on large number of small balances.

The movement in allowances for impairment in respect of trade receivables is as follows:

	₹ Crore	
	As at March 31, 2019	As at March 31, 2018
Opening Balance	44.43	32.33
Impairment loss recognised	11.16	17.56
Amounts written off / written back	(3.88)	(6.00)
Exchange difference	(2.41)	0.54
Less: Transfer on divestment	(0.31)	-
Closing Balance	48.99	44.43

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, 2019	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	3,382.05	3,591.40	868.32	2,127.79	595.29
Trade payables	2,539.88	2,539.88	2,539.88	-	-
Other financial liabilities	516.45	516.45	298.90	217.55	-
Derivative financial liabilities					
Interest rate swaps	22.62	65.26	21.43	31.98	11.85
Forward exchange contracts used for hedging					
- Outflow	-	314.05	314.05	-	-
- Inflow	-	18.03	18.03	-	-

As at March 31, 2018	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	3,507.57	3,647.82	1,198.25	2,449.57	-
Commercial papers	-	-	-	-	-
Trade payables	2,353.10	2,353.10	2,353.10	-	-
Other financial liabilities	1,066.06	1,066.06	312.11	753.95	-
Derivative financial liabilities					
Interest rate swaps	17.41	44.16	25.12	19.04	-
Forward exchange contracts used for hedging					
- Outflow	-	194.02	194.02	-	-
- Inflow	-	-	-	-	-

NOTE 51 : 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 & interest rate swaps for hedging the risk embedded in some of its highly probable forecast investment & interest rate fluctuation on some of its variable rate loans.

For derivative contracts designated as hedge, the Group documents, at inception, the economic relationship between the hedging instrument and the hedged item, the hedge ratio, the risk management objective for undertaking the hedge and the methods used to assess the hedge effectiveness. The derivative contracts have been taken to hedge foreign currency risk on highly probable forecast investment & interest rate risk on variable rate loans. The tenor of hedging instrument may be less than or equal to the tenor of underlying.

Financial contracts designated as hedges are accounted for in accordance with the requirements of Ind AS 109 depending upon the type of hedge. The Group applies cash flow hedge accounting to hedge the variability in a) the future cash flows on the overseas remittance to its subsidiary subject to foreign exchange risk; b) interest payments on variable rate loans.

The Group has a Board approved policy on assessment, measurement and monitoring of hedge effectiveness which provides a guideline for the evaluation of hedge effectiveness, treatment and monitoring of the hedge effective position from an accounting and risk monitoring perspective. Hedge effectiveness is ascertained at the time of inception of the hedge and periodically thereafter. The Group assesses hedge effectiveness on prospective basis. The prospective hedge effectiveness test is a forward looking evaluation of whether or not the changes in the fair value or cash flows of the hedging position are expected to be highly effective on offsetting the changes in the fair value or cash flows of the hedged position over the term of the relationship.

Hedge effectiveness is assessed through the application of critical terms match method & dollar off-set method. Any ineffectiveness in a hedging relationship is accounted for in the statement of profit and loss.

The table below enumerates the Group's hedging strategy, typical composition of the Group's hedge portfolio, the instruments used to hedge risk exposures and the type of hedging relationship:

Sr No	Type of risk/ hedge position	Hedged item	Description of hedging strategy	Hedging instrument	Description of hedging instrument	Type of hedging relationship
1	Currency risk hedge	Highly Probable Foreign currency (FCY) denominated investment into Overseas Subsidiary	FCY denominated highly probable forecast investment is converted into functional currency using a plain vanilla 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
1	Interest rate hedge	Floating rate loans	Floating rate financial liability is converted into a fixed rate financial liability using a floating to fixed interest rate swap.	Interest rate swap	Interest rate swap is a derivative instrument whereby the Group receives at a floating rate in return for a fixed rate liability.	Cash flow hedge

The table below provide details of the derivatives that have been designated as cash flow hedges for the year presented:

For the year ended March 31, 2019

₹ 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 Other Comprehensive Income (OCI)	Ineffectiveness recognized in profit or loss	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from the hedge reserve to profit or loss	Line item in profit or loss affected by the reclassification
Interest rate swaps	1,317.56	2.43	22.62	(13.58)	(13.58)	-	NA	NA	NA
Previous Year	1,806.65	10.74	17.41	(5.92)	(5.92)	-	NA	NA	NA

The table below provides a profile of the timing of the notional amounts of the Group's hedging instruments (based on residual tenor) along with the average price or rate as applicable by risk category:

	As at March 31, 2019				As at March 31, 2018			
	Total	Less than 1 year	1-5 years	Over 5 years	Total	Less than 1 year	1-5 years	Over 5 years
Interest rate risk:								
Notional principal amount	1,317.56	350.19	967.37	-	1,806.65	1,285.25	521.40	-
Average rate	3.30%	3.44%	3.25%	-	1.95%	0.02	3.18%	-

The following table provides a reconciliation by risk category of the components of equity and analysis of Other Comprehensive Income (OCI) items resulting from hedge accounting:

₹ Crore

	Movement in Cash flow hedge reserve for the years ended	
	March 31, 2019	March 31, 2018
Opening balance	7.69	13.61
Gain / (Loss) on the Effective portion of changes in fair value:		
a) Interest rate risk	(13.58)	(5.92)
b) Currency risk	-	-
Tax on movements on reserves during the year	-	-
Closing balance	(5.89)	7.69

NOTE 52 : DIVESTMENT OF UK BUSINESS

On August 31 2018, the Group sold 100% equity stake in Godrej Consumer Products (UK) Limited at a net consideration of ₹ 279.51 crore and has recognised a net gain on divestment of ₹ 76.44 crore (refer note 37). UK business was a part of "Others" segment in Segment reporting disclosure.

NOTE 53 : 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, 2019	As at March 31, 2018
India	2.47	2.47
Indonesia	1,452.50	1,352.68
Africa (including SON)	2,965.53	2,785.44
Argentina	318.60	299.44
Others	178.93	278.84
Total	4,918.03	4,718.87

Each unit or group of units to which the goodwill is allocated -

- represents the lowest level within the entity at which the goodwill is monitored for internal management purpose and
- is not larger than an operating segment as defined in Ind AS 108 Operating Segments, before aggregation.

Indefinite life brands have been allocated to the Group's CGU as follows:

Particulars	As at	As at
	March 31, 2019	March 31, 2018
India	738.50	791.42
Africa (including SON)	1,449.24	1,339.22
Chile	8.48	-

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. 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 year 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	As at	As at
	January 31, 2019	March 31, 2018
Pre Tax discount rate	11.95% - 24.64%	9.2% - 21.4%
Long term growth rate beyond 5 years	3% - 8%	2% - 8.6%

The pre tax discount rate is based on risk free rate, beta variant adjusted for market premium and company specific risk factors.

According to Ind AS 36 "Impairment of Assets", the annual impairment test for intangible assets with indefinite useful life may be performed at any time during an annual period, provided the test is performed at the same time every year. From the year ended March 31, 2019, the Group has decided to perform impairment test for goodwill and other intangible assets with indefinite useful life at January 31 and will follow the same for future years.

Based on impairment test done as at January 31, 2019 and March 31, 2018, Group has concluded that there was no impairment for goodwill and other indefinite life intangible assets as at March 31, 2019 and March 31, 2018.

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 CGUs to exceed their recoverable amount.

NOTE 54 : 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 household care products.

Information about reportable segments for the year ended March 31, 2019 and March 31, 2018 is as follows:

Particulars	Year ended March 31, 2019				
	India	Indonesia	Africa (including Strength of Nature)	Others	Total
Segment Revenue	5,679.31	1,524.94	2,456.04	770.17	10,430.46
Add/(Less): Inter segment revenue	(83.50)	(28.63)	(1.34)	(2.65)	(116.12)
Revenue from Operations	5,595.81	1,496.31	2,454.70	767.52	10,314.34
Segment result	1,512.55	393.09	190.44	20.50	2,116.58
Add/(Less): Inter segment	-	-	-	-	-
Other income	12.63	2.55	6.84	1.01	23.03
Depreciation & Amortization	(69.06)	(21.65)	(59.45)	(19.82)	(169.98)
Interest income	60.20	22.08	4.11	0.37	86.76
Finance costs (Unallocable)	-	-	-	-	(224.25)
Exceptional items (net)	-	-	-	-	252.56
Share of net profits of equity accounted investees (net of income tax)	-	-	-	-	0.63
Profit Before Tax					2,085.33
Tax expense	-	-	-	-	256.20
Profit After Tax					2,341.53

Particulars	Year ended March 31, 2018				
	India	Indonesia	Africa (including Strength of Nature)	Others	Total
Segment Revenue	5,354.74	1,354.48	2,189.13	1,139.65	10,038.00
Add/(Less): Inter segment revenue	(69.00)	(22.46)	(1.83)	(3.56)	(96.85)
Revenue from Operations	5,285.74	1,332.02	2,187.30	1,136.09	9,941.15
Segment result	1,330.30	323.89	267.65	145.27	2,067.11
Add/(Less): Inter segment	-	-	(0.14)	-	(0.14)
Other income	11.04	9.96	13.67	4.52	39.19
Depreciation & Amortization	(63.31)	(20.60)	(48.72)	(23.05)	(155.68)
Interest income	42.62	21.21	3.72	0.95	68.50
Finance costs (Unallocable)	-	-	-	-	(160.74)
Exceptional items (net)	-	-	-	-	179.56
Share of net profits of equity accounted investees (net of income tax)	-	-	-	-	1.08
Profit Before Tax					2,038.88
Tax expense	-	-	-	-	(404.70)
Profit After Tax					1,634.18

Particulars	As at	
	March 31, 2019	March 31, 2018
Segment Assets		
a) India	3,738.81	3,708.79
b) Indonesia	2,696.78	2,544.66
c) Africa (including Strength of Nature)	6,748.12	6,403.15
d) Others	1,099.50	1,399.52
Less: Intersegment Eliminations	(113.13)	(92.31)
	14,170.08	13,963.81
Segment Liabilities		
a) India	1,738.39	1,982.49
b) Indonesia	415.95	348.50
c) Africa (including Strength of Nature)	897.42	642.87
d) Others	138.18	320.65
Less: Intersegment Eliminations	(128.87)	(95.09)
	3,061.07	3,199.42
Add: Unallocable liabilities	3,842.09	4,506.08
Total Liabilities	6,903.16	7,705.50

Information about major customers:

No Single customer represents 10% or more of the Group's total revenue for the year ended March 31, 2019 and March 31, 2018

	₹ Crore	
Capital expenditure	Year ended March 31, 2019	Year ended March 31, 2018
a) India	81.22	116.25
b) Indonesia	13.65	13.36
c) Africa (including Strength of Nature)	120.27	162.31
d) Others	16.12	27.25
Total	231.26	319.17

NOTE 55 : ASSETS PLEDGED AS SECURITY

The carrying amount of assets pledged as security for current and non-current borrowings are:

	₹ Crore	
	As at March 31, 2019	As at March 31, 2018
Current		
Financial assets		
Floating charge		
Trade receivables (Refer Note 13)	2.55	1.55
Total (a)	2.55	1.55
Non Financial assets		
First charge		
Inventories (Refer Note 11) (b)	11.70	13.15
Total current assets pledged as security (c) = (a) + (b)	14.25	14.70
Non Current		
First charge		
Plant & Machinery (Refer Note 3)	14.82	13.96
Total non-current assets pledged as security (d)	14.82	13.96
Total assets pledged as security (e) = (c) + (d)	29.07	28.66

