Godrej | CONSUMER PRODUCTS

Annual & Integrated Report 2020-21

Contents

Integrated Reporting

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

Our Research & Development team leads new product development in India

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

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.

Reporting period

All information, financial and non-financial, is reported for the period from April 1, 2020 to March 31, 2021. For our performance on sustainability, we have also incorporated comparative figures for the previous year (fiscal year 2019-20) and baseline year (fiscal year 2010-11 except for statutory financials) for a holistic view.

Management Committee endorsement and assurance

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

In addition, GCPL has commissioned TUV India Private Limited to conduct an independent external assurance of non-financial information disclosed in GCPL's Integrated Report for the period April 1, 2020 to March 31, 2021. It is a 'limited assurance' report of GCPL's sustainability information for the applied reporting period. This assurance statement is based on the principles of IIRC Integrated Reporting, GRI standards, and ISAE 3000 standard.

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

Materiality

Approach to materiality

We approach materiality from strategic and value-creation perspectives. Material issues are identified by engaging in conversations with our stakeholders and monitoring broad trends in the industry. Performance on material issues forms the core content of this Annual and Integrated Report. In fiscal year 2019-20, we conducted an extensive materiality exercise, which involved engaging an external partner and enabling a thorough understanding of the relationship of material issues with our business risks, objectives, and value creation.

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

Methodology

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

Overview of the methodology

Identify issues across 6 capitals
(Issue identification)

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

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

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

Develop materiality matrix using a specialised tool
(Issue prioritisation)

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

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

Stakeholder engagement

Upon identifying a broad list of material issues, interactions were made with each key stakeholder group. Each material issue was assessed for its relative importance with respect to different stakeholder groups and aggregated. Stakeholder analysis was performed by identifying key stakeholders and administering tailored questionnaires to each of them.
To develop the materiality matrix, it was necessary to collate stakeholder responses.

Because not all stakeholders are equally important in the organisational context, they were rated based on two parameters: ability to influence GCPL and extent of influence due to GCPL. Stakeholders were then assigned weightages on the basis of these two parameters.

Stakeholder prioritisation

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

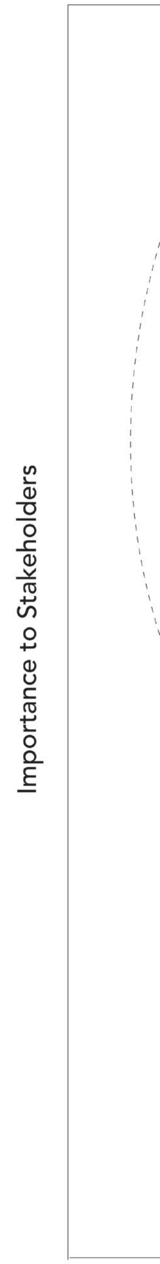
Feedback from stakeholders determined our top material issues, which are all within our boundary of operations.
Our material issues are linked to our strategic pillars:

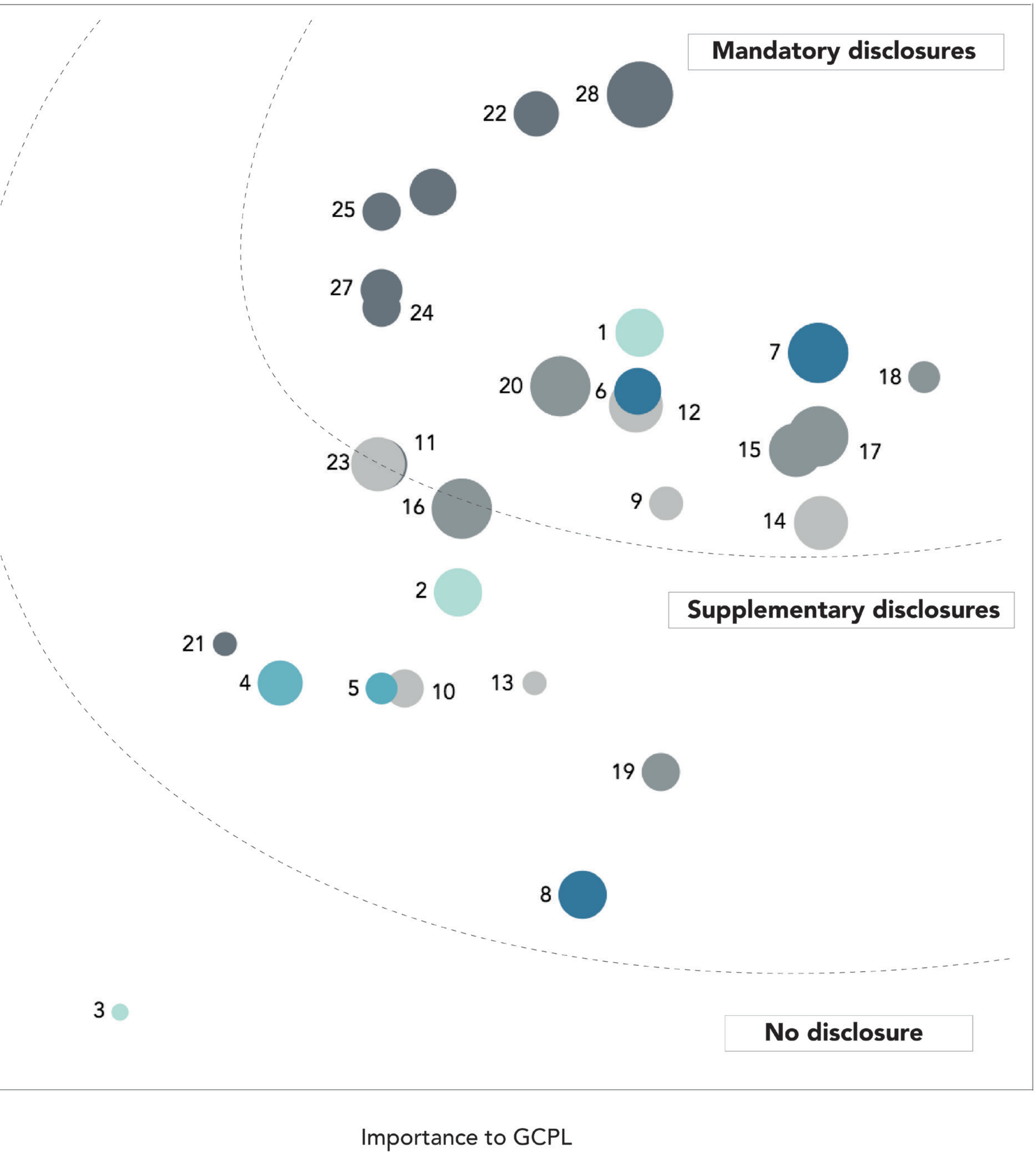
Top material issues	Link to our strategic pillars
1. Sustainable packaging	1. Accelerating innovation and building purposeful brands: Integrating sustainability into our brand purpose through sustainable packaging 2. Enhancing go-to-market: Differentiating our products and exploring new market segments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

Top material issues	Link to our strategic pillars
4. Building inclusive and prosperous communities	1. Making our supply chain best in class: Improving the environmental footprint of our entire supply chain 2. Building a more inclusive and greener world: Improving social relationships through Corporate Social Responsibility (CSR) interventions in local communities
5. Governance and accountability	1. Making our supply chain best-in-class: Improving the performance of our entire value chain through governance, codes, policies, and audits 2. Fostering an inclusive, agile, and high-performance culture: Harnessing our company purpose to build greater engagement with team members and drive agility and innovation
6. Occupational health and safety	1. Making our supply chain best-in-class: Ensuring best practices are followed to improve overall performance across the value chain 2. Fostering an inclusive, agile, and high-performance culture: Building greater engagement with team members by focusing on their safety and well-being
7. Skill development and training	1. Extending leadership in our core categories and geographies 2. Leveraging digital: Achieving improved growth and market penetration by developing the skills (including digital skills) of team members 3. Fostering an inclusive, agile, and high-performance culture: Enhancing skills of team members to build capabilities and improve engagement

This diagram maps out the entire universe of material issues and stakeholder input and its significance in our business.

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





A note on COVID-19

The materiality study was carried out in fiscal year 2019-20. The COVID-19 pandemic had not spread at that point and so it does not appear as a material aspect.

In fiscal year 2020-21, however, the COVID-19 pandemic has had a multi-fold impact on the business, and this impact and our mitigation strategies are discussed in detail in our Chairperson's message and our seven Strategic Pillars.

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

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

Stakeholders and their significance	Frequency and manner of stakeholder engagement
Consumers	• Making our supply chain best-in-class: Improving the environmental footprint of our entire supply chain • Building a more inclusive and greener world: Improving social relationships through CSR interventions in local communities
Investors and shareholders	• Investor meets • Investor calls • Roadshows and grievance forums for shareholders and investors
Employees	• Weekly/monthly reviews • HR forums • Townhalls • Small group discussions • Employee engagement surveys • 360 degree feedback

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

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

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

Our Company

Godrej Consumer Products is a part of the over 124-year-young Godrej Group. We are fortunate to have a proud legacy built on the strong values of trust, integrity, and respect for others. As an emerging market company, we have witnessed rapid growth and are pursuing our exciting and innovative aspirations.

Today, our Group enjoys the patronage of 1.2 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 products in India and Sub-Saharan Africa, and among the leading players in Latin America. We rank second in air fresheners, soaps, and liquid detergents in India, and first in air fresheners and wet wipes in Indonesia.

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

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

Board of Directors

Nisaba Godrej
Chairperson and Managing Director

● | ▲ | CS

Adi Godrej
Chairman - Godrej Group

Nadir Godrej **
Non-executive Director

● | S | C▲

Tanya Dubash
Non-executive Director

▲ | ● | S

Pirojsha Godrej *
Non-executive Director

■ | C●

Jamshyd N Godrej
Non-executive Director

Board Committees

- Nomination and Remuneration Committee
- Audit Committee
- Sustainability Committee
- Risk Management Committee
- CSR Committee
- Stakeholder Relationship Committee
- Chairman

Ireena Vittal
Lead Independent Director

Narendra Ambwani
Independent Director

Pippa Tubman Armerding
Independent Director

Aman Mehta
Independent Director

Omkar Goswami
Independent Director

Ndidi Nwuneli
Independent Director

Sumeet Narang
Independent Director

All committee positions are as of the date of this report

* Inducted as member of the Audit Committee w.e.f. November 5, 2020; member of the Stakeholder Relationship Committee w.e.f. October 1, 2020

** Inducted as member of the Risk Management Committee w.e.f. December 24, 2020

A letter to our shareholders

Dear shareholders,

I hope this letter finds you and your families well and safe.

This has been a very difficult year for our country and our world, and I am deeply grateful to our incredible team members for all the hard work, courage, and heart they have put in to serve our consumers and communities.

Like I had shared with you in my letter last year, Godrej was founded during a crisis as part of India's freedom and Swadeshi movement in 1897, and the bubonic plague that year. We first made soap in 1918 (also the first soap in the world to be made from vegetable oil and not animal fat) during the Spanish flu pandemic. So, 2020 as we saw it, was our chance to create a 'second beginning' for the next century of Godrej. Looking back, I really feel that despite — and maybe even because of — the many uncertainties that challenged us, we have seen some of the best of Godrej. We truly lived our purpose and did well, while doing good.

I typically start my reflections by sharing the bad news before moving on to the good. But we have all had enough of our share of bad news for the year, so let me start with some good news.

The good news

Your company achieved a lot of what we set out to do and delivered a strong performance overall. Consolidated sales for fiscal year 2020-21 increased by 11 per cent and EBITDA by 14 per cent. We had double-digit growth across categories in household insecticides, hygiene, and value for money products. From a geography perspective, India and Latin America had a strong year, and we are at the beginning of a strong turnaround of our performance in Africa.

We doubled down on the resurgence of household insecticides, our largest and most critical category. Household insecticides delivered 15 per cent growth globally, backed by strong innovation and full portfolios across formats and price points.