NOTE 56 : 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)	67.79%	4,926.15	74.95%	1,754.98	-0.12%	(0.17)	70.76%	1,754.81
Subsidiaries								
Foreign								
Beleza Mozambique LDA	0.75%	54.65	0.98%	22.96			0.93%	22.96
Consell SA	0.00%	0.00	0.00%	(0.05)			0.00%	(0.05)
Cosmetica Nacional	2.28%	165.77	0.25%	5.76			0.23%	5.76
Charm Industries Limited	0.10%	7.47	-0.11%	(2.66)			-0.11%	(2.66)
Canon Chemicals Limited	0.91%	66.38	0.07%	1.53			0.06%	1.53
Darling Trading Company Mauritius Ltd	1.49%	108.45	3.24%	75.75			3.05%	75.75
Deciral SA	0.14%	10.42	-0.06%	(1.37)			-0.06%	(1.37)
DGH Phase Two Mauritius	3.66%	265.63	0.11%	2.52			0.10%	2.52
DGH Tanzania Limited	0.91%	65.88	-0.01%	(0.16)			-0.01%	(0.16)
DGH Uganda	0.00%	(0.23)	0.00%	(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)
Frika Weave (PTY) LTD	0.04%	2.75	0.02%	0.54			0.02%	0.54
Godrej Africa Holdings Limited	33.06%	2,402.80	0.74%	17.28			0.70%	17.28
Godrej Consumer Holdings (Netherlands) B.V.	9.43%	685.59	-0.01%	(0.27)			-0.01%	(0.27)
Godrej Consumer Investments (Chile) Spa	4.76%	345.59	0.00%	(0.01)			0.00%	(0.01)
Godrej Consumer Products (UK) Limited *	0.00%	(0.00)	-3.72%	(87.08)			-3.51%	(87.08)
Godrej Consumer Products (Netherlands) B.V.	0.54%	39.55	-0.01%	(0.25)			-0.01%	(0.25)
Godrej Consumer Products Bangladesh Ltd	0.00%	(0.07)	0.00%	(0.01)			0.00%	(0.01)
Godrej Consumer Products Dutch Coöperatief U.A.	10.19%	740.45	-0.07%	(1.57)			-0.06%	(1.57)
Godrej Consumer Products Holding (Mauritius) Limited	21.83%	1,586.44	2.32%	54.29	-0.83%	(1.15)	2.14%	53.14
Godrej Consumer Products International (FZCO)	-0.08%	(5.74)	1.94%	45.49			1.83%	45.49
Godrej East Africa Holdings Ltd	1.65%	120.23	-1.78%	(41.73)	-0.75%	(1.04)	-1.72%	(42.77)
Godrej Global Mid East FZE	0.16%	11.33	0.52%	12.21			0.49%	12.21
Godrej Hair Care Nigeria Limited	0.00%	-	0.00%	-			0.00%	-
Godrej Hair Weave Nigeria Limited	0.00%	-	0.00%	-			0.00%	-
Godrej Holdings (Chile) Limitada	5.39%	391.66	0.55%	12.99			0.52%	12.99
Godrej Household Products (Bangladesh) Pvt. Ltd.	0.13%	9.67	-0.55%	(12.93)			-0.52%	(12.93)
Godrej Household Products (Lanka) Pvt. Ltd.	0.16%	11.33	-0.22%	(5.23)			-0.21%	(5.23)
Godrej Household Insecticide Nigeria Limited	0.00%	-	0.00%	-			0.00%	-
Godrej IIP Holdings Ltd	12.09%	878.91	2.02%	47.24			1.90%	47.24
Godrej International Trading Company (Sharjah)	-0.01%	(0.43)	0.00%	(0.09)			0.00%	(0.09)
Godrej Mauritius Africa Holdings Ltd	15.00%	1,090.24	1.74%	40.82	-4.26%	(5.90)	1.41%	34.92
Godrej MID East Holdings Limited	12.32%	894.98	1.58%	37.06			1.49%	37.06
Godrej Netherlands B.V.	6.42%	466.72	11.35%	265.65			10.71%	265.65
Godrej Nigeria Limited	0.50%	36.12	0.49%	11.41			0.46%	11.41
Godrej Peru SAC	-0.02%	(1.52)	-0.05%	(1.24)			-0.05%	(1.24)
Godrej SON Holdings Inc	7.05%	512.26	0.44%	10.19	-3.96%	(5.49)	0.19%	4.70
Godrej South Africa Proprietary Ltd.	1.27%	92.26	-0.44%	(10.40)			-0.42%	(10.40)
Godrej Tanzania Holdings LTD.	1.68%	122.12	-0.10%	(2.28)			-0.09%	(2.28)
Godrej (UK) Ltd	1.40%	101.54	6.67%	156.09			6.29%	156.09
Godrej West Africa Holdings Ltd.	1.55%	112.77	-0.01%	(0.16)			-0.01%	(0.16)
Hair Credentials Zambia Limited	-0.03%	(2.13)	-0.40%	(9.42)			-0.38%	(9.42)
Hair Trading (offshore) S. A. L	1.41%	102.61	3.25%	76.16			3.07%	76.16
Indovest Capital	0.01%	0.89	0.00%	(0.07)			0.00%	(0.07)
Issue Group Brazil Limited	0.01%	0.79	0.01%	0.17			0.01%	0.17
Kinky Group (Pty) Limited	0.22%	15.77	0.39%	9.07			0.37%	9.07

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)
Laboratoria Cuenca S.A	0.61%	44.13	-0.52%	(12.17)			-0.49%	(12.17)
Lorna Nigeria Ltd.	2.56%	185.83	-0.68%	(15.92)	0.30%	0.41	-0.63%	(15.51)
Old Pro International Inc	1.76%	127.66	0.00%	-			0.00%	-
Panamar Producciones S.A.	0.02%	1.18	0.00%	(0.01)			0.00%	(0.01)
PT Ekamas Sarijaya	0.19%	13.89	0.02%	0.55			0.02%	0.55
PT Indomas Susemi Jaya	0.88%	63.88	0.54%	12.65			0.51%	12.65
PT Intrasari Raya	1.17%	85.21	0.54%	12.55			0.51%	12.55
PT Megasari Makmur	13.09%	951.01	10.05%	235.37	3.68%	5.10	9.70%	240.47
PT Sarico Indah	0.15%	10.56	0.01%	0.35			0.01%	0.35
Sigma Hair Industries Limited	0.10%	6.99	-0.30%	(6.91)			-0.28%	(6.91)
Style Industries Uganda Limited	0.00%	0.00	0.00%	-			0.00%	-
Strength of Nature LLC	29.81%	2,166.60	1.71%	40.00			1.61%	40.00
Strength of Nature South Africa Proprietary Limited	0.06%	4.59	0.11%	2.51			0.10%	2.51
Style Industries Limited	2.22%	161.54	-1.94%	(45.53)			-1.84%	(45.53)
Subinite (Pty) Ltd.	0.64%	46.25	0.21%	5.00			0.20%	5.00
Weave Ghana Ltd	0.74%	53.97	0.02%	0.46			0.02%	0.46
Weave IP Holdings Mauritius Pvt. Ltd.	0.02%	1.73	0.05%	1.10			0.04%	1.10
Weave Mozambique Limitada	2.13%	154.85	-0.22%	(5.15)			-0.21%	(5.15)
Weave Senegal Ltd	-0.01%	(0.73)	-0.40%	(9.42)			-0.38%	(9.42)
Weave Trading Mauritius Pvt. Ltd.	0.01%	0.61	1.48%	34.56			1.39%	34.56
Godrej Consumers Products Malaysia Ltd	0.00%	-	0.00%	-			0.00%	-
Adjustment arising out of consolidation					105.95%	146.75	5.92%	146.75
Associate (Investments as per Equity method)								
Bhabhani Blunt Hairdressing Pvt. Ltd.	-	-	0.03%	0.63			0.03%	0.63
Eliminations	-182.32%	(13248.91)	-16.75%	(392.21)			-15.81%	(392.21)
Grand Total	100.00%	7266.92	100.00%	2341.53	100.00%	138.51	100.00%	2480.04

* On August 31, 2018, the Group sold 100% equity stake in Godrej Consumer Products (UK) Ltd

NOTE 57 : DETAILS OF SUBSIDIARIES, ASSOCIATE AND JOINT VENTURE

The companies considered in the consolidated financial statements are :

Name of the entity	Country of Incorporation	Ownership interest held by the Group		Ownership interest held by non-controlling interest	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
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%	-	-
Bhabhani Blunt Hairdressing Private Limited (Associate)	India	28%	30%	72%	70%
Beleza Mozambique LDA	Mozambique	100%	100%	-	-
Consell SA	Argentina	100%	100%	-	-
Cosmetica Nacional	Chile	100%	100%	-	-
Charm Industries Limited	Kenya	100%	100%	-	-
Canon Chemicals Limited	Kenya	100%	100%	-	-

Name of the entity	Country of Incorporation	Ownership interest held by the Group		Ownership interest held by non-controlling interest	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
		Darling Trading Company Mauritius Ltd	Mauritius	100%	100%
Deciral SA	Uruguay	100%	100%	-	-
DGH Phase Two Mauritius	Mauritius	100%	100%	-	-
DGH Tanzania Limited	Mauritius	100%	100%	-	-
DGH Uganda	Mauritius	100%	100%	-	-
Frika Weave (PTY) LTD	South Africa	100%	100%	-	-
Godrej Africa Holdings Limited	Mauritius	100%	100%	-	-
Godrej Consumer Holdings (Netherlands) B.V.	Netherlands	100%	100%	-	-
Godrej Consumer Investments (Chile) Spa	Chile	100%	100%	-	-
Godrej Consumer Products (Netherlands) B.V.	Netherlands	100%	100%	-	-
Godrej Consumer Products Dutch Coöperatief U.A.	Netherlands	100%	100%	-	-
Godrej Consumer Products Holding (Mauritius) Limited	Mauritius	100%	100%	-	-
Godrej Consumer Products International (FZCO)	Dubai	100%	100%	-	-
Godrej East Africa Holdings Ltd	Mauritius	100%	100%	-	-
Godrej Global Mid East FZE	Sharjah	100%	100%	-	-
Godrej Hair Care Nigeria Limited	Nigeria	100%	100%	-	-
Godrej Hair Weave Nigeria Limited	Nigeria	100%	100%	-	-
Godrej Holdings (Chile) Limitada	Chile	100%	100%	-	-
Godrej Household Insecticide Nigeria Limited	Nigeria	100%	100%	-	-
Godrej IIP Holdings Ltd	Mauritius	100%	100%	-	-
Godrej International Trading Company (Sharjah)	Sharjah	100%	100%	-	-
Godrej Mauritius Africa Holdings Limited	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	Peru	100%	100%	-	-
Godrej SON Holdings INC	USA	100%	100%	-	-
Godrej Tanzania Holdings Ltd	Mauritius	100%	100%	-	-
Godrej (UK) Ltd	UK	100%	100%	-	-
Godrej West Africa Holdings Ltd.	Mauritius	100%	100%	-	-
Hair Credentials Zambia Limited	Zambia	100%	100%	-	-
Hair Trading (offshore) S. A. L	Lebanon	100%	100%	-	-
Indovest Capital	Labuan	100%	100%	-	-
Issue Group Brazil Limited	Brazil	100%	100%	-	-
Kinky Group (Pty) Limited	South Africa	100%	100%	-	-
Laboratoria Cuenca S.A	Argentina	100%	100%	-	-
Lorna Nigeria Ltd.	Nigeria	100%	100%	-	-
Old Pro International Inc	USA	100%	100%	-	-
Panamar Producciones S.A.	Argentina	100%	100%	-	-
PT Ekamas Sarijaya	Indonesia	100%	100%	-	-
PT Indomas Susemi Jaya	Indonesia	100%	100%	-	-
PT Intrasari Raya	Indonesia	100%	100%	-	-
PT Megasari Makmur	Indonesia	100%	100%	-	-
PT Sarico Indah	Indonesia	100%	100%	-	-
Sigma Hair Industries Limited	Tanzania	100%	100%	-	-
Style Industries Uganda Limited	Uganda	100%	100%	-	-
Strength of Nature LLC	USA	100%	100%	-	-
Strength of Nature South Africa Proprietary Limited	South Africa	100%	100%	-	-

Name of the entity	Country of Incorporation	Ownership interest held by the Group		Ownership interest held by non-controlling interest	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
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 Consumers Products Malaysia Ltd	Malaysia	100%	100%	-	-
Godrej CP Malaysia SDN. BHD	Malaysia	100%	100%	-	-

NOTE 58 : GENERAL

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest crore as per the requirements of Schedule III, unless otherwise stated.

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm Regn No. 101248W/W-100022

Vijay Mathur

Partner

M. No. 046476

V Srinivasan

Chief Financial Officer

& Company Secretary

For and on behalf of the Board

Nisaba Godrej

Executive Chairperson

DIN: 00591503

Vivek Gambhir

Managing Director & CEO

DIN: 6527810

Mumbai: May 3, 2019

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 ₹)

Sl. No.	Name of the Subsidiary	Date when subsidiary was acquired	Reporting period for the subsidiary concerned, if different from the holding company's 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
1	Beleza Mozambique LDA	13-10-2011	01-Apr-2018 To 31-Mar-2019	MZN	1.094	41.12	170.97	116.31	0.00	174.11	22.96	0.00	22.96	-	100%
2	Consell SA	02-06-2010	01-Apr-2018 To 31-Mar-2019	ARS	1.589	(0.46)	0.03	0.02	0.00	0.00	(0.04)	0.01	(0.05)	-	100%
3	Cosmetica Nacional	20-04-2012	01-Apr-2018 To 31-Mar-2019	CPeso	0.101	35.38	210.25	44.48	0.00	167.62	6.61	0.86	5.76	-	100%
4	Charm Industries Limited	09-09-2014	01-Apr-2018 To 31-Mar-2019	KES	0.688	6.78	23.67	16.20	0.00	26.81	0.49	3.15	(2.66)	-	100%
5	Canon Chemicals Limited	05-05-2016	01-Apr-2018 To 31-Mar-2019	KES	0.688	57.08	119.21	52.83	0.00	98.13	2.39	0.86	1.53	-	75%*
6	Darling Trading Company Mauritius Ltd	22-01-2015	01-Apr-2018 To 31-Mar-2019	USD	69.345	101.52	142.90	34.45	6.93	75.70	75.75	0.00	75.75	-	90%*
7	Deciral SA	02-06-2010	01-Apr-2018 To 31-Mar-2019	ARS	1.589	1.09	20.08	9.65	0.00	13.08	(1.78)	(0.41)	(1.37)	-	100%
8	DGH Phase Two Mauritius	09-05-2012	01-Apr-2018 To 31-Mar-2019	USD	69.345	241.81	265.72	0.09	277.19	3.09	2.92	0.40	2.52	-	90%*
9	DGH Tanzania Limited	06-12-2012	01-Apr-2018 To 31-Mar-2019	USD	69.345	66.66	65.96	0.08	31.21	0.00	(0.16)	0.00	(0.16)	-	100%
10	DGH Uganda	31-01-2017	01-Apr-2018 To 31-Mar-2019	UGX	69.345	0.00	0.00	0.23	0.00	0.00	(0.09)	0.00	(0.09)	-	51%*
11	Frika Weave (PTY) LTD	06-01-2015	01-Apr-2018 To 31-Mar-2019	ZAR	4.738	(2.49)	2.80	0.04	0.00	0.79	0.67	0.13	0.54	-	100%
12	Godrej Africa Holdings Limited	19-01-2015	01-Apr-2018 To 31-Mar-2019	USD	69.345	2230.89	171.91	2402.88	0.08	2402.63	17.33	0.00	17.28	-	100%
13	Godrej Consumer Holdings (Netherlands) B.V.	31-03-2010	01-Apr-2018 To 31-Mar-2019	USD	69.345	0.18	685.68	0.08	685.64	0.00	(0.27)	0.00	(0.27)	-	100%
14	Godrej Consumer Investments (Chile) Spa	28-03-2012	01-Apr-2018 To 31-Mar-2019	USD	69.345	361.54	345.60	0.01	345.58	0.00	(0.01)	0.00	(0.01)	-	100%
15	Godrej Consumer Products (Netherlands) B.V.	31-03-2010	01-Apr-2018 To 31-Mar-2019	USD	69.345	0.16	39.39	0.08	39.55	0.00	(0.25)	0.00	(0.25)	-	100%
16	Godrej Consumer Products Bangladesh Ltd	13-04-2010	01-Apr-2018 To 31-Mar-2019	Taka	0.823	0.04	0.04	0.12	0.00	0.00	(0.01)	0.00	(0.01)	-	100%

Sl. No.	Name of the Subsidiary	Date when subsidiary was acquired	Reporting period for the subsidiary concerned, if different from the holding company's 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
17	Godrej Consumer Products Dutch Coöperatief U.A.	24-03-2010	01-Apr-2018 To 31-Mar-2019	USD	69.345	594.70	145.75	743.80	3.35	740.77	0.00	(1.57)	0.00	(1.57)	-	100%
18	Godrej Consumer Products Holding (Mauritius) Limited	23-04-2010	01-Apr-2018 To 31-Mar-2019	USD	69.345	1301.93	284.51	2147.70	561.26	1597.48	76.46	54.37	0.08	54.29	-	100%
19	Godrej Consumer Products International (FZCO)	28-02-2017	01-Apr-2018 To 31-Mar-2019	USD	69.345	6.94	(12.68)	451.35	457.09	0.00	606.70	45.49	0.00	45.49	-	90%*
20	Godrej East Africa Holdings Ltd	20-07-2012	01-Apr-2018 To 31-Mar-2019	USD	69.345	266.38	(146.15)	1167.43	1047.20	1163.72	1.50	(41.73)	0.00	(41.73)	-	100%
21	Godrej Global Mid East FZE	05-07-2011	01-Apr-2018 To 31-Mar-2019	AED	18.838	8.64	2.69	38.15	26.83	0.00	89.67	12.21	0.00	12.21	-	100%
22	Godrej Hair Care Nigeria Limited	02-03-2016	01-Apr-2018 To 31-Mar-2019	Naira	0.226	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-	100%
23	Godrej Hair Weave Nigeria Limited	02-03-2016	01-Apr-2018 To 31-Mar-2019	Naira	0.226	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-	100%
24	Godrej Holdings (Chile) Limitada	29-03-2012	01-Apr-2018 To 31-Mar-2019	USD	69.345	345.84	45.82	424.73	33.07	424.64	15.82	12.99	0.00	12.99	-	100%
25	Godrej Household Products (Bangladesh) Pvt. Ltd.	01-04-2010	01-Apr-2018 To 31-Mar-2019	Taka	0.823	87.84	(78.17)	35.11	25.44	0.00	61.92	(12.51)	0.42	(12.93)	-	100%
26	Godrej Household Products (Lanka) Pvt. Ltd.	01-04-2010	01-Apr-2018 To 31-Mar-2019	LKR	0.393	28.23	(16.91)	31.23	19.91	0.00	43.36	(5.16)	0.07	(5.23)	-	100%
27	Godrej Household Insecticide Nigeria Limited	12-01-2016	01-Apr-2018 To 31-Mar-2019	Naira	0.226	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-	100%
28	Godrej IIP Holdings Ltd	17-03-2015	01-Apr-2018 To 31-Mar-2019	USD	69.345	878.67	0.24	878.98	0.07	878.33	47.15	47.24	0.00	47.24	-	100%
29	Godrej International Trading Company (Sharjah)	01-09-2016	01-Apr-2018 To 31-Mar-2019	USD	69.345	0.00	(0.43)	0.03	0.46	0.00	0.00	(0.09)	0.00	(0.09)	-	51%*
30	Godrej Mauritius Africa Holdings Ltd.	14-03-2011	01-Apr-2018 To 31-Mar-2019	USD	69.345	976.13	114.11	2927.74	1837.50	2325.44	81.27	40.82	0.00	40.82	-	100%
31	Godrej MID East Holdings Limited	28-07-2015	01-Apr-2018 To 31-Mar-2019	USD	69.345	878.32	16.66	895.57	0.59	0.00	38.77	37.06	0.00	37.06	-	100%
32	Godrej Netherlands B.V.	19-10-2005	01-Apr-2018 To 31-Mar-2019	GBP	90.478	4.23	462.49	466.92	0.20	354.42	268.77	265.65	0.00	265.65	-	100%
33	Godrej Nigeria Limited	26-03-2010	01-Apr-2018 To 31-Mar-2019	Naira	0.226	0.34	35.78	96.67	60.56	0.00	156.61	16.28	4.88	11.41	-	100%
34	Godrej Peru SAC	11-04-2017	01-Apr-2018 To 31-Mar-2019	ARS	1.589	0.00	(1.53)	21.22	22.74	0.00	16.82	(1.70)	(0.46)	(1.24)	-	100%