In response to COVID-19, we introduced a range of hygiene products in record timelines. We built on this momentum to develop full hygiene portfolios with multiple products across countries, resulting in hygiene (including soaps) growing by 24 per cent. For me, it was personally very fulfilling to see my dream product and dream technology — our Magic hand wash, the first powder-to-liquid hand wash in the world, very sustainable, and available at just ₹15 — become our first global hygiene product. This has the potential to democratise sanitation and handwashing across countries. Another highlight was our new Saniter brand in Indonesia being scaled up to ₹150 crore in just a year. This is the fastest we have built a new brand to over ₹100 crore.

Magic, our revolutionary powder-to-liquid hand wash, becomes our first global hygiene product

India

Indonesia

South Africa

Argentina

Chile

For all its turbulence, this was a year that unleashed potential and tested our mettle. We were stretched and pushed harder, and we experimented more and experimented faster. This was our busiest year on new product development and digitisation; we are creating new growth vectors for the future, refreshing how we go-to-market, and embedding analytics for sharper decision-making.

We are also listening more intently to our people on ground, especially in sales and manufacturing. Leadership and decision-making in a crisis has to be distributed. Our big shifts have been possible because our people gave it their 100 per cent, sharing feedback and ideas, and working with agility to capture opportunities. We need to bottle this mojo and make it our new normal.

Our new Saniter brand of hygiene essentials in Indonesia

The bad news

There is no shortage of bad news. The brutal impact of the second wave in India brought the pandemic much closer home. Across our teams and communities, people are struggling to come to terms with illness and loss. The angst and fear, the uncertainty and loneliness, and the breakdown of regular support systems have taken a terrible toll on mental wellness. Godrej is only as healthy as the people in it. So, as we make our way through this pandemic, it is critical for us to focus on how our people are doing and get them the help they need to take care of both their mental and physical health.

On the business front, performance in Indonesia was disappointing. We saw a gradual recovery in the last quarter of the year; we will build on this to bring performance back on track through focused innovation and go-to-market efforts. Discretionary categories like air care were also negatively impacted.

Watch my conversation with Dr. Amit Malik (mental health professional for over 20 years and Founder & CEO, Inner Hour) and Shobhana Raja (member of the GCPL strategy team and a strong advocate for seeking therapy) on the importance of mental health

What do we need to do now?

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

We have the opportunity and responsibility to pivot our strategy of democratising categories — especially given how critical some of them are right now — and make essential products more affordable and accessible through clever innovation and delightful design. As I write this, we have entered the 125th year of Godrej. I hope that someday people will look back on this as a turning point when we made our company stronger, better, and more purposeful.

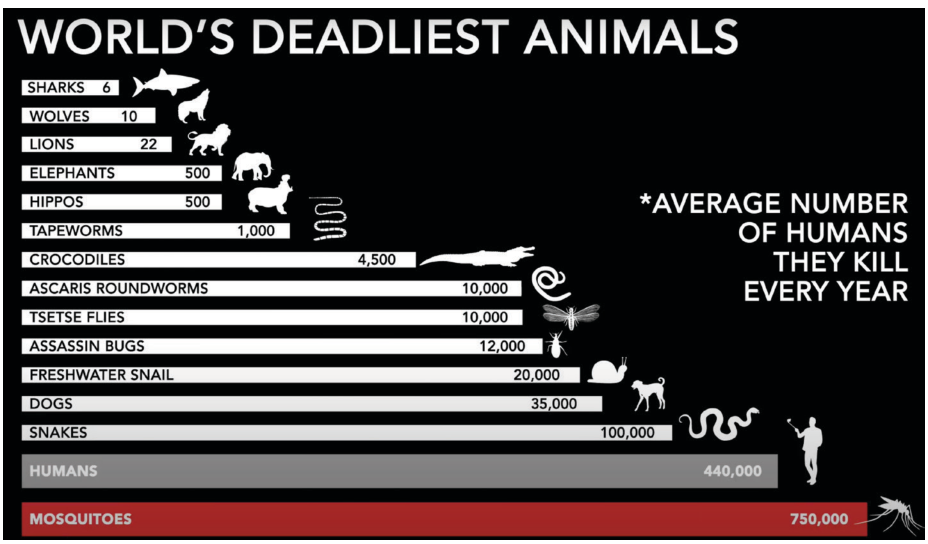
Watch our purpose video on bringing the goodness of health and beauty to consumers in emerging markets

1. Combat the other major global health threat: Insect-borne diseases

Even as we continue to focus on solutions to COVID-19, we have not taken our eyes off the other major global health threat of insect-borne diseases. It is ironic that the deadliest creature the world has ever seen is also one of the smallest — the mosquito. Though we have made great strides with breakthroughs in anti-malarial drugs and vaccines, a child dies of malaria every 30 seconds, and each year, more than 200 million cases are reported, resulting in over 4,00,000 deaths.

Bringing the goodness of health to people in emerging markets is core to our purpose, and household insecticides is our biggest product category. So, we are deeply committed to working towards a malaria-free world and are innovating for accessibly priced products that can be distributed far and wide. We are also working on creating largescale social impact through our Goodknight brand, and you will see a revised strategy on this roll out later this year.

It will take continued global efforts to fight the mosquito, but like we have seen with COVID-19 vaccine development, the solutions to some of our biggest problems are possible when we bring science and empathy together.



Watch our commitment to enabling a malaria-free world

Consumer demand has shifted to health. Vigilance about mosquitoes and protection against diseases like malaria and dengue has gone up. We continue to pivot advertising towards disease prevention and have full portfolios in India and Indonesia to serve multiple consumer needs. As category leaders, we are leveraging multiple growth opportunities, including penetration, innovation in burning formats, scaling up our non-mosquito portfolio, and upgrades and premiumisation.

In India, we are driving premiumisation with products like Goodknight Gold Flash (the most powerful liquid vaporiser in India with visible vapours), Goodknight Smart Spray (the first no-gas aerosol solution in India), and a range of Goodknight Natural Neem products. In Indonesia, we launched HIT Expert Piramida, a 4-hour revolutionary paper-based mosquito repellent. We continue to build on strategic pivots, taking the category beyond mosquitoes and scaling up our personal repellents portfolio.

The household insecticides category in Africa is a significant opportunity for us. We are leveraging our product expertise from India and Indonesia, and our distribution networks in the sub-continent, to enter it. The response to our newly launched Goodknight Power Shots aerosol in Nigeria, a unique concentrated no-gas spray format for a multi-insect solution, is encouraging. We will add to this a wider range of products going forward.

Foraying into household insecticides in Africa with the launch of Goodknight Power Shots

2. Build hygiene as a big, holistic category

GCPL started out in hygiene with soap, and COVID-19 has been a shot in the arm for consumer demand and new product development. Through the pandemic, the impact of handwashing on health has brought awareness around this category front and centre. With brands like Godrej protekt and Saniter, we have now gone beyond the soap bar.

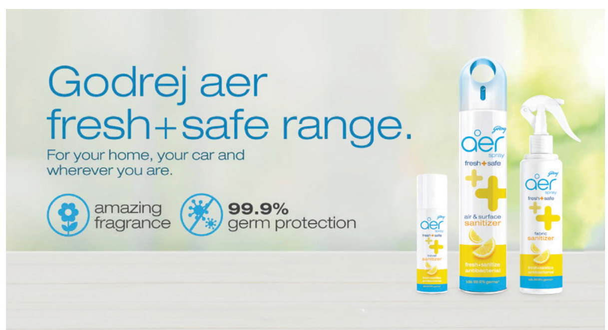
We launched over 10 new products across five categories in India. We scaled up Godrej protekt into an entire range of home and personal hygiene products, and entered toilet cleaners with the launch of a new brand, Godrej ProClean. In Indonesia, we built our new ₹150 crore Saniter brand as a range of hygiene essentials. In Chile, we launched Bidex, a new range of sanitation products, and in Argentina, the USA, and Africa, we introduced new hygiene products. We will continue to build on these innovations and create a stronghold in hygiene. Successfully scaling up Magic, our powder-to-liquid hand wash, across countries will be critical.

We are also pivoting existing categories and products for more relevance. In air care, we introduced products with dual benefits of sanitation and air care. Similarly, in fabric care, we have products which combine liquid detergents with fabric sanitisers.

Watch our history of soap making for over a century

(Top) Our range of Godrej protekt home and personal hygiene products in India
(Left) The new Godrej ProClean brand of toilet cleaners in India

Our dual benefit products in Godrej aer and Ezee



3. Invest in longer term pivots on go-to-market and digital

Innovations and start-up efforts in FMCG last mile distribution are changing the sales and distribution landscape. Recent shifts in consumer behaviour, especially on digital, have opened up multiple opportunities to scale and transform how we do business. On the market visits I did with our teams last year, I was amazed by just how quickly things are changing on ground.

We are leveraging data and technology, innovating for local contexts, and building more agility across multiple routes-to-market. We are doubling down on digitisation and platforms like e-commerce and chemists. At the same time, the pandemic has refocused attention on last mile distribution and neighbourhood convenience stores. New models will be omni-channel, straddling the pyramid of online and offline, and we are building capabilities to serve this.

The widespread acceleration in digital adoption has propelled our digital ambitions. We are strengthening our e-commerce businesses. In India, we have set up an independent e-commerce business unit with separate P&L accountability and fully functional capabilities across sales, marketing, innovation, and supply chain.

Visiting the market with our team members in Mumbai

We are doing this because we do not see e-commerce as a channel in the future, but a separate business with a comprehensive approach to the entire consumer journey. In Indonesia and the USA, our e-commerce businesses have grown significantly post-COVID-19. Our Africa business is crafting an e-business function, combining digital marketing and e-commerce. In Latin America, we have a new e-commerce team. These structures are designed to allow for agility and consumer focus, including e-commerce-focused product innovation.

We are also launching digital native brands and experimenting with premium niche categories that lean towards more educational and digital content. We recently hired an 'Entrepreneur in Residence' to guide these forays.

Consumers are turning to online shopping and choosing to interact with brands on their D2C platforms. In India and Nigeria, we have experimented with these platforms, which are now being scaled up. We are also investing in data-driven marketing for rich actionable consumer insights, partnering on digital brand advocacy, and creating online brand communities. Kinky Roots Africa, our black hair information and inspiration platform, houses African blogger and consumer-generated content.

Visit Kinky Roots Africa, our black hair information and inspiration platform

goodness.me, our digital native baby care brand

4. Continue to turnaround performance in Africa

We are deeply committed to building a very purposeful and successful company in Africa. Driving the turnaround in our performance here has been a big focus. We had a difficult first quarter, but I am glad to see the recovery we have made post that. Dharnesh Gordhon, our new South African-born CEO of Godrej Africa, the USA, and Middle East, has settled in well. Under his leadership, our business has started to turnaround, with three consecutive quarters of double-digit sales growth.

We crafted a revised strategy which was shared with the Board in August 2020. As part of this, we shifted to a centralised category management structure from a geography-led one. We found that we were re-learning at each point, instead of leveraging learning in different ways, from consumer insights to manufacturing excellence. This changed approach will deepen focus on core categories, promote category learnings, and fuel long-term growth, while allowing execution to be tailored locally.

Though these are early days, we are already starting to see benefits. We are also relooking at how to make the operating models for each of our geographies more efficient. You will see us put many other such building blocks in place, including a more comprehensive go-to-market approach, and leverage shared services. Governance is critical and so we have a strong framework to map this and ensure we are building longer-term, sustainable ecosystems.

Using our Magic hand wash to build awareness on the importance of handwashing among school children in South Africa

Even as we drive strong momentum on our core categories of hair fashion and wet hair, we have started building footholds beyond hair care. With the consumer demand in hygiene, we cross-pollinated Magic, our very sustainable and affordable powder-to-liquid hand wash from India to South Africa.

In Nigeria, we forayed into household insecticides with Goodknight Power Shots. Our USA business has entered the hair fashion market in the country with an exclusive Walmart launch of our Darling brand from Africa. We are particularly excited about the opportunity here.

Godrej Nigeria partners with the Nigerian Medical Association and the Lagos state government to encourage people to fight malaria on World Malaria Day

Foraying into hair fashion in the USA with an exclusive Darling-Walmart launch

5. Live the Godrej Way

Serving our people and communities with love has been our most important priority this year. We made several efforts over the last year — ramped up safety infrastructure and polices, made our medical policies more comprehensive, extended medical support and insurance to our channel partner supply and distribution networks, strengthened our mental wellness platforms, and experimented with new ways of remote working.

While we continue to add to this support network, the best way we can ensure the safety of ourselves, the people we love, and our world now is to get vaccinated at the earliest. So, the last few months have focused on helping our team members and their families, our business partners, and our communities get vaccinated.

Godrej was founded in India's freedom movement by standing for equal rights and an independent India. Over a century later, we must stand for freedom again, this time for equality and inclusion, not just because it is in our DNA and the right thing to do, but also because it continues to make excellent business sense.

As a global conglomerate serving over a billion consumers, we simply cannot afford to not have a team and ecosystem that reflects the diversity of our consumers and communities. Companies like ours can make real change possible. We have the resources and reach, and we need to use them.

We continue to build diversity into our operations in different ways, through businesses in new geographies, inclusive stances on gender and LGBT+ rights, and hiring from different backgrounds and skills. While we have made some progress, there is lots more to do. We have the highest number of women board members of any listed company in India, and we have improved women representation in our company to 45.25 per cent, but we are not at the equal representation we aim for.

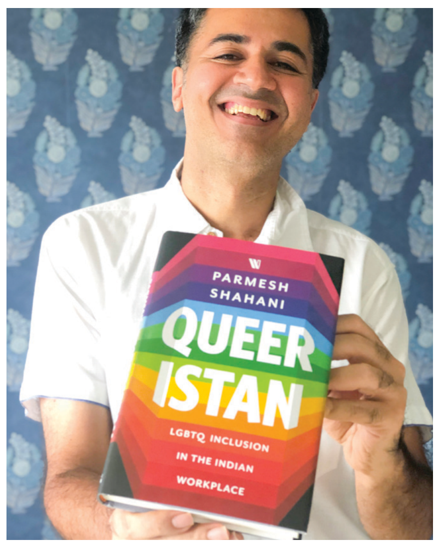
We have helped over 60,000 people get vaccinated at our Godrej vaccination camps across India

In India and at Godrej, we grapple with already low and decreasing participation rates of women in the workforce. Studies are now showing this worryingly slide even lower following the impact of the pandemic. We are becoming more inclusive for our LGBT+ colleagues, but I would like us to make a more concerted shift by translating our advocacy efforts into hiring.

My colleague, Parmesh Shahani, who now leads our diversity and inclusion agenda, has been the catalyst for a lot of change. Through 10 years of innovative programming at the Godrej India Culture Lab, which he founded, Parmesh has pushed the needle to make not just Godrej, but India, more inclusive. There is a difference between being diverse and being truly inclusive. My hope is that we will be able to bridge this at Godrej and become a real force for good.

Watch my conversation with Rebecca Lewis, Managing Partner at Arisaig (one of GCPL's oldest and largest investors) and Parmesh Shahani, on the imperative for companies to be diverse and inclusive

Parmesh Shahani with his book 'Queeristan', where he draws from his decade-long journey as an out and proud gay man working at Godrej to make a cogent case of LGBT+ inclusion, and lays down a step-by-step guide to reshaping office culture in India



6. Create a greener and more equitable world

The impact of COVID-19 is not just an unprecedented public health crisis but also an economic crisis impacting the lives and livelihoods of billions of people globally. This is more pronounced in the emerging markets where we operate, given pre-existing socio-economic inequalities. Added to this are concerns around our environment which need much more focused attention — and action.

As the pandemic spread, we recognised the urgent need for philanthropic and corporate support to ensure immediate relief for our communities. So, we pivoted our sustainability initiatives, supporting a range of programmes with governments and local municipal bodies, civil society organisations, and citizen initiatives, to reach over 2.77 lakh of the most vulnerable communities in our ecosystem.

We diverted 63 per cent of our CSR budget and initiated medium to long-term livelihood recovery programmes to support 9,000 nano entrepreneurs.

As of March 2021, over 1,000 people received entitlements or have been able to re-establish businesses. Our teams also realigned our key CSR programmes in India — Beautypreneur and EMBED (Elimination of Mosquito Borne Endemic Diseases) — to support the COVID-19 response.

Overall, our green manufacturing performance remained flat after fluctuating in the first half of the year due to lockdown measures and intermittent operations.

Pivoting our sustainability initiatives to support a range of COVID-19 relief programmes

Our water usage spiked and remains high due to increased sanitation and domestic usage demands. We achieved zero waste to landfill and water positivity. Our specific energy reduced by 28 per cent, and we source about 29 per cent of energy from renewable sources, meeting our goals.

We are 100 per cent extended producer responsibility (EPR) compliant. We now take back post-consumer plastic packaging waste equivalent to the plastic packaging we send out, making us plastic neutral. We completed life cycle assessments of five of our major products. Our team is working to fill the gaps in our value chain and make our products more environmentally sustainable.

While we have a lot more progress to make, our performance on global sustainability indices has improved, returning to the leadership band with an 'A-' in the CDP Climate Disclosure. We rank among the top 15 per cent in our industry for excellence in sustainability as part of The Sustainability Yearbook 2021 by S&P Global CSA.

This year, we completed the first decade of our sustainability commitments for Godrej Good & Green, which were detailed back in 2010. Our sustainability vision is crafted around helping create a greener and more equitable world. We have drawn from our reflections and learning to refresh our approach for a sharper focus.

Our goals for Vision 2025 focus on four key aspects: (1) skills that empower, (2) health and well-being that protects, (3) influence sustainable consumption, and (4) be global leaders in sustainability. Through this, we hope to be able to create more lasting impact.

We have formed a Board-level Sustainability Committee to oversee all Environmental, Social, and Governance (ESG) issues and initiatives. The Committee met for the first time in May 2021 and will meet biannually to take forward our ESG agenda with greater focus.

Good & Green Vision 2025

(1) Skills that empower

- Empower 1.20 lakh women with beauty skills in emerging economies

(2) Health and well-being that protects

- Strengthen public healthcare systems in three states in India
- Protect 10 million people against vector-borne diseases

(3) Influence sustainable consumption

- Ensure one-third of all our products are greener than in 2020
- Cover 75% of our suppliers in India (by procurement spends) and 50% of those in our other geographies under our Sustainable Procurement Policy
- Ensure efficient waste management systems for 3 municipalities in India impacting 3 million people
- Partner with consumers and customers to promote sustainable consumption of our green products

(4) Be global leaders in sustainability

- Achieve Scopes 1 and 2 carbon neutrality
- Improve energy efficiency, in line with our EP100 commitment
- Achieve 35% renewables in energy mix
- Maintain water positivity, achieve and maintain zero waste to landfill
- Announce our commitment towards the global Science Based Targets initiative (SBTi) and publish our roadmap and targets for emissions reduction
- Increase transparency in our ESG reporting and disclosures, reaffirming our commitment to sustainability
- Advance human rights and inclusion across our value chain

As we reimagine the future of our company and build towards the next phase of growth, I am excited to welcome Sudhir Sitapati, who will join us as Managing Director and CEO on October 18, 2021. I will continue to serve our company as Executive Chairperson. Sudhir's significant leadership experience in building sustainable and profitable businesses aligns very strongly with our purpose at GCPL. He has a deep understanding of FMCG and love for consumers and brands. I also believe that his values-based leadership style will make him a great fit with the Godrej culture.

Sudhir Sitapati with his wife, Ketki, and their children, Sahaana and Kabir, who he is trying to get interested in his own hobbies, tennis, Hindustani music, farming and scrabble

Sudhir Sitapati, our incoming Managing Director and CEO

Sudhir Sitapati was Executive Director-Foods and Refreshments at Hindustan Unilever Limited (HUL). In his 22 years at HUL, he has led teams across several categories and functions in India, Europe, South East Asia, and Africa to create significant value for the business. Sudhir was appointed to the HUL Management Committee as an Executive Director in 2016, making him one of its youngest-ever members.

Under Sudhir's leadership, HUL built up its Foods and Refreshments business as one of the largest in India. This included the USD 5 billion merger and integration of GlaxoSmithKline Consumer Healthcare with HUL, the largest deal of its kind in the FMCG sector in India.

In his previous roles, Sudhir was instrumental in creating a world-class Tea business for HUL in India and leading HUL's Soaps business in the country.

A passionate marketer, he has worked closely on internationally acclaimed purpose-led marketing campaigns for some of HUL's most iconic brands, including Surf Excel's 'Dirt is Good', Lifebuoy's 'Have you washed your hands with Lifebuoy?' on rotis at the Kumbh Mela, and Brooke Bond's 'Taste of Togetherness'.

He is currently the Co-chair of the CII National Committee of Food Processing and is a past Co-chair of the FMCG Committee. He was also a member of the Advisory Board of Flipkart in 2015.

Sudhir is the author of the best-selling book 'The CEO Factory: Management lessons from Hindustan Unilever'. The book was a runner up at the Tata Book Festival 2020.

Sudhir has an MBA from the Indian Institute of Management, Ahmedabad and a B.Sc in Math with Economics Honours from St. Xavier's College, Mumbai.

On behalf of the GCPL Board and Management Committee, I want to take this opportunity to say a big, big thank you to all our people. We greatly appreciate your grit, agility, and passion for Godrej, and are so proud of and humbled by the many examples that we see of this every day. To all our customers, business partners, shareholders, investors, and communities, our heartfelt thanks for your exceptional partnership and empathy through a year which I hope has brought us closer together. We will continue to count on your support as we build forward to emerge stronger, together.

N. Godrej

Nisaba Godrej

Managem
Discussio
and Analy

ment

n

ysis

Our Business Model

Inputs

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

Manufactured Capital
- Dispersed manufacturing clusters
- Global and local Research & Development centres
- Agile manufacturing through smart automation and Internet of Things (IoT)

Intellectual Capital
- Strong legacy of the Godrej Group
- Strong portfolio of brands
- Investment in Research & Development
- Integrated Research & Development + Innovation + Design + Expertise (RIDE) platform to develop innovative products
- Unique consumer insights though advanced predictive analytics
- Digital command centre

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

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

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

Business Process

Purpose

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

VALUES

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

VISION

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

STRATEGY

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

Outputs

Financial Capital
- Consolidated revenue increased by 11%
- Consolidated net reported profit increased by 15%
- Consolidated net Profit Before Tax (pre-exceptions) increased by 15%

Manufactured Capital
- Saved over ₹2.30 crore through sustainable manufacturing
- Stock availability in India is 88%

Intellectual Capital
- Accelerated product development in India through the launch of 10 new products across 5 categories
- Cross-pollinated Godrej protekt Magic in Africa, Indonesia, and Latin America, making it our first-ever global product
- Forayed into the floor and toilet cleaner category in India with the launch of our new brand, ProClean in India
- Built Saniter into an ₹150 crore hygiene brand in Indonesia within a year of launch
- Injected new growth levers in household insecticides in Indonesia with the launch HIT Expert Piramida 4 hours
- Wet hair innovation rate in Africa more than doubled
- In Indonesia, our e-commerce business quadrupled
- E-commerce business in USA becomes nearly 3% of our overall USA business

Human Capital
- Consistently ranked in the top quartile of best employers in internal employee engagement survey scores
- 25% of white collar and 56.5% of blue collar team members are women
- 21% women in senior leadership roles (Vice President and above)
- Organised 21,704 safety training programmes, covering over 83,000 of our employees and contract workers
- Won 'gold' in India's first LGBT+ work quality index
- Great Place to Work Institute (India)'s top-ranked FMCG company to work for (2020)

Social & Relationship Capital
- Rural sub-stockist network in India grew by 30%
- Direct distribution, through active registered outlets, in Indonesia continued to grow strongly to reach nearly 1,60,000 outlets
- Supported the public healthcare system in India with medical equipment worth ₹2.36 core
- Provided food supplies and safety kits to over 183,000 migrant labourers and urban poor
- Supported over 9,000 people to revive livelihoods post the first wave of COVID-19
- Overall net revenue grew three fold for Beautypreneurs
- 24% of 824 villages became malaria free

Natural Capital
- Specific waste to landfill reduced by 100%
- Specific GHG emissions reduced by 37.4%
- Specific water consumption reduced by 30.3%

Outcomes

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

Risks and Opportunities

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

We have a Risk Management team as part of the Corporate Audit function. The team engages in

Risks	Opportunities
Compliance and regulatory changes and emerging regulations	We have the highest levels of statutory compliance and ensure all regulations and laws of the land are adhered to. Further, our Legal and Audit teams are in constant communication with key government departments and industry bodies to keep track of new and emerging regulations. They routinely assess and analyse regulations to assess how these will impact business and work towards mitigating them.

discussion with various functional heads and relevant team members to identify potential risks, assess the business impact, and rate the likelihood of risk occurrence. The identified risks are presented to the Board. A cross-functional team was also formed at the corporate level to identify potential risks across businesses.