₹ Crore

Sl. No.	Name of the Subsidiary	Date when subsidiary was acquired	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Reporting Currency	Exchange rate	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of share holding
35	Godrej SON Holdings INC	22-03-2016	01-Apr-2018 To 31-Mar-2019	USD	69.345	538.12	(25.85)	1755.43	1243.17	1693.95	50.37	10.19	0.00	10.19	-	100%	
36	Godrej South Africa Proprietary Ltd	01-09-2006	01-Apr-2018 To 31-Mar-2019	ZAR	4.738	8.55	83.71	96.88	4.62	0.00	50.64	(11.32)	(0.92)	(10.40)	-	100%	
37	Godrej Tanzania Holdings Ltd	30-11-2012	01-Apr-2018 To 31-Mar-2019	USD	69.345	127.07	(4.95)	252.01	129.89	114.30	1.67	(2.28)	0.00	(2.28)	-	100%	
38	Godrej (UK) Ltd	24-10-2005	01-Apr-2018 To 31-Mar-2019	GBP	90.478	102.55	(1.01)	104.62	3.08	89.81	38.32	156.09	0.00	156.09	-	100%	
39	Godrej West Africa Holdings Ltd.	11-02-2014	01-Apr-2018 To 31-Mar-2019	USD	69.345	112.90	(0.13)	112.96	0.19	112.95	0.00	(0.16)	0.00	(0.16)	-	90%*	
40	Hair Credentials Zambia Limited	23-12-2015	01-Apr-2018 To 31-Mar-2019	ZMK	5.697	0.02	(2.15)	19.92	22.05	0.00	20.63	(7.36)	2.06	(9.42)	-	100%	
41	Hair Trading (offshore) S. A. L	23-12-2015	01-Apr-2018 To 31-Mar-2019	USD	69.345	0.14	102.48	137.99	35.37	0.00	171.13	76.17	0.00	76.16	-	51%*	
42	Indovest Capital	17-03-2010	01-Apr-2018 To 31-Mar-2019	USD	69.345	0.08	0.81	1.01	0.12	0.00	0.00	(0.04)	0.03	(0.07)	-	100%	
43	Issue Group Brazil Limited	23-05-2010	01-Apr-2018 To 31-Mar-2019	ARS	1.589	19.55	(18.76)	2.85	2.07	0.00	0.19	0.17	0.00	0.17	-	100%	
44	Kinky Group (Pty) Limited	01-04-2008	01-Apr-2018 To 31-Mar-2019	ZAR	4.738	0.00	15.77	34.01	18.24	0.00	72.02	7.18	(1.89)	9.07	-	100%	
45	Laboratoria Cuenca S.A	02-06-2010	01-Apr-2018 To 31-Mar-2019	ARS	1.589	2.47	41.66	131.71	87.59	2.49	182.32	(17.12)	(4.95)	(12.17)	-	100%	
46	Loma Nigeria Ltd.	05-09-2011	01-Apr-2018 To 31-Mar-2019	Naira	0.226	124.34	61.49	283.55	97.72	0.00	408.32	(12.67)	3.25	(15.92)	-	100%	
47	Old Pro International Inc	28-04-2016	01-Apr-2018 To 31-Mar-2019	USD	69.345	0.00	127.66	127.66	0.00	0.00	0.00	0.00	0.00	0.00	-	100%	
48	Panamar Producciones S.A.	02-06-2010	01-Apr-2018 To 31-Mar-2019	ARS	1.589	0.09	1.09	1.18	(0.00)	0.90	0.00	(0.01)	0.00	(0.01)	-	100%	
49	PT Ekamas Sarijaya	17-05-2010	01-Apr-2018 To 31-Mar-2019	IDR	0.005	1.22	12.67	14.20	0.31	0.00	1.46	0.63	0.08	0.55	-	100%	
50	PT Indomas Susemi Jaya	17-05-2010	01-Apr-2018 To 31-Mar-2019	IDR	0.005	1.40	62.48	70.39	6.51	0.00	44.64	16.40	3.75	12.65	-	100%	
51	PT Intrasari Raya	17-05-2010	01-Apr-2018 To 31-Mar-2019	IDR	0.005	0.49	84.73	351.63	266.42	0.00	1619.62	17.32	4.77	12.55	-	100%	
52	PT Megasari Makmur	17-05-2010	01-Apr-2018 To 31-Mar-2019	IDR	0.005	71.39	879.63	1317.39	366.38	0.00	1353.46	313.75	78.38	235.37	-	100%	

Sl. No.	Name of the Subsidiary	Date when subsidiary was acquired	Reporting period for the subsidiary concerned, if different from the holding company's year in the case of 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
53	PT Saico Indah	17-05-2010	01-Apr-2018 To 31-Mar-2019	IDR	0.005	7.29	13.66	3.10	0.00	24.18	0.41	0.06	0.35	-	100%
54	Sigma Hair Industries Limited	19-12-2012	01-Apr-2018 To 31-Mar-2019	TZS	0.030	(22.34)	54.29	47.30	0.00	76.08	(6.67)	0.24	(6.91)	-	100%
55	Style Industries Uganda Limited	15-06-2016	01-Apr-2018 To 31-Mar-2019	UGX	0.019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-	51%*
56	Strength of Nature LLC	28-04-2016	01-Apr-2018 To 31-Mar-2019	USD	69.345	0.00	2166.60	2247.22	31.38	571.77	45.09	5.09	40.00	-	100%
57	Strength of Nature South Africa Proprietary Limited	28-04-2016	01-Apr-2018 To 31-Mar-2019	ZAR	4.738	0.00	4.59	5.20	0.00	0.35	3.48	0.98	2.51	-	100%
58	Style Industries Limited	01-11-2012	01-Apr-2018 To 31-Mar-2019	KES	0.688	0.84	160.70	292.13	0.00	334.95	(23.15)	22.37	(45.53)	-	90%*
59	Subinite (Pty) Ltd.	06-09-2011	01-Apr-2018 To 31-Mar-2019	ZAR	4.738	0.00	46.25	255.71	0.00	451.64	(37.77)	(10.23)	(27.54)	-	90%*
60	Weave Ghana Ltd	16-09-2014	01-Apr-2018 To 31-Mar-2019	CEDI	13.465	57.13	(3.16)	80.63	0.00	112.15	0.46	0.00	0.46	-	100%
61	Weave IP Holdings Mauritius Pvt. Ltd.	11-07-2011	01-Apr-2018 To 31-Mar-2019	USD	69.345	0.04	1.69	1.86	0.00	1.68	1.36	0.25	1.10	-	90%*
62	Weave Mozambique Limitada	13-10-2011	01-Apr-2018 To 31-Mar-2019	MZN	1.094	13.51	141.35	165.90	0.00	96.00	(6.78)	(1.63)	(5.15)	-	90%*
63	Weave Senegal Ltd	08-04-2016	01-Apr-2018 To 31-Mar-2019	XOF	0.119	17.49	(18.23)	13.61	0.00	6.93	(9.42)	0.00	(9.42)	-	100%
64	Weave Trading Mauritius Pvt. Ltd.	05-07-2011	01-Apr-2018 To 31-Mar-2019	USD	69.345	0.01	0.61	0.83	0.14	34.67	34.56	0.00	34.56	-	51%*
65	Godrej Consumers Products Malaysia Ltd	07-02-2018	01-Apr-2018 To 31-Mar-2019	MYR	17.005	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-	100%
66	Godrej CP Malaysia SDN. BHD	04-06-2018	04-Jun-2018 To 31-Mar-2019	MYR	17.005	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-	100%

* Financials of subsidiaries, associate and joint venture were considered 100% in consolidated financials statements

Names of subsidiaries which are yet to commence operations:

Godrej Hair Care Nigeria Limited
 Godrej Household Insecticide Nigeria Limited
 Godrej Hair Weave Nigeria Limited
 Godrej Consumers Products Malaysia Limited
 Godrej CP Malaysia SDN. BHD

Names of subsidiaries which have been liquidated or sold during the year:

Godrej Consumer Products (UK) Limited

PART "B": ASSOCIATES AND JOINT VENTURES
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

₹ Crore

Sl. No.	Name of Associates/ Joint Ventures	Latest audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the company on the year end		Description of how there is significant influence	Reason why the associate/joint venture is not consolidated	Net worth attributable to Shareholding as per latest audited Balance Sheet	Profit / (Loss) for FY 19	
			No.	Amount of Associates/Joint Venture				Extend of Holding %	Considered in Consolidation
1.	Bhabhani Blunt Hairdressing Private Limited	Year ended March 31, 2018	4967 Equity Instruments & 3060 Debentures	₹ 20.04 cr & ₹ 12 cr	Godrej Consumer Products Ltd is holding more than 20% of share capital	Godrej Consumer Products Ltd stake is less than 51%	4.20	0.63	1.47

1. Names of associate or joint venture which are yet to commence operations - NIL

2. Names of associate or joint venture which have been liquidated or sold during the year -

- Godrej Easy IP Holdings (FZO)

For and on behalf of the Board

Nisaba Godrej
Executive Chairperson
DIN: 00591503

Vivek Gambhir
Managing Director & CEO
DIN: 6527810

V Srinivasan
Chief Financial Officer &
Company Secretary

Date: May 3, 2019

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 AGM

NOTICE is hereby given that the 19th ANNUAL GENERAL MEETING (**AGM**) of the members of GODREJ CONSUMER PRODUCTS LIMITED will be held on Thursday, August 1, 2019, at 1.30 p.m. at Godrej One, 1st Floor Auditorium, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai- 400079 to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements (both standalone and consolidated) of the Company for the financial year ended March 31, 2019 and Report of the Board of Directors and Auditor's Report thereon;
2. To confirm the Interim Dividends paid during fiscal year 2018-19;
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;
4. To appoint a Director in place of Mr. Jamshyd Godrej (DIN: 00076250), 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:

5. Ordinary Resolution for the ratification of remuneration payable to M/s. P. M. Nanabhoy & Co. (Firm Membership number 000012), appointed as Cost Auditors of the Company for the fiscal year 2019-20

'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 2019-20, be paid a remuneration of ₹ 6,39,000/- per annum plus applicable taxes and out-of-pocket expenses that may be incurred.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to perform all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution'.

6. Special Resolution for re-appointment of Mr. Narendra Ambwani as an Independent Director of the Company for a second term

"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 the 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, Mr. Narendra Ambwani (DIN: 00236658), who is appointed as Additional and Independent Director by the Board of Directors of the Company and who has submitted a declaration that he meets with the criteria of independence as provided in Section 149 (6) of the Companies Act, 2013, be and is hereby reappointed as an Independent Director, for the second term commencing from July 28, 2019 till November 14, 2023.

7. Special Resolution for re-appointment of Mr. Aman Mehta as an Independent Director of the Company for a second term

“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 and Mr. Aman Mehta (DIN: 00009364) who has submitted a declaration that he meets with the criteria of independence as provided in Section 149 (6) of the Companies Act, 2013, be and is hereby re-appointed as an Independent Director of the Company, for the second term commencing from September 26, 2019 till August 31, 2021.”

8. Special Resolution for re-appointment of Dr. Omkar Goswami as an Independent Director of the Company for a second term

“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, Dr. Omkar Goswami (DIN: 00004258) who has submitted a declaration

that he meets with the criteria of independence as provided in Section 149 (6) of the Companies Act, 2013, be and is hereby re-appointed as an Independent Director of the Company, for the second term commencing from September 26, 2019 till September 25 2024.”

9. Special Resolution for re-appointment of Ms. Ireena Vittal as an Independent Director of the Company for a second term

“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. Ireena Vittal (DIN: 05195656) who has submitted a declaration that she meets with the criteria of independence as provided in Section 149 (6) of the Companies Act, 2013, be and is hereby re-appointed as an Independent Director of the Company, for the second term commencing from September 26, 2019 till September 25 2024.”

10. Ordinary Resolution for re-appointment of Ms. Nisaba Godrej as Whole-time Director (DIN: 00591503)

“RESOLVED THAT pursuant to Section 152, 196, 197, and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof), Ms. Nisaba Godrej (DIN: 00591503) be and is hereby re-appointed as Whole-

time Director of the Company to hold office from July 1, 2019 till September 30, 2022, upon the remuneration as may be determined and agreed to between the Board of Directors and Ms. Nisaba Godrej, on the following terms and conditions:

I. Period of appointment: July 1, 2019 to September 30, 2022

II. Remuneration

A. Fixed Compensation

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

The Basic Salary shall be in the range of ₹ 12,50,000 – ₹18,50,000/- per month, payable monthly. The annual increments will be decided by the Board of Directors and will be merit based and take into account other relevant factors.

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

B. Variable Compensation

Performance Linked Variable Remuneration (PLVR) relating to the financial years during the period of appointment shall be according to the applicable scheme of the Company or as may be decided by the Board of Directors.

C. Flexible Compensation

In addition to the fixed compensation and variable compensation, Ms. Nisaba Godrej will be entitled to the following allowances, perquisites, benefits, facilities and amenities as per rules of the Company and subject to the relevant provisions of the Companies Act, 2013 (collectively called “perquisites and allowances”).

These perquisites and allowances may be granted to Ms. Nisaba

Godrej in such form and manner as the Board may decide.