The identified risks will be reported to the Management Committee. All other employees keep sharing potential risks in informal forums, discussions, and annual conferences. We are also looking at creating a platform through which our employees can share potential risks. Last year, we introduced a mobile app to identify and report potential safety-related risks.

Employees are always encouraged to provide feedback for continuous improvement in risk management practices. There is an annual In Tune survey conducted across the company seeking suggestions and feedback from our employees. We also conduct regular open forums and monthly review meetings to understand the emerging risks and developing mitigation measures. Valid risks identified are recorded by line managers and are communicated to the Management Committee for further action.

Training sessions on Enterprise Risk Management are organised throughout the year for employees at all levels. Inputs on risk definition, risk identification, risk rating, risk classification, risk prioritisation, risk mitigation, and risk control and review are imparted to participants. Additionally, workshops were conducted across all manufacturing facilities on crisis management during the fiscal year.

Strategic pillar alignment

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

Risks and Opportunities

Risks	Opportunities
Supply chain risks related to the following: • Potential disruption of operations due to geo-medical risks • Labour-intensive product portfolios in some geographies • Inadequate planning in procuring raw materials • Inability to deliver materials to the customer as per agreed delivery dates	Our focus in manufacturing and supply chains is on becoming future ready. We have initiated projects related to Industry 4.0 and are making future-ready investments to ramp up our different processes. We have seen encouraging results in terms of 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 collaborate closely to ensure capability development and alignment with our core values. Our ongoing engagement with partners has helped us identify emerging issues and adequately respond to them in time.
Environmental risks and dependence on natural resources	As a Group, we have always actively championed social and environmental responsibility. As part of our Good & Green vision, we had five environmental sustainability goals to be achieved by fiscal year 2020-21 to reduce our carbon footprint. We have made good progress against these goals and have analysed areas where we need to ramp up our efforts in the future.

Strategic pillar alignment

- Making our supply chain best-in-class

- Building a more inclusive and greener world

Risks and Opportunities

Risks	Opportunities
Competitive risks: • Dependency on a few product categories to drive sales • Product pricing strategy • Greater aggression by competitors • Competitive market conditions and new entrants • New online, offline, and omni-channel go-to-market models and channels • Nimble e-commerce/digital-first brands	We have centred 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 our reach to go deeper and improve penetration. Our products range across home care, hair care, 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 we operate in. We are constantly innovating to create superior quality products at affordable prices.
Political economy in geographies of operation: • Political instability • Macroeconomic risks • Exchange rate volatility • Devaluation of local currency • Inflation • Impact of economic environments on consumer behaviour	Our focus is to build leadership in three categories (home care, hair care, and personal care) and in three emerging geographies (Asia, Africa, and Latin America). Our Risk Committee, along with regional business and finance teams, closely monitors the political economy of each geography to respond and adapt to emerging situations. Our globalisation strategy (called '3 by 3') has been very deliberate. Guided by this, over the past decade, we have created significant value through M&A and established strong beachheads.

Strategic pillar alignment

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

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

Risks and Opportunities

Risks	Opportunities
Labour risks due to the following: • Shortages due to industrial disputes and attrition of key staff • Health and safety-related risks in manufacturing operations and frontline distribution teams	We take much pride in fostering an inspiring workplace with an agile and high-performance culture to attract, develop, and retain the best global talent. We have adopted best-in-class, globally acclaimed people policies and processes, which celebrate diversity and inclusion.
Social risks arising from the following: • Community unrest • Repercussions of natural and man-made disasters	We are now exploring ways to further this commitment through shared value initiatives that create value for both society and business. Our business continuity plans are in place to address any man-made or natural disasters and ensure business as usual.
Cyber security: We depend on information systems and technology, including public websites and cloud-based services, for many activities important to our business, including communications within our company and interfacing with customers and consumers. Some of the threats facing our business are as follows: • Technology protection (for example, data leaks) • Functional operations (for example, third-party management and data privacy) • Resiliency (for example, business continuity planning) • Cyber intelligence (for example, threat awareness) • Threat vectors include data theft of: - Personal information - Financial information - Identity/credentials - Products/Research & Development information	Mitigation measures comprise performing periodic risk assessment and mitigation, including threat analysis and vulnerability assessments. Our teams control, monitor, and log all access to protected assets. We have defined and enforced secure change control and configuration management processes. We are working towards sharing and training employees in incident-handling and contingency plans. Further mitigation measures include advanced web security, perimeter intrusion prevention, perimeter firewalls, application firewalls, internal firewalls, and advanced server security.

Strategic pillar alignment

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

- Building a more inclusive and greener world

- Accelerating innovation and building purposeful brands
- Leveraging digital

Risks and Opportunities

In addition to the risks identified by the Committee and by our team members, the fiscal year 2019-20 materiality study also pointed out issues which form a critical input to our formal risk criticality matrix.

Top material issues and associated business risks	Opportunities
Sustainable packaging: Increasing public awareness about environmental concerns has resulted in higher demand for sustainable packaging and processing operations. GCPL is already working to reduce plastic waste by creating thinner and lighter packaging and reducing waste. Some risks associated with sustainable packaging are as follows: • Sustainable and recyclable materials, such as biodegradable and bioderived plastics, are not in fact widely recycled, but instead collected as general waste. In addition, waste collection and recycling are not co-ordinated centrally, but by local authorities, creating inconsistences and hindering closed-loop recycling of materials. • Using recycled and new materials is also, on average, more expensive than using virgin ones. • Changing packaging material may also require a completely new production line, as well as the need to prove that the quality of the shelf life, product safety, and how it travels/impacts logistics. • Inadequate planning in procuring raw materials, inability to deliver material to the customer as per agreed delivery dates.	GCPL believes that to develop an optimum sustainable packaging solution for any product, three distinct considerations are required: • The sustainability footprint of the packaging • How the packaging performs against the functional and brand requirements of the product • How commercially acceptable the packaging is to consumers and customers A few of our mitigation efforts in this regard include the following: • Reduce packaging weight and/or eliminate plastic peripheries such as single-use bags • Increase recyclability of packaging material • Increase recycled content in packaging material • Identify and support the growth of vendors who can supply recycled plastic • Work with local governments to streamline waste collection and management to ensure more recycled plastics are available
Research & Development: Research & Development is critical to the growth and prosperity of our business. The risks associated with this function are as follows: • Dependency on non-sustainable materials in the supply chain by developing sustainable alternatives • Urgency to reduce the environmental footprint of GCPL's products by developing sustainable alternatives of products and packaging • Competitive market conditions • New local players gain geographic dominance	A two-pronged approach to innovation, including democratisation and creating new vectors of growth: • Leveraging our cross-functional RIDE structure • Investments in design, technology, and skills • Building global partnerships • Fostering a culture of innovation

The material issues identified ultimately connect to broad risk drivers.

The risk assessment process is aligned to regional and global risks as identified by the World Economic Forum.

These risks, along with the mitigation plan and opportunities, are listed below.

Alignment with strategic pillars

- Building a more inclusive and greener world

- Accelerating innovation and building purposeful brands

Risks and Opportunities

Top material issues and associated business risks	Opportunities
Responsible marketing and communication: Social and responsible marketing practices are becoming the norm of the day, where companies acknowledge the larger social and environmental impacts of their products and services and/or adopt a specific social or environmental stance that resonates with their brand image. Associated risks are as follows: • Risk of falling behind other brands that are enacting various campaigns on social and environmental issues • Risk of campaigns or brands being labelled as greenwashing • Risk of backlash due to a specific social or environmental stance, which is at odds with a community, language, group, or other entity	We adhere to the norms of the Advertising Standards Council of India and those of other local bodies in the international geographies as the basis for all our communications. All our marketing and advertising projects are in line with the expectations of these bodies, i.e. 'legal, decent, honest and truthful' and we ensure that all the claims we make have a scientific basis.
Building inclusive and prosperous communities: It is generally believed that CSR is a way of managing and reducing risk. However, in addition to its possible benefits, CSR also creates risks. • Poor implementation in a key geography may lead to loss of the 'licence to operate' • Insincere or shallow CSR, such as greenwashing, can damage a firm's reputation. • Government may impose heavier regulation, leading to over-regulation and limitations in programme implementation • Partnering with NGOs or CSR groups can expose a firm to the mishaps of the CSR partner	• Establish and maintain an ongoing dynamic CSR programme that is in line with the strategic purpose and core processes of the business • Put in place checks and balances to ensure effective programme implementation and judicious use of resources • Regular engagement with external stakeholders such as the government and industry bodies to ensure we stay abreast of the law

Alignment with strategic pillars

- Extending leadership in our core categories and geographies
- Accelerating innovation and building purposeful brands

- Building a more inclusive and greener world

Risks and Opportunities

Top material issues and associated business risks	Opportunities
Governance and accountability: GCPL's sustainability governance aims to ensure the company's commitments to its stakeholder groups with regard to its aim to create an inclusive and greener world.	It is increasingly important for corporate boards to understand how these issues affect business strategy and performance. Impacts from these issues can be financial as well as material and can spread across multiple areas of a business. • Stricter regulation on corporate governance by having good internal governance practices in all emerging markets • Reducing vulnerability of people and processes to broader macroeconomic conditions by having resilient governance practices • Identify ways of being perceived as a responsible and socially/environmentally focused purpose-driven brand when compared to other leading FMCG brands
Occupational health and safety: • Health and safety-related risks in manufacturing operations and frontline distribution teams • Reducing physical risk to the workforce • Reducing the risk of unrest due to incidents in both the workforce and the local communities that they are from	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.
Training and skill development: At GCPL, we believe that learning is a continuous process and happens on the job through a combination of challenging assignments and varying roles. Some risks associated with this aspect are as follows: • Human resource gaps and attrition which limit growth and penetration of business • Unskilled team hampering growth of digital technologies in supply chain management • Opportunity to enhance the skills and motivation of the workforce	• Reducing risk of a higher skills gap in the workforce, which may lead to lower productivity • Reducing supply chain risk in the context of increasing digitisation and the need for digital skills • Reducing risk of reduced motivation and engagement in the workforce, which may lead to greater unrest in local communities • Reducing the competitive risk of falling behind other brands due to skill gaps in the workforce

Alignment with strategic pillars

- Fostering an inclusive, agile, and high-performance culture
- Building a more inclusive and greener world

- Fostering an inclusive, agile, and high-performance culture
- Building a more inclusive and greener world

- Fostering an inclusive, agile, and high-performance culture
- Building a more inclusive and greener world

Other Disclosures

A. Key financial ratios

	Standalone		Consolidated	
	FY 20-21	FY 19-20	FY 20-21	FY 19-20
Debtors turnover ratio	22.62	16.28	10.12	8.02
Inventory turnover ratio	9.19	8.42	6.40	6.03
Interest coverage ratio	64.36	23.97	17.15	8.75
Current ratio	1.55	1.20	1.08	1.06
Debt equity ratio (including financial liabilities)	- 0.01	0.05	0.06	0.32
Operating profit margin (%)	25.78%	25.92%	20.27%	20.17%
Net profit margin (%)	19.58%	21.82%	15.74%	15.23%
Return on net worth (%)	19.25%	22.86%	18.23%	18.95%

Reasons for change in standalone ratios

- Debtors turnover improved due to lower receivables (₹276.5 crore in CY vs ₹329.4 crore in LY) and better sales (₹6,254.3 crore in CY vs ₹5,474.5 crore)
- Interest coverage ratio improved due to lower bill discounting charges in CY (₹9.87 crore in CY vs ₹29.4 crore LY)
- Current liabilities have reduced due to lower trade payable in the current year (₹949.6 crore in CY vs ₹1,243.14 crore in LY)
- Return on net worth has reduced due to accumulation of profits in the current year

Reasons for change in consolidated ratios

- Debtors turnover improved due to lower receivables (₹1,004.5 crore in CY vs ₹1,157.25 crore in LY) and better sales (₹10,936.01 crore in CY vs ₹9,826.51 crore)
- Interest coverage ratio improved due to lower bill discounting charges in CY and repayment of borrowings
- Debt equity ratio has changed to 0.06 from 0.32 in the past year due to repayment of borrowings and payment of liabilities for business combinations

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 net worth (%)	Profit after tax/Equity

B. Internal control systems and their adequacy

We have implemented an internal control framework to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposition and that transactions are authorised, recorded, and reported correctly. The framework includes Internal Financial Controls over Financial Reporting, which provides reasonable assurance over the integrity of financial statements of the company and reduces the possibility of frauds. Our Corporate Audit and Assurance department issues well-documented operating procedures and authorities with adequate built-in controls at the beginning of any activity and during the process to keep track of any major changes.

As part of the audits, they also review the design of key processes from the point of view of adequacy of controls. Periodic reports — as part of continuous monitoring — are generated to identify exceptions through data analysis. The internal controls are tested for their design and operating effectiveness across all our locations and functions by the Corporate Audit team; control failures are reviewed by the management from time to time for corrective action.

Controls with respect to authorisation in underlying IT systems are also reviewed periodically to ensure that users have access to only those transactions that their roles require. Our head office in Mumbai, offices across India, and all major factories follow an Information Security Management System and are ISO/IEC 27001:2013 certified.

Our Strateg Pillars

gic

1

Extending leadership in our core categories and geographies


200ml
Godrej
protekt
+ 99.9% germ protection~
+ gentle on hands
magic
powder to liquid
HANDWASH

Strategic Priority

Extending leadership in our core categories and geographies

Capitals Impacted

Social & Relationship Capital

Financial Capital

Human Capital

Intellectual Capital

Risks

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

Material Issues Impacted

- Responsible marketing and communication
- Skill development and training

Enablers

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

Key Focus Area

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

Value created

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

Our multi-local strategy translates into serving diverse geographies, consumer preferences, and socio-economic contexts. As a result, we have significantly diversified our **Human Capital**. Today, we have over 11,000 team members across 17 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 Research & Development investments.

Latin America

#1 Hair colour (Argentina)

#1 Depilatory products (Chile)

#1 Hair fixing sprays (Argentina)

#2 Hair styling products (Argentina)

Sub-Saharan Africa & USA

#1 Ethnic hair colour (Sub-Saharan Africa)

#1 Hair extensions (Sub-Saharan Africa)

India & SAARC

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

Indonesia

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

- #3 Caucasian hair colour (South Africa)

Leader in hair care and maintenance products (Africa & USA)

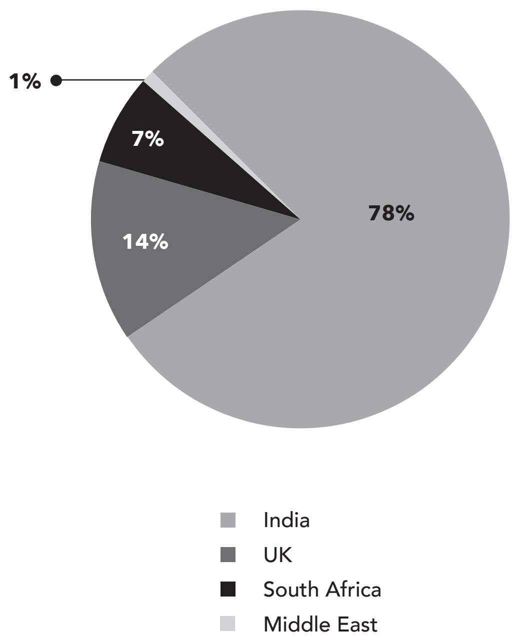
Our globalisation strategy

Our globalisation strategy (called '3 by 3') has been very deliberate. Guided by this, over the past 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).

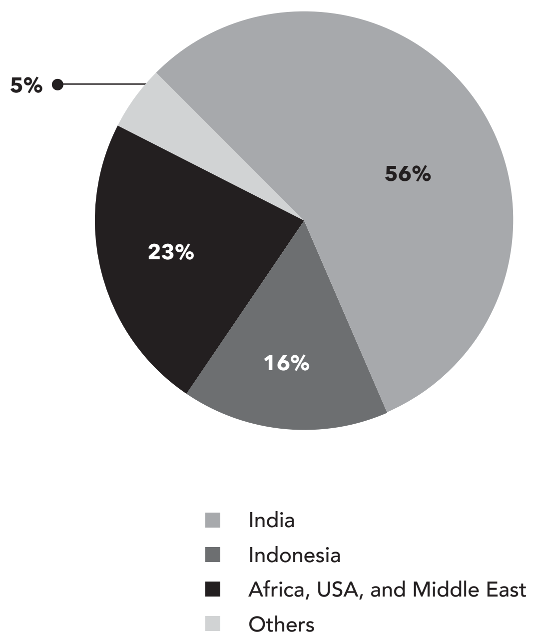
A broad emerging markets portfolio

In fiscal year 2008-09, 22 per cent of our overall revenues came from international businesses. In fiscal year 2020-21, it is 44 per cent.

Geography Salience (FY 08-09)



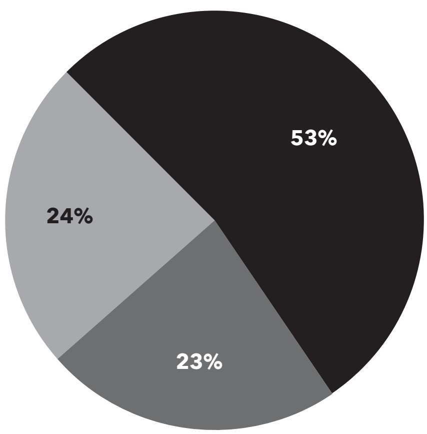
Geography Salience (FY 20-21)



A focused approach to category choices

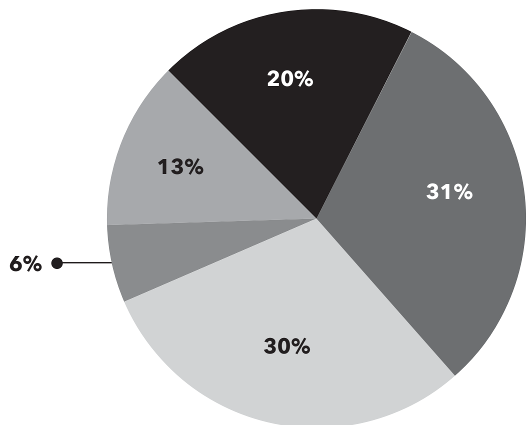
We have moved from an over 50 per cent soaps portfolio in 2009 to a more balanced and strategic category portfolio. Today, we have three core categories: household insecticides, personal wash, and hair care. We are a leading global player serving the hair care needs of African women. Air care, which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

Category Salience (FY 08-09)



- Personal wash
- Hair care
- Others

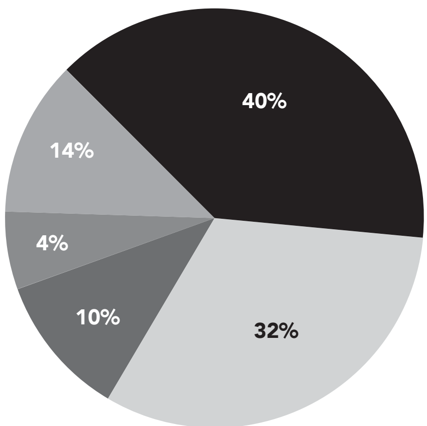
Category Salience (FY 20-21)



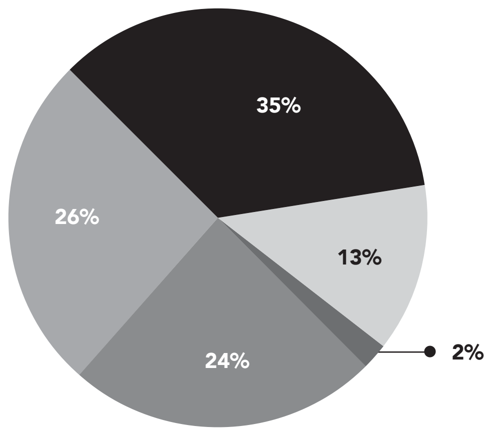
- Personal wash
- Hair care
- Household insecticides
- Air care
- Others

Diversified category portfolios within geographies

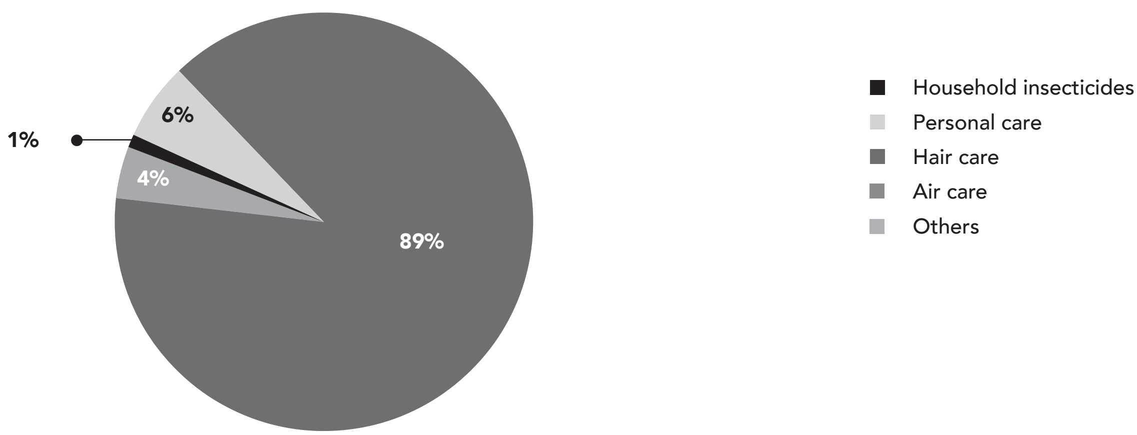
India (FY 20-21)



Indonesia (FY 20-21)



Africa, USA, and Middle East (FY 20-21)



A portfolio of power brands

₹ 1,000 Crore+

₹ 500-1,000 Crore

₹ 250-500 Crore

Top 10 brands contribute ~66% of revenue

Strengthened brand positions across key markets and geographies

#1

Godrej Good knight | Godrej expert | DARLING | INECTO

saniter | mitu baby | HIT | AIR FRESHENER Stella | PROFECTIV Mega Growth

HIT | ISSUE | ROBY | Millefiori Makes you feel better

#2

Godrej No.1 | CINTHOL | Godrej aer | Godrej Ezee LIQUID DETERGENT | ilicit color

>#2

Godrej protekt | BBLUNT Salons+Products+Expertise

* Roby Sprays only

India & SAARC

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

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

Source: Management estimates

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 a disruptive product portfolio

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

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

Air care

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

Household insecticides

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

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

Others

Godrej Ezee, India's largest selling liquid detergent, keeps everything from your regular clothes to your woolens clean, shiny and fragrant all year round

Godrej ProClean marks our foray into the floor and toilet cleaning segment, tapping into the consumer need to keep homes clean and germ-free

Sub-Saharan Africa & USA

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

#1 Ethnic hair colour (Sub-Saharan Africa)
#1 Hair extensions (Sub-Saharan Africa)
#3 Caucasian hair colour (South Africa)
Leader in hair care and maintenance products (Africa & USA)

Source: Management estimates

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

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

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

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

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

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

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

Indonesia

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

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

Source: Management estimates

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

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

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

Saniter's innovative range of products, from personal care to home care, protect Indonesians at home, work, and while travelling

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, colour cosmetics, and hygiene products

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

Source: *Nielsen, **Scentia

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

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

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

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

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

Bidex offers a range of alcohol-based gels and sprays that addresses out-of-home hygiene needs

2

Accelerating innovation and building purposeful brands

Strategic Priorities

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

Capitals Impacted

Intellectual Capital

Financial Capital

Risks

- Competitive market conditions
- New local players gaining geographic dominance
- Disruptions due to outbreaks of infectious diseases

Material Issues Impacted

- Sustainable packaging
- Research & Development
- Responsible marketing and communication

Enablers

- Integrated RIDE structure
- Dedicated category experts in a centralised Innovation team
- Investments in Research & Development
- In-house Design Lab

Key Focus Areas

- A two-pronged approach to innovation: democratising categories and creating new vectors of growth
- Leveraging our cross-functional RIDE structure
- Investments in design, technology, and skills
- Building global partnerships
- Upscaling natural product portfolios
- Fostering a culture of innovation

Value created

Accelerating our innovation pipeline, democratising categories, and creating new vectors of growth continue to be key to our success. Building on our strategic priorities in innovation and Research & Development across geographies has resulted in the creation of significant **Intellectual Capital** and stronger long-term **Financial Capital** metrics.