- Housing as per rules of the Company (i.e. unfurnished residential accommodation as per Company's rules OR House Rent Allowance as per Company's rules;
- Furnishing at residence as per rules of the Company;
- Supplementary Allowance;
- Leave Travel Allowance in accordance with the rules of the Company;
- Payment/reimbursement of medical/hospitalisation expenses in accordance with the rules of the Company.
- Group insurance cover, group mediclaim cover in accordance with the rules of the Company;
- Payment/reimbursement of club fees, food vouchers, petrol reimbursement;
- Company car with driver for official use, provision of telephone(s) at residence;
- Payment/reimbursement of telephone expenses;
- Housing Loan as per rules of the Company, Contingency Loan as per rules of the Company. These loans shall be subject to Central Government approval, if any;
- Consolidated privilege leave, on full pay and allowance, not exceeding 30 days in a financial year. Encashment/accumulation of leave will be permissible in accordance with the rules specified by the Company. Sick leave as per the rules of the Company;
- Such other perquisites and

allowances as per the policy/ rules of the Company in force and/or as may be approved by the Board from time to time

Explanation:

Perquisites shall be evaluated at actual cost or if the cost is not ascertainable, the same shall be valued as per Income Tax Rules.

III. Overall Remuneration

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

IV. Minimum Remuneration

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

Notes:

Ms. Nisaba Godrej shall not, during the continuance of her employment or at any time thereafter, divulge or disclose to whomsoever or make any use whatsoever, whether for her own or for any other purpose other than that of the Company, any information or knowledge obtained by her during her employment, and it shall be Ms. Nisaba Godrej's endeavor, during the continuance of her employment, to prevent any

other person from disclosing the aforesaid information.

If Ms. Nisaba Godrej is guilty of such inattention to or negligence in the conduct of the business of the Company or of misconduct or of any other act or omission inconsistent with her duties as director or any breach of these terms, as in the opinion of all other Directors renders her retirement from the office desirable, the opinion of such other Directors shall be final, conclusive and binding on her and the Company may, by giving thirty days' notice in writing, terminate this appointment and she shall cease to be the Director of the Company, upon expiration of such notice.

In the event of any re-enactment or re-codification of the Companies Act, 2013 or the Income Tax Act, 1961 or amendments thereto, the foregoing shall continue to remain in force and the reference to various provisions of the Companies Act, 2013 or the Income Tax Act, 1961 shall be deemed to be substituted by the corresponding provisions of the new Act or the amendments thereto or the Rules and notifications issued thereunder.

11. Ordinary Resolution for re-appointment of Mr. Vivek Gambhir as Managing Director & CEO (DIN: 06527810)

“RESOLVED THAT pursuant to Section 152, 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof), Mr. Vivek Gambhir DIN (06527810) be and is hereby re-appointed as Whole-time Director, designated as 'Managing Director and CEO' of the Company to hold office

from July 1, 2019 to September 30, 2022, upon the remuneration as may be determined and agreed to between the Board of Directors and Mr. Vivek Gambhir, on the following terms and conditions:

I. Period of appointment: July 1, 2019 to September 30, 2022

II. Remuneration

A. Fixed Compensation

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

The Basic Salary shall be in the range of ₹ 26,50,000 – ₹ 36,75,000/-per month, payable monthly. The annual increments will be decided by the Board of Directors and will be merit based and take into account other relevant factors.

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

B. Long term Incentives

- (i) Performance Linked Variable Remuneration (PLVR) relating to the financial years during the period of appointment shall be according to the applicable scheme of the Company or as may be decided by the Board of Directors.
- (ii) Long Term Incentives as may be approved by the Board of Directors.
- (iii) Stock Grants under the Company' Employee Stock Grant Scheme (ESGS).

C. Flexible Compensation

In addition to the fixed compensation and long term incentives, Mr. Vivek Gambhir will be entitled to the following

allowances, perquisites, benefits, facilities and amenities as per rules of the Company and subject to the relevant provisions of the Companies Act, 2013 (collectively called "perquisites and allowances").

These perquisites and allowances may be granted to Mr. Vivek Gambhir in such form and manner as the Board may decide.

- Housing as per rules of the Company (i.e. unfurnished residential accommodation as per Company's rules OR House Rent Allowance as per Company's rules;
- Furnishing at residence as per rules of the Company;
- Supplementary allowance;
- Leave Travel Allowance in accordance with the rules of the Company;
- Payment/reimbursement of medical/hospitalisation expenses in accordance with the rules of the Company;
- Group insurance cover, group mediclaim cover in accordance with the rules of the Company;
- Payment/reimbursement of club fees, food vouchers, petrol reimbursement;
- Company car with driver for official use, provision of telephone(s) at residence;
- Payment/reimbursement of telephone expenses;
- Housing Loan as per rules of the Company, Contingency Loan as per rules of the Company. These loans shall be subject to Central Government approval, if any;

- Consolidated privilege leave, on full pay and allowance, not exceeding 30 days in a financial year. Encashment/ accumulation of leave will be permissible in accordance with the rules specified by the Company. Sick leave as per the rules of the Company;
- Such other perquisites and allowances as per the policy/ rules of the Company in force and/or s may be approved by the Board from time to time.

Explanation: Perquisites shall be evaluated at actual cost or if the cost is not ascertainable the same shall be valued as per Income Tax Rules.

III. Overall Remuneration

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

IV. Minimum Remuneration

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

Notes:

- a) Mr. Gambhir is liable to retire by rotation. The appointment is terminable by giving three months' notice in writing on either side.

b) Mr. Gambhir shall not, during the continuance of his employment or at any time thereafter, divulge or disclose to whomsoever or make any use whatsoever, whether for his own or for any other purpose other than that of the Company, any information or knowledge obtained by him during his employment, and it shall be Mr. Gambhir's endeavor, during the continuance of his employment, to prevent any other person from disclosing the aforesaid information.

c) If Mr. Gambhir is guilty of such inattention to or negligence in the conduct of the business of the Company or of misconduct or of any other act or omission inconsistent with his duties as director or any breach of these terms, as in the opinion of all other Directors renders his retirement from the office desirable, the opinion of such other Directors shall be final, conclusive and binding on him, and the Company may, by giving thirty days' notice in writing to him, determine this Agreement and he shall cease to be the Managing Director & CEO of the Company, upon expiration of such notice.

d) In the event of any re-enactment or re-codification of the Companies Act,

2013 or the Income Tax Act, 1961 or amendments thereto, the foregoing shall continue to remain in force and the reference to various provisions of the Companies Act, 2013 or the Income Tax Act, 1961 shall be deemed to be substituted by the corresponding provisions of the new Act or the amendments thereto or the Rules and notifications issued thereunder.

By Order of the Board of Directors

V Srinivasan

Chief Financial Officer & Company Secretary

Mumbai, June 21, 2019

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. A member entitled to attend and vote is entitled to appoint a proxy to attend and on poll, to vote on his/her behalf. Such a proxy need not be a member of the Company. The enclosed proxy form should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the AGM.

A person shall not act as a Proxy for more than 50 members and holding, in aggregate, not more than 10 per cent of the total voting share capital of the Company. However, a single person may act as a proxy for a member holding more than 10 per

cent of the total voting share capital of the Company provided that such a person shall not act as a proxy for any other person.

3. Proxy-holders are requested to carry an Identity Proof at the time of attending the meeting.
4. Members are requested to bring their copy of the Annual Report to the AGM.
5. Members are requested to send in their queries at least a week in advance to the Chief Financial Officer & Company Secretary at the Registered Office of the Company to facilitate clarifications during the meeting.
6. The route map for the venue of the meeting has been provided in the attendance slip.
7. Members are requested to note that as per Section 124 of the Companies Act, 2013, dividends 7 years from the date of transfer to the Company's Unpaid Dividend Account shall be transferred to the 'Investor Education and Protection Fund' (IEPF) of the Government. Unclaimed Dividends, as per the details given in the table below, will be transferred to the IEPF on the dates mentioned in the table. Those members who have not, so far, encashed these dividend warrants or any subsequent dividend warrants may claim or approach our Registrars, Computech Sharecap Ltd., 147, M. G. Road, Fort, Mumbai 400001 (e-mail: gcpl@computechsharecap.in) or the Company for payment thereof.

Dividend Period	Type of Dividend	Paid in	Due date for transfer
2012-13	1 st Interim	August 2012	September 9, 2019
2012-13	2 nd Interim	November 2012	December 9, 2019
2012-13	3 rd Interim	February 2013	March 8, 2020
2013-14	4 th Interim	May 2013	June 5, 2020
2013-14	1 st Interim	August 2013	September 8, 2020

Please note that Section 124(6) of the Companies Act, 2013 also provides that all shares in respect of which the dividend of last 7 consecutive years has remained unclaimed, shall also be transferred to the IEPF.

Hence, it is in the shareholders' interest to claim any uncashed dividends and for future dividends, opt for Electronic Credit of dividend so that dividends paid by the Company are credited to the investor's account on time.

8. The Securities and Exchange Board of India (SEBI) vide its circular dated 20th April, 2018 has mandated registration of Permanent Account Number (PAN) and Bank Account Details for all securities holders. Members holding shares in physical form are therefore, requested to submit their PAN and Bank Account Details to Computech Sharecap Limited / Investor Relations Department of the Company by sending a duly signed letter along with self-attested copy of PAN Card and original cancelled cheque. The original cancelled cheque should bear the name of the Member. Members holding shares in demat form are requested to submit the aforesaid information to their respective Depository Participant. Henceforth, the Company will not

be in position to issue Demand Drafts for dividends to those shareholders whose Bank account details are not updated.

9. Details as stipulated under Listing Regulations in respect of the Directors being appointed/re-appointed are attached herewith to the Notice.

10. 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 19th AGM through electronic means and the business may be transacted through the e-voting services provided by the Central Depository Services Limited (CDSL).

The instructions for members for voting electronically are as follows:-

- (i) The e-voting facility is available from 9.00 a.m. on Sunday, July 28, 2019 to 5.00 p.m. on Wednesday, July 31, 2019. The e-voting module shall be disabled by CDSL for voting thereafter. During this period,

shareholders of the Company, holding shares either in physical or dematerialised (demat) form, as on the cut-off date, Thursday, July 25, 2019, may cast their vote electronically.

- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Enter their User ID
 - a. For CDSL use the 16-digit beneficiary ID,
 - b. For NSDL use the 8-character DP ID followed by a 8-digit Client ID,
 - c. Members holding shares in the physical Form should enter the Folio Number registered with the Company.
- (v) Next, enter the Image Verification as displayed and Click on Login.
- (vi) If shareholders hold shares in demat form and have previously logged on to www.evotingindia.com and have voted earlier on a poll of any company, then the existing password is to be used.

(vii) First time users should follow the following steps:

For Members holding shares in demat and physical forms	
PAN	Enter your 10-digit alpha-numeric PAN issued by the Income Tax Department (Applicable for both demat as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to enter the sequence numbers provided on the address label.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in the dd/mm/yyyy format) as recorded in your demat account or in the Company records to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or Company please enter the member ID/folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on 'SUBMIT' tab.
- (ix) Members holding shares in the physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach the 'Password Creation' menu, wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting for resolutions of any other company for which they are eligible to vote, provided that the company opts for e-voting through the CDSL platform. It is strongly recommended not to share your password with any other person and to take utmost care to keep your password confidential.
- (x) For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for GODREJ CONSUMER PRODUCTS LIMITED to vote.
- (xii) On the voting page, you will see 'RESOLUTION DESCRIPTION' and against the same the option 'YES/NO' for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the 'RESOLUTIONS FILE LINK' if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution, you have decided to vote on, click on 'SUBMIT'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'OK', else to change your vote, click on 'CANCEL' and accordingly modify your vote.
- (xv) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on 'Click here to print' option on the voting page.
- (xvii) If a demat account holder has forgotten the changed password, then enter the User ID and the image verification code and click on 'FORGOT PASSWORD' and enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android-based mobiles. The m-Voting app can be downloaded from Google Play Store/Apple Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non-Individual Shareholders and Custodians
- Non-individual shareholders (i.e. other than Individuals, including HUFs, NRIs, etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User will be able to link the account(s) for which they wish to vote.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com, and on approval of the accounts, they will be able to cast their vote.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (FAQs) and the e-voting manual available on www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com
- Webcast**
- (xxi) The Company is pleased to provide one-way live webcast of the proceedings of the AGM on August 1, 2019 from 1.30 p.m. onwards at the web link <https://www.evotingindia.com>. On this page, click on the link Shareholders / Members, the web cast link would be available adjacent to our EVSN No. 190624010.
11. In case of members who are attending the AGM and are entitled to vote but have not exercised their right to vote electronically, the Executive Chairperson of the Company will order a poll on her own motion for all businesses specified in the accompanying Notice. Poll papers will be distributed at the meeting to enable such shareholders to cast their vote. For clarity, please note that the members who have exercised their right to vote electronically shall not vote by way of poll at the Meeting. The voting rights of the members shall be in proportion to their shares of the paid-up equity share

capital of the Company as on the cut-off/record date i.e. July 25, 2019. The poll process shall be conducted and scrutinised and a report thereon will be prepared in accordance with Section 109 of the Companies Act, 2013 read with the Rules made thereunder.

12. Mr. Kalidas Vanjpe, Practising Company Secretary, (Membership No. FCS 7132) or, failing him, Ms. Bhavana Shewakramani (Membership No. FCS 8636) has been appointed as the Scrutiniser to scrutinise the e-voting process (including the poll cast by the Members at the AGM) in a fair and transparent manner.

13. The Scrutiniser shall, within a period not exceeding 3 working days from the date of close of e-voting, unlock the votes in the presence of at least two witnesses, not in the employment of the Company and shall forthwith prepare the Scrutiniser's Report of the votes cast in favour of or against, if any, on the resolutions and submit the same to the Executive Chairperson or the Managing Director & CEO of the Company.

14. The results of e-voting and the poll on resolutions shall be aggregated and declared on or after the AGM of the Company and the resolutions will be deemed to be passed on the AGM date, subject to the receipt of the requisite numbers of votes in favour of the resolutions.

15. The results declared along with the Scrutiniser's Report shall be

placed on the Company website www.godrejcp.com within 2 days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges, where the shares of the Company are listed and traded.

By Order of the Board of Directors

V Srinivasan
Chief Financial Officer &
Company Secretary
 Mumbai, June 21, 2019

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

ITEM 5

Pursuant to Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a Cost Auditor to audit the cost records for applicable products of the Company.

On the recommendation of the Audit Committee, at its meeting held on May 3, 2019, 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 2019-20 at a remuneration of ₹ 6,39,000/- per annum plus applicable taxes and reimbursement of out-of-pocket expenses.

The Board of Directors recommend the Ordinary Resolution as set out in Item No. 5 of the Notice for the approval of the shareholders.

None of the Directors, Key Managerial Personnel (KMP), or their relatives

are, in any way, concerned with or interested, financially or otherwise, in the said resolution.

ITEM 6,7,8 and 9

Pursuant to the provisions of Section 149 of the Companies Act 2013 ("Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Narendra Ambwani was appointed as an Independent Director at the Annual General Meeting of the Company held on July 28, 2014 for a period of five years from July 28, 2014 to July 27, 2019 ("First Term"). Mr. Aman Mehta, Dr. Omkar Goswami, Ms. Ireena Vittal were appointed as Independent Directors on the Board of the Company by resolution passed by the shareholders by postal ballot for a period of five years from September 26, 2014 to September 25, 2019 ("First Term"). Pursuant to the provisions of Section 149 of the Act, the above Independent Directors of the Company are eligible for re-appointment for a second term on the basis of the report of performance evaluation and are not liable to retire by rotation.

The Company has received a notice in writing from a Member of the Company proposing the candidatures of all the above Directors for the office of Director of the Company.

Accordingly, the Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation of Independent Directors, has recommended the re-appointment of the Independent Directors as under:

Names of Independent Director	Proposed tenure for second term
Mr. Narendra Ambwani	From July 28, 2019 till November 14, 2023.
Mr. Aman Mehta	From September 26, 2019 till August 31, 2021.
Dr. Omkar Goswami	From September 26, 2019 till September 25, 2024.
Ms. Ireena Vittal	From September 26, 2019 till September 25, 2024.

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee and

the background and experience and contributions made by Independent Directors during their tenure, is of the

opinion that it would be beneficial for the Company to continue Mr. Narendra Ambwani, Mr. Aman Mehta,

Dr. Omkar Goswami, Ms. Ireena Vittal, as Independent Directors on the Board. Accordingly, it is proposed to re-appoint them for the second term as specified above.

In the opinion of the Board, all the above Independent Directors proposed to be reappointed fulfils the conditions specified in the Act and the Listing Regulations and are independent of the management. The Board has also received a declaration from the Independent Directors that they meet the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the Listing Regulations.

Accordingly, the Board recommends the passing of the resolutions as mentioned in the item nos. 6, 7, 8 and 9 of this Notice. The details of the Directors along with a brief resume is given in the Annexure to the Notice.

The draft letters of appointment of Mr. Aman Mehta, Dr. Omkar Goswami, Ms. Ireena Vittal, Mr. Narendra Ambwani setting out the terms and conditions of appointment are available for inspection at the registered office of the Company during the business hours on all working days (Monday to Friday) except public holidays, up to the date of the AGM.

No Director, Key Managerial Personnel or their relatives except the concerned Director, to whom the resolution relates,

is concerned or interested, financially or otherwise, in the above resolutions.

ITEM 10 & 11

The Board of Directors at its meeting held on May 3, 2019 approved the re-appointment of Ms. Nisaba Godrej as Whole-time Director and Mr. Vivek Gambhir as Managing Director & CEO, for a period from July 1, 2019 to September 30, 2022, subject to the shareholders' approval.

The Board has also approved the continuation of Ms. Nisaba Godrej as the Executive Chairperson till March 31, 2020. As per the amendments to the SEBI Listing Regulations scheduled to come into effect from April 1, 2020, top 500 listed companies are mandated to ensure that the Chairperson of the Board is a Non-Executive Director. Accordingly, upon the amendment to the Listing Regulations coming into effect from April 1, 2020 or such extended date as may be determined by SEBI, the Board shall ensure that the position of Chairperson is in compliance with the applicable provisions of the Listing Regulations.

The details of Ms. Nisaba Godrej and Mr. Vivek Gambhir, as required to be given pursuant to the Listing Regulations and Secretarial Standards, are attached to the Notice.

For brevity, the particulars of the proposed remuneration, perquisites, and

benefits payable to Ms. Nisaba Godrej and Mr. Vivek Gambhir are not being set out in the explanatory statement and the members are requested to refer to the same as set out in the body of the respective resolutions.

The agreements proposed to be entered into with Ms. Nisaba Godrej for her re-appointment as Whole-time Director and Mr. Vivek Gambhir for his re-appointment as Managing Director & CEO are available for inspection at the registered office of the Company during business hours on all working days (Monday to Friday), except public holidays, up to the date of the AGM.

The Board believes that the Company will benefit from their professional expertise and rich experience. Hence, the Board recommends the resolution at item no. 10 and 11 to the members for their approval.

Mr. Adi Godrej, Ms. Tanya Dubash, Mr. Pirojsha Godrej and Ms. Nisaba Godrej herself are interested in the resolution under item no 10. Mr. Vivek Gambhir is interested in the resolution under item no 11.

By Order of the Board of Directors

V Srinivasan

**Chief Financial Officer &
Company Secretary**

Mumbai, June 21, 2019

Information pursuant to the Listing Regulations and Secretarial Standards with respect to appointment or re-appointment of Directors

Names of Director	Nadir Godrej	Jamshyd Godrej	Narendra Ambwani
Category	Non-Executive Director	Non-Executive Director	Independent Director
DIN	00066195	00076250	00236658
Date of Birth and Age	August 26, 1951 67 years	January 24, 1949 70 years	November 15, 1948 70 years
Qualification	B.S Chem Engg (M.I.T, U.S.A), M.S Chem Engg. (Stanford, U.S.A)	B.S, IIT, Chicago,U.S.A	B.Tech. in Electrical Engineering from IIT Kanpur, PGDM from IIM Ahemdabad.
Nature of Expertise/ Experience	Industrialist	Industrialist	Business Strategy Advisor and Coaching people
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	November 29, 2000	March 1, 2001	May 2, 2011
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	Re-appointment as an Independent Director for second term
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.	As a Non-Executive Independent Director, he is entitled to sitting fees for attending meetings of the Board/Committee and Commission on Profits as may be approved by the shareholders from time-to time within the limits set out in the Companies Act, 2013
No. of shares held in GCPL as at March 31, 2019	63	Nil	3,000
Relationship with other Directors/ Manager/ KMP	Brother of Adi Godrej	Not related	Not related
No. of Board meetings attended out of 4 meetings held during the year	4	3	4
Directorship details	<p>Listed Public Companies:</p> <p>Godrej Industries Limited Godrej Consumer Products Limited Godrej Agrovet Limited Godrej Properties Limited Astec Lifesciences Limited Mahindra And Mahindra Limited The Indian Hotels Company Limited</p> <p>Private Companies:</p> <p>Isprava Vesta Private Limited</p> <p>Public Companies:</p> <p>Godrej & Boyce Mfg. Co. Limited Creamline Dairy Products Limited Godrej Tyson Foods Limited</p> <p>Foreign Companies:</p> <p>Godrej International Limited ACI Godrej Agrovet Private Limited</p> <p>Others:</p> <p>ABG Venture LLP NBG Enterprise LLP Anamudi Real Estate LLP Partner in RKN Enterprises</p>	<p>Listed Public Companies:</p> <p>Godrej Consumer Products Limited Godrej Industries Limited Godrej Agrovet Limited Godrej Properties Limited</p> <p>Public Companies:</p> <p>Godrej & Boyce Mfg. Co. Limited</p> <p>Private Companies:</p> <p>Illinois Institute of Technology (India) Private Limited Godrej UEP Private Limited</p> <p>Foreign Companies:</p> <p>Godrej (Singapore) Pte. Ltd. Godrej (Vietnam) Company Ltd. Godrej & Khimji (Middle East) LLC Urban Electric Power Inc. Singapore-India Partnership Foundation, Singapore World Resources Institute, USA Climate Works Foundation, USA</p>	<p>Listed Public Companies:</p> <p>Godrej Consumer Products Limited Agro Tech Foods Limited RPG Life Sciences Limited Parag Milk Foods Limited</p> <p>Public Companies:</p> <p>UTV Software Communications Limited</p> <p>Private Companies:</p> <p>Zeus Career & Performance Coach Private Limited</p> <p>Foreign Companies:</p> <p>Strength of Nature LLC Godrej Consumer Products Holding (Mauritius) Limited Godrej Africa Holdings Limited</p>