India

- Accelerated product development; entered **5 new categories and launched over 10 new products**
- **Cross-pollinated Godrej protekt Magic** in Africa, Indonesia, and Latin America, making it our first-ever global product
- **Forayed into the floor and toilet cleaner category** with the launch of our new brand, ProClean
- Focus on **upgrades and premiumisation** led to the launch of disruptive devices across categories

Indonesia

- Built **Saniter** into an **₹150 crore** brand within a year of launch
- Injected **new growth levers in household insecticides** with the launch HIT Expert Piramida 4 hours

Africa

- Growth propelled by **new product launches in wet hair**
- **Wet hair innovation rate 2X** of previous year

A two-pronged approach to innovation

As category leaders, our strategy is to ramp up innovation-led growth and find new ways to disrupt our categories. Democratising categories to make them more affordable and accessible, while creating superior-quality, delightfully designed products, is particularly important given our focus on emerging markets.

The COVID-19 pandemic accelerated product development and led us to create new engines of growth. Our key priority has been to develop affordable and effective products that directly cater to the hygiene needs of our consumers and communities.

We launched over 10 new products across five categories in India. We developed an entire range of home and personal hygiene products as part of our Godrej protekt range and diversified into the floor and toilet cleaners segment with the launch of a new brand, ProClean.

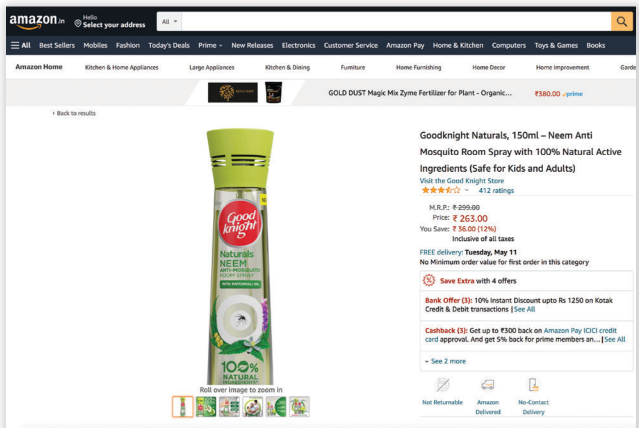
Our Indonesia business built Saniter into a strong ₹150 crore brand by offering our consumers a range of hygiene essentials. From hand wash and sanitiser to soap, which we developed for the first time ever in Indonesia, we have expanded into a diverse portfolio in 12 months.

In Chile, we launched Bidex, a new range of sanitisation products that cater specifically to out-of-home hygiene needs. In Argentina, the USA, and Africa too, we introduced new hygiene products, including hand washes and hand sanitisers.

Our all-new Godrej protekt range in India

We marked our foray into the floor and toilet cleaners segment in India with the launch of ProClean

Goodknight Naturals, our e-commerce first innovation



Given our focus on premiumisation, we are also experimenting with cutting-edge technology. Following the launch of India's first smart air freshener, we opened up the space for affordable and advanced connected devices in FMCG. Building on emerging trends in health and wellness, we incubated premium portfolios in organic baby care under our goodness.me brand and 100 per cent natural household insecticides with the Goodknight Naturals range.

To tap into the growing significance of e-commerce as a channel, we have new products specifically co-created and launched as e-commerce first products.

Goodknight Power Shots marks our foray into the household insecticides category in Africa

We follow a multifaceted process of design thinking, consumer centricity, and market analytics to accelerate, populate, and deliver our innovation pipeline, enabling us to reimagine our brands and create new ones. We continue to ramp up capabilities, invest significantly in Research & Development, and cross-pollinate learning and products across geographies. We launched Goodknight Smart Spray in India, the first aerosol in household insecticides to be formulated without gas.

We also leveraged our learnings in household insecticides from India and Indonesia, where we are market leaders, and forayed into the category in Africa with the launch of Goodknight Power Shots. Built on a revolutionary 'stay inside, spray inside' proposition, it completely transforms the way insecticides have been used in the sub-continent.

In South Africa, our Inecto brand launched a range of vibrant conditioning colours to attract and strengthen brand connect with a younger consumer base.

Leveraging our cross-functional RIDE structure

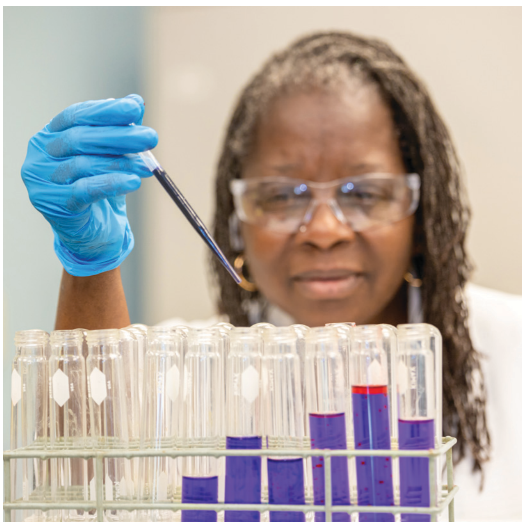
Our integrated RIDE platform brings together key functions involved in new product development. Through this structure, we are able to drive dynamic innovation and ensure agile execution.

Our central innovation team leads new product development in global categories across India, Indonesia, Africa, and the USA. They also offer strategic thinking input for brand architecture and facilitate cross-pollination of ideas and processes, while tracking trending patents and new technologies in consumer goods.

Investments in design, technology, and skills

Our state-of-the-art global Research & Development centre at our global headquarters in Mumbai, is supported by local Research & Development centres in our different geographies. We have global, local, and category-specific Research & Development teams who partner across geographies and share learning opportunities.

At our in-house global design lab, we integrate design thinking and transform product capabilities. While this is usually a capability outsourced in FMCG, we have chosen to build it internally and make it a competitive advantage. The lab comprises highly skilled graphic and industrial designers from across geographies who collaborate on projects.



Inside our Research & Development and Design Labs

Building global partnerships

We have a two-pronged approach that is in-house and collaboration based. Through the former, we leverage internal expertise and know-how to deliver high-quality products. The latter is focused on external, tried-and-tested technologies, which when combined with our in-house expertise, scale, reach, and equity, help us create truly memorable and relevant products.

We are using our different strategic global partnerships, including those with Bayer AG, Sumitomo Corporation, Kanekalon, and Firmenich, to leverage various cutting-edge technologies and processes.

Upscaling our natural portfolio

We continue to upscale our product portfolios which are crafted primarily with natural ingredients. This includes Godrej No.1 and Cinthol, our leading soap brands in India, which are made with vegetable oils, and our natural household insecticides products, Goodknight coils, incense sticks, fly spray, liquid vapouriser, and personal mosquito repellent. Our hair colour portfolio in India includes brands such as Godrej Nupur, which is a henna-based hair dye. Together, these brands contribute close to 45 per cent of sales revenue in India.

Our brands in Africa (TCB, MegaGrowth, and African Pride) and Indonesia (Stella and Mitu) have variants that include natural ingredients such as aloe vera and almond. More recently, we launched a certified organic baby product range in India, goodness.me.

(Left) Our Goodknight Naturals range of household insecticides
(Bottom) Goodness.me, our baby care brand, is crafted from the finest natural ingredients

Fostering a culture of innovation

This has been our busiest year for innovations, focused on developing essential products to serve our communities and making them available in record time. It has helped us accelerate our innovation pipeline and expand our hygiene portfolio across eight countries with the development of localised brands such as Godrej protekt in India, Saniter in Indonesia, and Bidex in Chile.

Our focus continues to be on fostering a conducive environment for continuous experimentation and prototyping to create a culture of thought leadership and lateral thinking. Our RIDE team collaborates with cross-functional teams from across marketing, sourcing, demand planning, and logistics to drive these disruptive on-time innovation projects. Being 'whole brained' enables us to leverage contrary approaches, encourage disruptive thinking, and create amazing products.

Magic,
our first-ever global product

India & SAARC

Indonesia

Chile

Argentina

South Africa

- Cross-pollinating the revolutionary Godrej protekt Magic from India across Africa, Indonesia, and Latin America
- Innovative powder-to-liquid formula offers 99.9% germ protection

Godrej protekt

India & SAARC

- One of India's most comprehensive hygiene ranges; developed in a record 60 days
- Following the success of Godrej protekt hand sanitisers and hand wash, we widen our personal care portfolio and foray into the home and kitchen segment
- Portfolio of 12 new products including hand wash, health soap, face mask, instant hand sanitiser, germ protection dish wash, germ protection fruit and vegetable wash, surface and skin wipes, air and surface disinfectant spray, multipurpose disinfectant cleaner, on-the-go disinfectant spray, and multipurpose disinfectant liquid

Ezee
2-in-1 Liquid Detergent and Fabric Sanitiser

India & SAARC

- Marks Ezee's foray as a liquid detergent for daily wear; previously catering to special fabrics such as woollens, silks, and chiffons
- Addresses the consumer need for clean, disinfected clothes
- Removes dirt and keeps clothes protected long after wash

ProClean

India & SAARC

- Marks our foray into the home cleaning segment, tapping into the consumer need to keep homes clean and germ-free
- Offers 99% germ protection
- Includes disinfectant bathroom cleaner, toilet cleaner, and floor cleaner variants

Goodness.me

India & SAARC

- Range of natural baby care products, crafted from the finest organic ingredients
- Approved by ECOCERT (France), one of the world's largest organic certification organisations
- Paediatrician recommended
- Chemical free

Goodknight Smart Spray

India & SAARC

- First no-gas aerosol solution in India
- India's first household insecticide, offering instant, long-lasting protection from insects
- Acts instantly, offering up to 8 hours of uninterrupted protection

aer
Fresh + Safe

India & SAARC

- Taps into the consumer need for air and surface sanitisers that double up as fresheners
- Offers 99.9% germ protection

aer
Power Pocket

India & SAARC

- Power-packed range of bathroom fragrances
- Formulated with unique gel technology that provides long-lasting freshness for up to 30 days
- Available in 4 unique scents: berry rush, fresh blossom, sea breeze, and lavender bloom

Saniter Health Soap

Indonesia

- Dermatologically tested health soap that cleans and moisturises
- QA active formula provides 99.9% protection from germs and viruses
- Aloe vera extract keeps skin soft and moist
- Available in 3 refreshing variants: Energising Clean, Lemon Fresh, and Cool Fresh

Saniter
Instant Hand Sanitiser

Indonesia

- Highly effective and non-sticky, 70% alcohol-based sanitiser
- Clinically proven to instantly kill germs
- Moisturising properties keep skin from becoming dry

Saniter
Air and Surface Sanitiser

Indonesia

- Indonesia's first multi-function air and surface disinfectant
- 70% alcohol-based formula
- Instantly kill germs

HIT
Expert Piramida 4 Hours

Indonesia

- New and improved paper-based pyramid-shaped coil that burns for hours, offering better efficacy
- Kills mosquitoes 4X faster
- Emits less smoke