Names of Director	Nadir Godrej	Jamshyd Godrej	Narendra Ambwani
		Others: Breach Candy Hospital Trust Singapore-India Partnership Foundation, India Shakti Sustainable Energy Foundation Raptor Research and Conservation Foundation Indian Machine Tool Manufacturers Association Godrej & Boyce Enterprise LLP JNG Enterprise LLP RKN Enterprise LLP	
Committee Positions	Member: Stakeholders' Relationship Committee: Godrej Industries Limited Audit Committee: The Indian Hotels Co. Limited Mahindra & Mahindra Ltd. Nomination & Remuneration Committee: The Indian Hotels Co. Limited Mahindra & Mahindra Ltd. Corporate Social Responsibility Committee: The Indian Hotels Co. Limited Godrej Agrovvet Limited Risk Management Committee: The Indian Hotels Co. Limited Mahindra & Mahindra Ltd. Chairman: Stakeholders' Relationship Committee: Godrej Consumer Products Limited The Indian Hotels Co. Limited Godrej Agrovvet Limited Corporate Social Responsibility Committee: Godrej Consumer Products Limited Godrej Industries Limited Risk Management Committee: Godrej Industries Limited Godrej Agrovvet Limited	Member: Stakeholders' Relationship Committee: Godrej Consumer Products Limited	Member: Audit Committee: Godrej Consumer Products Limited Agro Tech Foods Limited Parag Milk Foods Limited RPG Life Sciences Limited UTV Software Communications Limited Nomination & Remuneration Committee: Godrej Consumer Products Limited Agro Tech Foods Limited Corporate Social Responsibility Committee: Agro Tech Foods Limited Godrej Consumer Products Limited Parag Milk Foods Limited Stakeholders' Relationship Committee: Agro Tech Foods Limited RPG Life Sciences Limited Chairman: Nomination & Remuneration Committee: Godrej Consumer Products Limited

Names of Director	Omkar Goswami	Aman Mehta	Ireena Vittal
Category	Independent Director	Independent Director	Independent Director
DIN	00004258	00009364	05195656
Date of Birth and Age	August 29, 1956 62 years	September 1, 1946 72 years	October 2, 1968 50 years
Qualification	D. Phil (Ph.D) in Economics, University of Oxford, 1982	B.A (Hons) Economics	MBA from IIM Calcutta
Nature of Expertise/ Experience	Economist and Corporate Consultant; Finance: Corporate Governance; Macroeconomics	Finance	Understanding of Indian Consumers & winning business models in emerging markets, expertise in Indian Agriculture and Urban Space
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	June 18, 2008	April 26, 2006	April 30, 2013
Terms & Conditions of Appointment/ re-appointment	Re-appointment as an Independent Director for second term	Re-appointment as an Independent Director for second term	Re-appointment as an Independent Director for second term
Last Drawn Remuneration Details along with remuneration sought to be paid	As a Non-Executive Independent Director, he is entitled to sitting fees for attending meetings of the Board/Committee and Commission on Profits as may be approved by the shareholders from time-to time within the limits set out in the Companies Act, 2013	As a Non-Executive Independent Director, he is entitled to sitting fees for attending meetings of the Board/Committee and Commission on Profits as may be approved by the shareholders from time-to time within the limits set out in the Companies Act, 2013	As a Non-Executive Independent Director, he is entitled to sitting fees for attending meetings of the Board/Committee and Commission on Profits as may be approved by the shareholders from time-to time within the limits set out in the Companies Act, 2013
No. of shares held in GCPL as at March 31, 2019	Nil	Nil	Nil
Relationship with other Directors/ Manager/ KMP	Not related	Not related	Not related
No. of Board meetings attended out of 4 meetings held during the year	3	4	4
Directorship details	Listed Public Companies: Godrej Consumer Products Limited Dr. Reddy's Laboratories Ltd CG Power And Industrial Solutions Limited Ambuja Cements Limited Bajaj Finance Limited Hindustan Construction Company Limited Bajaj Auto Limited Private Companies: CERG Advisory Private Limited Public Companies: Max Healthcare Institute Limited	Listed Public Companies: Godrej Consumer Products Limited Wockhardt Limited Tata Consultancy Services Limited Tata Steel Limited Max Financial Services Limited Vedanta Limited Foreign Companies: Vedanta Resources Plc, UK PCCW Ltd, Hongkong HKT Limited, Hong Kong	Listed Public Companies: Godrej Consumer Products Limited Titan Company Limited The Indian Hotels Company Limited Wipro Limited Housing Development Finance Corporation Limited Foreign Companies: Compass Plc., a FTSE 30 company Others (Section 8 Companies) Vidhi Centre for Legal Policy Foundation To Educate Girls Globally Jal Seva Charitable Foundation
Committee Positions	Member: Stakeholders' Relationship Committee: Ambuja Cements Limited- Bajaj Auto Ltd. Audit Committee: CG Power and Industrial Solutions Ltd. Bajaj Finance Limited Dr. Reddy's Laboratories Ltd Bajaj Auto Ltd. Godrej Consumer Products Limited	Member: Audit Committee: Wockhardt Limited Tata Steel Limited Max Financial Services Limited Vedanta Limited Stakeholders' Relationship Committee: Wockhardt Limited Nomination & Remuneration Committee: Godrej Consumer Products Limited Max Financial Services Limited	Member: Audit Committee: Godrej Consumer Products Limited Titan Company Limited Wipro Limited The Indian Hotels Company Limited Housing Development Finance Corporation Limited Stakeholders' Relationship Committee: Wipro Limited

Names of Director	Omkar Goswami	Aman Mehta	Ireena Vittal
	Nomination & Remuneration Committee: Godrej Consumer Products Limited Risk Management Committee CG Power and Industrial Solutions Ltd Chairman: Risk Management Committee: Godrej Consumer Products Limited	Corporate Social Responsibility Committee: Vedanta Limited Chairman: Audit Committee: Tata Consultancy Services Limited Godrej Consumer Products Limited Nomination & Remuneration Committee: Tata Consultancy Services Limited Vedanta Limited Corporate Social Responsibility Committee: Max Financial Services Limited	Nomination & Remuneration Committee: Godrej Consumer Products Limited Chairperson: NIL
Names of Director	Nisaba Godrej	Vivek Gambhir	
Category	Whole-time Director	Executive Director	
DIN	00591503	06527810	
Date of Birth and Age	February 12, 1978 41 years	November 27, 1968 50 years	
Qualification	<ul style="list-style-type: none"> BSC, Wharton School, Pennsylvania MBA, Harvard Business School 	<ul style="list-style-type: none"> MBA from the Harvard Business School BS (Computer Science) BA (Economics) from Lafayette College 	
Nature of Expertise/ Experience	Industrialist	General Management	
Brief Resume	Appended at end of this table	Appended at end of this table	
First Appointment on the Board	May 2, 2011	April 30, 2013	
Terms & Conditions of Appointment / re-appointment	Re-appointment for further period of three years	Appointment as MD & CEO for a period of 3 years from 01.07.2019 to 30.09.2022 subject to retirement by rotation	
Last Drawn Remuneration Details along with remuneration sought to be paid	Last drawn remuneration is given in the Corporate Governance Section of the Annual Report. The remuneration details for proposed appointment is given in the text of the resolution.	Last drawn remuneration is given in the Corporate Governance Section of the Annual Report. The remuneration details for proposed appointment is given in the text of the resolution.	
No. of shares held in GCPL as at	3,70,083	2,15,115	
March 31, 2019			
Relationship with other Directors/ Manager/ KMP	Daughter of Mr. Adi Godrej, Sister of Ms. Tanya Dubash and Mr. Pirojsha Godrej.	Not related	
No. of Board meetings attended out of 4 meetings held during the year	4	4	
Directorship details	Listed Public Companies: Godrej Consumer Products Limited Godrej Agrovet Limited VIP Industries Limited (Appointed w.e.f April 1, 2019) Public Companies: Godrej Seeds & Genetics Limited Private Companies: Innovia Multiventures Pvt Ltd LLPs: Designated Partner in Anamudi Real Estates LLP Partnership Firms; Partner in RKN Enterprises	Listed Public Companies: Godrej Consumer Products Limited Metropolis Healthcare Limited (Listed w.e.f April 15, 2019) Private Companies: Samast Technologies Private Limited Foreign Companies: Strength of Nature LLC. PT Megasari Makmur PT Ekamas Sarijaya PT Sarico Indah PT Indomas Susemi Jaya PT Intrasarai Raya	

Names of Director	Nisaba Godrej	Vivek Gambhir
		Other (Firm, LLP, Body Corporate, AOP, BOI) Harvard Business School Club of India Home Insect Control Association
Committee Positions	<p>Member:</p> <p>Risk Management Committee: Godrej Consumer Products Limited</p> <p>Corporate Social Responsibility Committee: Godrej Seeds & Genetics Limited Godrej Consumer Products Limited</p> <p>Nomination & Remuneration Committee: Godrej Agrovet limited</p> <p>Chairperson: NIL</p>	<p>Member:</p> <p>Stakeholders' Relationship Committee: Godrej Consumer Products Limited</p> <p>Audit Committee: Metropolis Healthcare Limited</p> <p>Corporate Social Responsibility Committee: Godrej Consumer Products Limited</p> <p>Risk Management Committee: Godrej Consumer Products Limited</p> <p>Chairman:</p> <p>Nomination & Remuneration Committee: Metropolis Healthcare Limited</p> <p>Corporate Social Responsibility Committee: Metropolis Healthcare Limited</p> <p>Stakeholders' Relationship Committee: Metropolis Healthcare Limited</p>

BRIEF RESUME OF THE DIRECTORS PROPOSED TO BE APPOINTED/RE-APPOINTED:

Nadir Godrej

Nadir is a veteran of the Indian industry, Nadir has played an important role in developing the animal feed, agricultural input and chemicals businesses owned by Godrej. His active interest in research related to these areas has resulted in several patents in the field of agricultural chemicals and surfactants.

With his tremendous experience and expertise, Nadir has also contributed to the development of a variety of industries by participating keenly in industry bodies such as the Compound Livestock Feed Manufacturers Association of India, Indian Chemical Manufacturers Association, and Oil Technologists' Association of India. Currently, Nadir is the President of Alliance Française de Bombay. For his contribution to Indo-French relations, the French Government has honoured him with the awards of "Chevalier de l'Ordre National du Mérite" and "Chevalier de la Légion d'Honneur".

Jamshyd Godrej

Jamshyd Godrej is the Chairman of the CII Sohrabji Godrej Green Business

Centre. The Centre is housed in a LEED Platinum demonstration building which is the first green building in India and the greenest building in the world at the time when it was rated. The Green Business Centre is a Centre of Excellence for green buildings, energy efficiency, energy conservation, non-conventional energy sources, water policy, water conservation, etc.

He is the Chairman of Godrej and Boyce Mfg. Co. Ltd. which manufactures and markets refrigerators; washing machines; air conditioners; office furniture; home furniture; security equipment for banks (such as safes, strong room doors, bank lockers, etc.) and for commercial establishments and homes; locks and latches, forklift trucks and warehousing equipment; process equipment for chemical, petrochemical, refineries and allied industries; precision tools for sheet metal, zinc, aluminium; real estate development.

The Godrej group are leaders in home appliances, consumer durables, office equipment, industrial products, consumer products and services. Jamshyd Godrej is an ardent yachting enthusiast and has done extensive cruising along the west coast of India, the Baltic & North Sea, the Atlantic

Ocean and in the Mediterranean Sea. The President of India conferred on Jamshyd Godrej the "Padma Bhushan" on 3rd April 2003.

Narendra Ambwani

Narendra Ambwani is a professionally trained executive coach and business advisor. He brings with him experience of over 34 years of work with renowned multi-national Johnson & Johnson. He was Managing Director in Indonesia for 5 years followed by appointment as MD in India in 1995. He completed his corporate career in April 2009. Narendra serves on boards of leading corporates in India and acts as business strategy advisor. Narendra Ambwani had a career of 34 years with Johnson & Johnson, out of which 20 years as Managing Director in Indonesia and India. Currently, he serves on the boards of Godrej Consumer Products, Agro. Tech. Foods, RPG Life sciences, Parag Milk Foods, Disney UTV and Indian Society of Advertisers.