NYU
Natural Bleach

Indonesia

- First hair bleach to offer one-of-a-kind, crème formula; safer than powder
- Makes hair more vibrant, combined with any colour
- Super fruit extracts protect and nourish hair
- Ammonia-free formula keeps hair strong

NYU
Shampoo Hair Colour

Indonesia

- Covers greys with effortless 10-minute application; as easy as shampooing
- Contains 10 natural herbal extracts that protect and nourish hair
- Ammonia-free formula keeps hair healthy

Stella Fresh + Protect Disinfectant Spray

Indonesia

- Innovative new formula with two-in-one action of a sanitiser and air freshener
- Effectively kills germs in the air and on surfaces

Stella Smart Matic

Indonesia

- Indonesia's first app-controlled smart air freshener
- Bluetooth-enabled for control from anywhere in the house
- Comes with 4 unique features: smart controller, smart schedule, real-time refill, and battery-level alerts

Stella
Parfum'ist Home

Indonesia

- Premium-quality air fresheners for the home
- Available in Japanese Sakura and Secret Lavender fragrances

Goodknight Power Shots

Africa

- Leveraging expertise from India and Indonesia to foray into the household insecticides category in Africa
- Unique concentrated no-gas spray format
- Multi-insect solution, strong efficacy against mosquitoes, flies, cockroaches, and ants

Darling
Empress collection

Africa

- All-new premium human hair quality hair extensions
- Available at an accessible price point
- Enables African women to set trends for the world to follow

Villeneuve Liquid Soaps

Argentina

- Marks our foray into the hygiene category in Argentina
- Formulated with natural ingredients
- Paraben free and cruelty free

Villeneuve Sun Care

Argentina

- An effective yet affordable sun care range, including sunscreen and self-tanning lotions
- New and improved formula with reduced viscosity and a dry, matte finish
- Self-tanning lotion, infused with coconut oil and Vitamin E, offers an even tan for up to 2 days

Issue Professional Colour Copper Accent Mix

Argentina

- Provides trendy new hair colours and intensifies copper shades
- Developed with Protesil, protects hair and ensures softness and long-lasting colour
- Available in 5 shades

Issue Saloon Professional Blondes

Argentina

- Professional hair care line that protects blonde hair colour
- The Golden Blonde line enhances golden highlights, giving warmer tones
- The Silver Blonde line neutralises yellow or orange highlights, providing cooler and ashier tones
- Available in a range of variants, including shampoos and masks
- Created for both professional stylists and mass market consumers

Roby
Fixing Sprays

Argentina

- New and improved range of fragrance sprays
- Normal Fixing Spray: gives a natural effect, reduces frizz, and offers bounce
- Strong Fixing Spray: adds volume, creates curls, and defines waves
- Extra Strong Fixing Spray: provides long-lasting hold

Bidex
Alcohol Gel and Sprays

Chile

- Our foray into hygiene in Chile; developed to address out-of-home hygiene needs
- Offers a range of alcohol-based gels and sprays
- Formulated with 70% alcohol for enhanced efficacy
- Enriched with glycerin
- Paraben free and cruelty free

Bidex
Antibacterial Liquid Soap

Chile

- An ideal addition to Bidex's at-home hygiene range
- Launch positions Bidex as a brand that offers a complete portfolio of products for out-of-home and at-home use
- Formulated with nourishing aloe vera
- Paraben free and cruelty free

Ilicit Perfect Oil

Chile

- A first-of-its-kind multi-benefit oil for every hair type
- Infused with coconut oil and Vitamin E
- Cruelty free and vegan

Ilicit
Cica Mask and Mist

Chile

- Complete hair care range, formulated specially for dry and damaged hair
- Enriched with hydrating hyaluronic acid
- Mask doubles up as styling cream and conditioner; repairs damage, protects from UV rays, and nourishes hair
- Mist eliminates frizz, seals cuticles, and prevents breakage
- Sulphate free, paraben free, cruelty free, vegan

Ilicit Naturals

Chile

- First-of-its-kind leading hair colour brand to offer natural ingredient-based product in the semi-permanent segment
- Positions Ilicit as a brand with a complete range of hair colours for every tier and segment
- Infused with rice protein, almond oil, rosehip oil, and shea butter
- Available in 3 trendy shades
- Sulphate, paraben free, cruelty free, and vegan

Pamela Grant Skin Food

Chile

- Range of vegan products, offering deep cleansing and moisturising benefits
- Micellar Milk and Face Toner nourishes skin while also cleansing it
- Moisturising Mist gently hydrates skin and is the first such variant available in the mass market
- Silicone free, sulphate free, paraben free, and cruelty free

3

Leveraging digital


product listing
shop
gifts and combos
goodness glossary
goodness corner
offers
GOODNESSME CERTIFIED ORGANIC DIAPER RASH CREAM BABY CREAM
20%
50G
RPOSE BABY CREAM, 50GM
RS. 280.00
ADD TO CART
GOODNESSME MADE WITH ORGANIC MULTI-PURPOSE CLEANER
475ML
MULTI-PURPOSE CLEANER FOR BABY BOTTLES, TOYS, FRUITS & VEGETABLES, 475ML
RS. 300.00
ADD TO CART
GOODNESSME CERTIFIED ORGANIC BABY SOAP
20%
100G X 2U
MOISTURIZING BABY BATH SOAP (2 X 100GM)
RS. 400.00
RS. 320.00
ADD TO CART

Strategic Priority

Scaling up e-businesses, direct-to-consumer (D2C) and e-commerce, and digital communication with brilliant basics, increased investments, the highest level of customer experience, and agile execution

Capitals Impacted

Social & Relationship Capital

Intellectual Capital

Risks

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

Material Issues Impacted

- Responsible marketing and communication
- Skill development and training

Enablers

- Strong internal, global, and regional structures to support bold ambitions
- Agility of the teams to execute plans quicker
- Scaling up of media investments to drive growth and penetration
- Bespoke approach: Country roadmaps to reflect brand and regional stages of development
- Agile test-and-learn approach
- Upskilling marketing teams to have a digital-first approach

Key Focus Areas

- Building an e-commerce business organisation
- Launching and scaling D2C
- Doubling down on data-driven marketing
- Leveraging digital brand advocacy
- Scaling up brand communities

Value created

The acceleration in digital adoption over the past year has been a shot in the arm for our digital ambitions. We are integrating and ramping up capabilities across different aspects of our business, with a focus on building relevant digital platforms for the future and stronger **Social and Relationship Capital** through partnerships and more meaningful consumer connect. We are also investing in building internal capabilities and **Intellectual Capital** through focused talent, trainings, and infrastructure.

- **E-commerce business in Indonesia grew at 4X** post-COVID-19
- **E-commerce business in USA** becomes nearly **3% of our overall USA business**
- **3 new D2C brand channels** added in **India**
- **D2C channel launched in Nigeria clocks USD 2,50,000 in top line sales** since July 2020 with an impressive 20% repeat customer rate and 10% saliency in the launch of premium new products across categories
- **Over 10 million first-party data points** from consumers and users in **India**
- **Over 60,000 stylists connected** through brand community platforms in **Africa**

Building an e-commerce business organisation

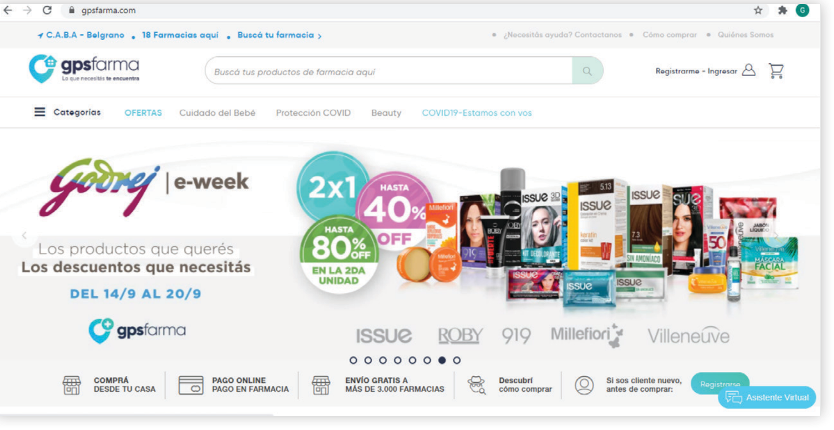
Our independent e-commerce business unit in India has separate P&L accountability and fully functional capabilities across sales, marketing, innovation, supply chain, and finance. This allows us the agility and consumer focus required to win in this fast-evolving space. We are targeting growth from e-commerce-focused product innovation and digital native brands. Some of our new products focused for this format have done especially well, like the HIT Anti-mosquito Racquet, Godrej aer matic, and Godrej protekt masks.

In Indonesia, our e-commerce business grew 4X post-COVID-19. We have significantly scaled up our investments in key platforms backed by strong joint business partnering, new product launches, strong cataloguing and store management, and a steep jump in leveraging analytics. Driving focused digital activities both on platform and off platforms helps create seamless consumer experiences: from awareness in digital to purchase in e-commerce. Stella Smart Matic Parfumist, for example, was launched exclusively on Shopee. Our new Saniter brand levered digital technology to generate stronger sales through e-commerce. We have also started developing e-commerce-only products to cater to the big segments online, starting with the HIT Anti-mosquito Racquet.

Our Africa cluster has evolved its structure from a digital-first marketing function to an 'e-business' function, which combines digital marketing and e-commerce in a holistic approach to leverage and scale our digital capabilities. We are now building dedicated e-business teams across all our key markets and a central team to drive our overall e-business strategy for the cluster.

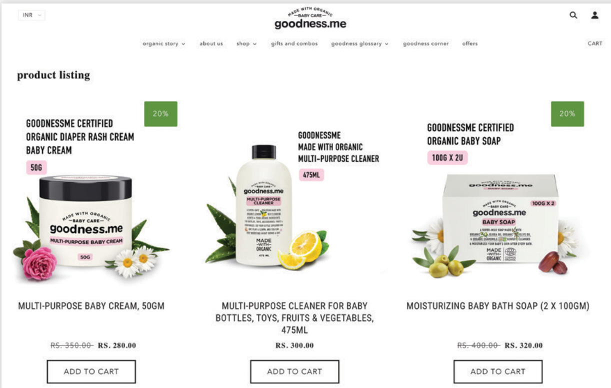
In the USA, e-commerce is now nearly 3 per cent of our business in an acceleration made possible by the investments and groundwork in previous years.

We have set up a new e-commerce team in Latin America and are investing in multiple ways to grow our presence on different digital platforms and marketplaces.



E-commerce activations for our products in Latin America

Our new D2C platform for
goodness.me in India



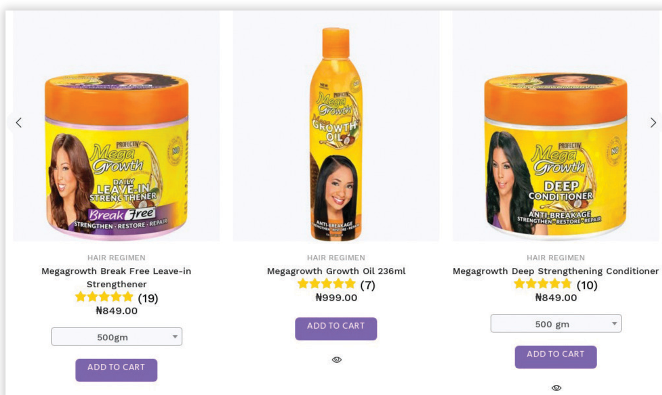
Launching and scaling D2C

In line with our increased focus on building first-party data and the need to have a complete view of a consumer's purchase journey, we successfully launched a new adjacent business channel for D2C in India in 2019. Cinthol and Godrej aer were amongst our first brands to introduce D2C platforms. This year, we added D2C channels for BBLUNT, goodness.me, and Godrej Professional.

Following the pandemic, consumer trends like online shopping have accelerated with significant momentum. More consumers are now turning to online shopping and choosing to interact with brands directly through their D2C channels. The traction has been very encouraging, and we have been able to derive learnings across multiple brands and categories. Our return on ad spend has been very encouraging. We have also experimented with the exclusive launch of some of our new variants on these platforms to positive consumer response.