He also mentors and guides CXO level leaders to successfully handle their multiple challenges. Narendra brings with him outstanding marketing and general management experience to the board. During his long stint with world renowned

multinational Johnson & Johnson, he was responsible for developing strong leadership brands such as Johnson Baby, Stayfree and Band-Aid.

Aman Mehta

Aman Mehta has over 35 years of experience in various positions with the HSBC Group. He was the Manager, Corporate Planning at HSBC's headquarters in Hong Kong.

He was the Chairman and Chief Executive Officer of HSBC USA Inc., the New York-based arm of HSBC Holdings plc which oversaw HSBC group companies in the Americas, before being appointed as Deputy Chairman of HSBC Bank Middle East, based in Dubai with responsibility for the Group's operations in the Middle East region.

Aman was re-appointed General Manager International of the Hong Kong and Shanghai Banking Corporation in February 1998, Executive Director International in May 1998 and Chief Executive Officer in January 1999. Aman also became Chairman of HSBC Bank Malaysia Berhad on January 1, 1999 and a Director of HSBC Bank Australia Limited.

Omkar Goswami

Omkar Goswami is the Founder and Chairman of CERG Advisory Private Limited. CERG is the acronym for the Corporate and Economic Research Group. Its objectives are to use Indian as well as international resources to provide best in class:

- Corporate advisory and consulting services for companies and industries in India & abroad.
- Research and analytics on markets, industries and businesses.
- Economic and policy analyses of different markets, regions, countries, industries, as well as trade, monetary, fiscal and exchange rate regimes.

- Strategic profiling of countries, regions and international institutions for clients.
- Research, surveys and analytical work for governments, companies, banks, investors, international multilateral institutions and NGOs.
- International and national workshops, conferences and roundtables on focussed policy areas.

Ireena Vittal

Ireena Vittal is among India's most respected consultant and advisor. She was a partner with McKinsey & Co. for 16 years where she served global companies on issues of growth and sustainable scale up. She has co-authored several studies relating to agriculture and urbanization and served government and public institutions to design and implement solutions core to India's development in the same areas of inclusive urban development and sustainable rural growth. Earlier, she worked with Nestle and MaxTouch. She serves on boards including IHCL, Titan, Godrej Consumer, HDFC and Wipro and non-profits such as Vidhi Legal, Wateraid, Educate Girls among others. She holds a B.Sc. in Electronics and a PGDM from IIM, Calcutta.

Nisaba Godrej

Nisaba has been a key architect of GCPL's strategy and transformation in the last decade. In 2007, she initiated and led Project Leapfrog, which created a playbook for GCPL to accelerate domestic organic growth through innovation and consolidation, and to become a more global company by investing in emerging markets outside of India. Over the last ten years, GCPL's market capitalisation has increased twenty-fold - from ₹ 3,000 crore to ₹ 60,000 crore. Under Nisaba's leadership, GCPL has developed a very strong, engaged and ambitious team, and is consistently ranked as a great place to work. She has also institutionalised design driven thinking and directly leads product development.

Nisaba is passionate about identifying and developing the talent required for the Godrej Group's future growth. Through her oversight of the Group HR function for Godrej Industries and associate companies, she has made Godrej a more meritocratic and highly performance driven organisation, while keeping the Group's values front and center. She has also spearheaded the Group's Good & Green agenda to drive more inclusive and sustainable growth. Her previous assignments within the Godrej Group have included the successful turnaround of Godrej Agrovet and the creation of a Group strategy function to oversee the Group's portfolio. In addition to GCPL, Nisaba is on the Board of Directors of Godrej Agrovet and Teach For India. She is passionate about girls' education, the human mind, design, trekking and equestrian sports.

Vivek Gambhir

Vivek was the key architect of GCPL's 3 by 3 strategy and has been instrumental in driving the company's efforts to become a leading emerging markets FMCG leader. He joined Godrej Industries in 2009 as Chief Strategy Officer responsible for guiding overall Group strategy, conducting portfolio analysis and driving special projects. He helped define the CREATE portfolio approach and the 10X10 objective for the Group.

Prior to joining the Godrej Group, Vivek was a partner at Bain & Company, one of the world's leading business consulting firms. He worked with Bain in Boston, Singapore and New Delhi. He was a founding member of Bain's consulting operations in India and led the firm's FMCG practice in India.

Vivek is an Independent Director on the Boards of Metropolis Healthcare Limited and Samast Technologies Private Limited. He serves as President of the Harvard Business School club in India and is an advisor to the Kailash Satyarthi Children's Foundation. Vivek also writes a weekly blog on leadership called 'Monday-8AM' (www.monday-8am.com)

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies
(Management and Administration) Rules, 2014

GODREJ CONSUMER PRODUCTS LIMITED

Registered Office: Godrej One, 4th Floor, Pirojshanagar, Eastern Express Highway, Vikhroli (E),

Mumbai - 400079 CIN: L24246MH2000PLC129806

19th Annual General Meeting (AGM) – August 1, 2019

Name of the Member(s):	Email:
Registered Address:	Folio No/Client ID:
	DP ID:
	No. of shares held:

I/We being the holders of _____ shares of the above named Company hereby appoint

Name	
Email	
Address	
Or failing him	
Name	
Email	
Address	
Or failing him	
Name	
Email	
Address	

as my/our proxy, whose signature is appended overleaf, to attend and vote (on a poll) for me/us on my/our behalf in respect of such resolutions as are indicated below, at the 19th AGM of the Company to be held on Thursday, August 1, 2019, at Godrej One, 1st Floor Auditorium, Pirojshanagar, Eastern Express Highway, Vikhroli East, Mumbai - 400079.

P.T.O.

Resolution No.	Resolution	Vote		
		For	Against	Abstain
Ordinary Business				
1.	To receive, consider and adopt the audited financial statements (both standalone and consolidated) of the Company for the financial year ended March 31, 2019 and Report of the Board of Directors and Auditor's Report thereon.			
2.	To confirm the Interim Dividends paid during fiscal year 2018-19.			
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.			
4.	To appoint a Director in place of Mr. Jamshyd Godrej (DIN: 00076250) who retires by rotation, and being eligible, offers himself for re-appointment.			
Special Business				
5.	Ratification of remuneration payable to M/s. P. M. Nanabhoy & Co., appointed as Cost Auditors of the Company for fiscal year 2019-20.			
6.	To re-appoint Mr. Narendra Ambwani (DIN: 00236658) as an Independent Director of the Company for a second term from July 28, 2019 to November 14, 2023.			
7.	To re-appoint Mr. Aman Mehta DIN: (00009364) as an Independent Director of the Company for a second term September 26, 2019 to August 31, 2021.			
8.	To re-appoint Dr. Omkar Goswami (DIN: 00004258) as an Independent Director of the Company for a second term from September 26, 2019 to September 25, 2024.			
9.	To re-appoint Ms. Ireena Vittal DIN: (05195656) as an Independent Director of the Company for a second term from September 26, 2019 to September 25, 2024.			
10.	To re-appoint Ms. Nisaba Godrej (DIN: 00591503) as Whole-time Director for the period from July 1, 2019 to September 30, 2022.			
11.	To re-appoint Mr. Vivek Gambhir (DIN: 06527810) as Managing Director & CEO July 1, 2019 to September 30, 2022.			

Signed this _____ day of _____, 2019.

Affix revenue stamp of not less than ₹ 1/-

Signature of the Member

Signature of First Proxy Holder

Signature of Second Proxy Holder

Signature of Third Proxy Holder

Notes:

1. This form, in order to be effective, should be duly stamped, signed, completed, and deposited at the Registered Office of the Company, not less than 48 hours before the meeting.
2. It is optional to indicate your preference. If you leave the for, against, or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.
3. Members are requested to note that a person can act as proxy on behalf of not more than 50 members and holding in aggregate not more than 10 percent of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10 per cent of the total share capital of the Company carrying voting rights, then such person shall not act as a proxy for any other member.

ATTENDANCE SLIP
GODREJ CONSUMER PRODUCTS LIMITED

Registered Office: Godrej One, 4th Floor, Pirojshanagar, Eastern Express Highway, Vikhroli (East),
Mumbai - 400079 CIN: L24246MH2000PLC129806

19th Annual General Meeting (AGM) – August 1, 2019

Registered Folio No./DP ID No./Client ID No.: _____

No. of Shares held: _____

I certify that I am a member/proxy for the member of the Company.

I hereby record my presence at the 19th Annual General Meeting of the Company on Thursday, August 1, 2019, at 1.30 p.m. at Godrej One, 1st Floor Auditorium, Pirojshanagar, Eastern Express Highway, Vikhroli East, Mumbai - 400079.

Name of Member/Proxy
(in block letters)

Signature of Member/Proxy

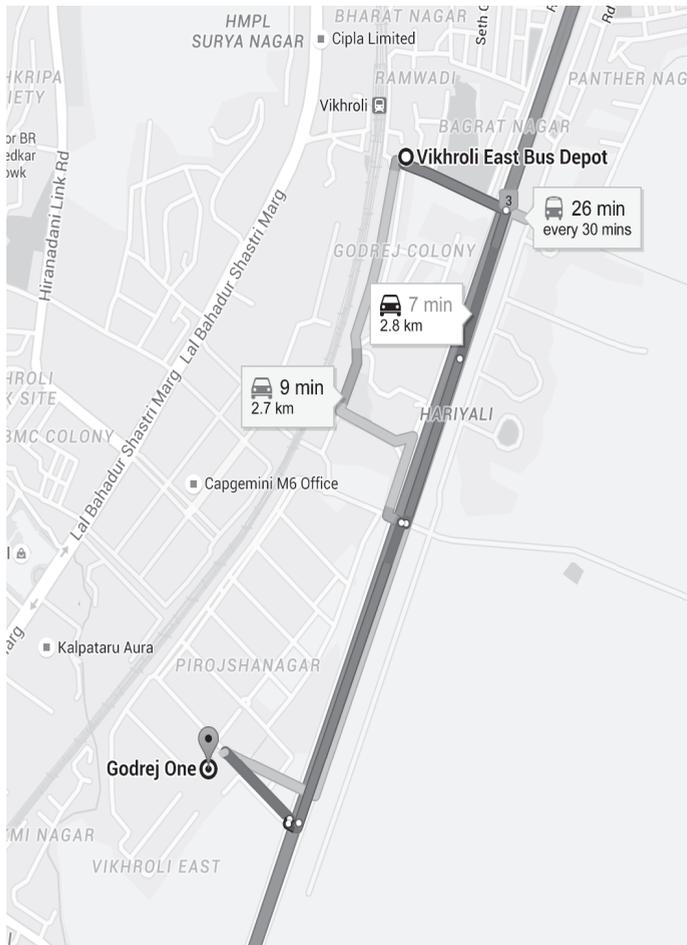
Note:

1. Please fill up the attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report at the AGM.
2. The map to reach the AGM venue is given overleaf.

VENUE OF THE AGM



Godrej One
1st Floor Auditorium
Pirojshanagar
Eastern Express Highway
Vikhroli (E), Mumbai- 400 079.



Note: The Company has arranged for a bus service to the venue from Vikhroli Railway Station (East). The bus will pick you up near the station auto rickshaw stand at 1.00 p.m. A drop back facility will also be available.