In Africa, with offline markets closing down, our team quickly tested and launched a D2C platform in Nigeria. It has delivered upwards of USD 2,50,000 in top line sales since July 2020 with an impressive 20 per cent repeat customer rate. It has also clocked upwards of 10 per cent saliency in the launch of premium new products across categories. We will leverage this extensively to test and launch new products and gather customer intelligence going forward. This learning from Nigeria will help us launch our D2C platform for South Africa.

Our new D2C platform
in Nigeria



Doubling down on data-driven marketing

In the past year, we have collected data from across multiple platforms through our in-house cloud-based data management system in India. We now have over 10 million first-party data points from consumers and users. We aim to scale this to over 15 million by the end of March 2022.

These rich and actionable insights based on audience interests, shopping/purchase behaviour, demography, appography, and location history are critical for us.

In the past couple of months, we have piloted a few campaigns through our data management platform to further enhance consumer data and measure the effectiveness of campaigns based on sharp audience segments.

We also work very closely with partners with rich data signals (second-party) to identify life stage, user intent, and location and to enhance consumer experience by providing relevant and personalised messaging.

Leveraging digital brand advocacy

The exponential increase in time spent on social media and content platforms in the past year focused on the importance of digital brand advocacy. We have leveraged this to make digital brand advocacy a key pillar in our overall marketing and communication strategy.

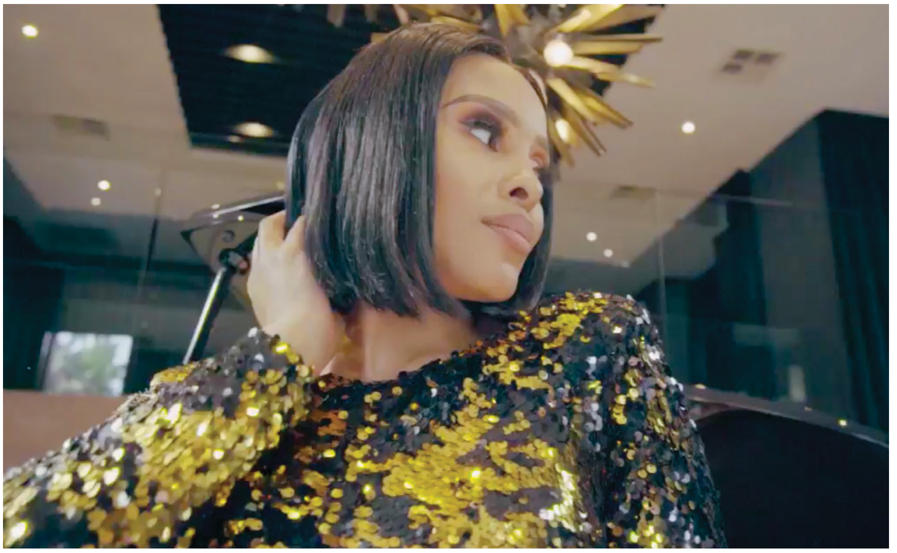
In India, we partnered with Bollywood celebrities like Karan Johar and Neha Dhupia on Godrej Expert Rich Crème to establish the ease of colouring at home when salons were shut. We tailor our approach-based focus markets and partner with regional content creators on YouTube and social media platforms.

We have leveraged large digital content platforms like Glamrs (Indian beauty, style, fitness, and lifestyle video platform for women) for Godrej Expert and Shitty Ideas Trending (YouTube channel with funny relationship sketches) for Goodknight. Food has been a big trend this year, and therefore, we partnered with celebrity chefs.

We also used mommy networks to build expertise and credentials for relevant brands and travel influencers to build Cinthol's 'alive is awesome' philosophy.

Watch Karan Johar demonstrate the use of Godrej Expert Riche Crème, as part of our brand advocacy campaign

In Africa, our categories are heavily driven by visual content and influencers. We plan to scale up our strategy of co-creating content with influencers to enhance believability and impact, while driving new products and styles. We are partnering with influencer marketing specialists across markets and also putting media spends behind this content for more reach.



Watch how we are co-creating content with influencers in Africa to enhance believability and impact

Scaling up brand communities

With online communities becoming the next big thing on the digital platform, we want to scale up our brand communities and tribes. One of our key brand launches this year in Africa will be from a black hair community which we had started building three years ago.

Our other brands will also build communities by using Facebook groups, WhatsApp, etc. Currently, we have stylist Facebook group communities in Kenya, South Africa, and Nigeria with over 60,000 stylists connected through the platform. We will double down on efforts to build these communities and create long-lasting, meaningful relationships with our consumers and partners.

4

Enhancing go-to-market


J3K
Kesehatan
In partnership with:
tersedia.
.5 METER.

Strategic Priority

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

Capitals Impacted

Intellectual Capital

Manufactured Capital

Social & Relationship Capital

Financial Capital

Risks

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

Material Issue Impacted

- Sustainable packaging

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 in the context of the COVID-19 pandemic
- Expanding penetration and reach
- 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 is the backbone of our business. We are leveraging data and technology, innovating for local contexts, and building more agility across multiple routes-to-markets to serve our consumers with greater purpose and focus.

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.

- Aim to expand our **reach in India** from **6 million outlets to 7 million** outlets in the next 2 years
- **Rural sub-stockist network in India** grew by **30%**
- **Direct distribution**, through active registered outlets, in **Indonesia** continued to grow strongly to reach nearly **1,60,000** outlets
- **E-commerce business in Indonesia** grew at **4X** post-COVID-19
- **E-commerce business in USA** becomes nearly **3% of our overall USA business**
- Multiple **initiatives** launched to **leverage digital and build closer connect** with different partners

Enhancing our go-to-market strategy in the context of the COVID-19 pandemic

Innovations and start-up efforts in FMCG last mile distribution have been altering the overall sales and distribution landscape over the past couple of years. Shifts in consumer behaviour and digital acceleration following the COVID-19 pandemic have only added to this, opening up significant opportunities to scale, transform, and make our sales organisation more future-ready.

We are adapting and innovating, leveraging technology across our operations, and building new capabilities, especially the muscle to be more agile. Our approach hinges on close connect with our markets, consumers, partners, and communities, to understand and better serve evolving needs.

Channels of the future

New technologies are transforming the sales and distribution landscape. Additionally, e-commerce has seen strong growth across India, Indonesia, and the USA, and modern trade, Cash & Carry, and, more recently, eB2B continue to grow. COVID-19 has accelerated digital adoption across shoppers, retailers, and the FMCG network.

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

In Bangladesh, the focus continues to be on building the traditional kirana backbone, since e-commerce is still at a very nascent stage and modern trade is only limited to urban centres. In Sri Lanka, we continue to focus on all channels, including traditional, modern trade, and, more recently, the e-commerce channel too, which is seeing exponential growth.

Akhil Chandra, Business Head of Godrej Indonesia, joins his team in the market to launch our new products

Nisaba Godrej, our Chairperson and Managing Director, spends time with our team in the market in Delhi, India, to understand how channels are evolving

Shopper behaviour

Social distancing has become a norm, and in-person shopping trips have significantly reduced following multiple lockdowns. In India and Indonesia, modern trade stores were directly impacted due to a drop in footfalls. Simultaneously, volatility was observed in the assortment mix, with consumer preferences shifting towards hygiene and essential products and larger value packs.

In Africa, consumers also shifted to multi-category store formats from exclusive beauty stores. Women reduced their dependence on salons and shifted to more do-it-yourself and maintenance products across hair categories, like braids and twists, and maintenance hair care products. While the demand for hygiene products spiked, it was more for multi-purpose products. Consumers opted for smaller packs to minimise outlay, given financial stress.

Consumers in the USA shifted significantly towards e-commerce and multi-category retail, and beauty-focused retail declined sharply. Shopper behaviour saw a shift to fewer shopping trips and consolidated buying. Women also switched more to do-it-yourself or at-home options for personal and hair care products.

While some of these shifts began easing during the latter part of the year, they will remain relevant given the continuing impact of the pandemic.

Partnerships

The interdependencies of our networks, which are always important, were highlighted. For the system to deliver successfully, we need all partners to be enabled and benefited.

The shortage of manpower on ground was one of the biggest challenges. In India, from salespeople to delivery personnel, the feet on street reduced everywhere due to reverse migration from cities to villages. From a low of 60 per cent manpower in April 2020, we recovered close to 90 per cent in June.

This significantly impacted our urban channel, and reaching out to retailers remotely became critical. Our distributors were also adversely impacted with uncertainties around the business impacting return on investment.

Sunil Kataria, CEO of our India and SAARC business, in conversation with our team members and trade partners

Across Indonesia, Africa, and the USA too, our suppliers, distributors, wholesalers, modern trade customers, and salon partners were all adversely affected by business uncertainty. We have and continue to partner closely with them on win-win solutions and turning these crises into opportunities.

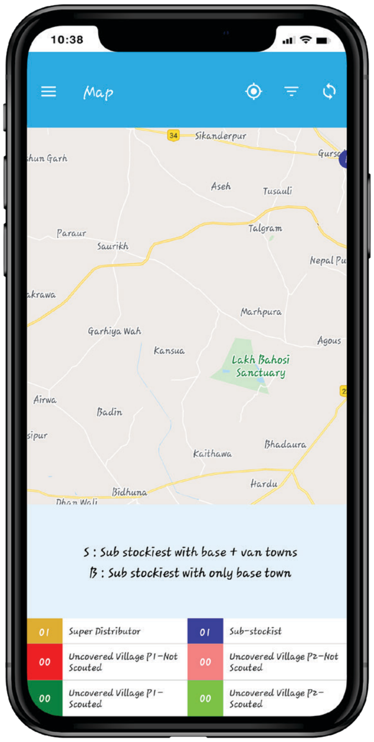
Expanding penetration and reach

In India, we continue to focus on deepening penetration in traditional trade. Along with this, we are strengthening growth in newly acquired stores through an assortment mix. In urban India, future store expansion will be through opportunity-based micro-segmentation. Rural penetration will continue to be critical. We aim to expand our total reach from 6 million outlets to 7 million outlets in the next two years.

In the past year, we have grown our rural sub-stockist network by 30 per cent, on the back of our counter sub-stockist strategy. The strategy has been aided by tech enablement of our frontline rural salesmen through an in-house app called QUEST. The app has guided them to priority villages which they need to survey and appoint as the new sub-stockists. We have also leveraged external partnerships in rural India and worked closely with an emerging player in the rural eB2B space. The partnership has helped us reach villages with a population below 3,000, where we don't reach directly through our sub-stockist network. This has significantly complemented our rural distribution. The pilot in Maharashtra has been expanded and is now well established in Madhya Pradesh and some states in south India, with a plan to expand in the north in the coming year.

To strengthen our in-market execution, we started tracking tertiary sales in rural areas, measuring sales from sub-stockists to rural retailers, and using that as a key performance indicator for rural sales team members. This makes us one of the first FMCG companies that not only tracks tertiary sales, but also uses it as a crucial performance KPI for our rural sales ecosystem.

'Mission Mukhiya' led by our Bihar Sales team helped reach rural consumers



Our new QUEST mobile app designed to aid interim sales representatives in rural India

We have a strategic, focused approach to conquer 'micro markets'. Through extensive data and analytics, we have defined and segmented micro markets (usually, a specific cluster of districts) for each of our brands. This helps in prioritising marketing and distribution efforts. We can now track performance and provide actionable insights at granular levels.

Tapping into the emerging opportunity of a growing chemist channel remains a key strategic lever for us. Towards this goal, we have created a strong distributor network of pharma/OTC distributors and through them created a new revenue stream. This channel fits well into our plans for our hygiene portfolio and its new NPDs.

Our Bangladesh team is expanding direct reach to 1,00,000 outlets and driving salesforce automation through handheld devices for salespeople. Our focus remains on becoming one of the top FMCG companies in terms of reach. We are also piloting various tech-based interventions to increase our width of sales in the stores that we reach. This will help us in improving our returns tremendously.

In Sri Lanka, the team is building its own distribution network, which is backed by a cloud-based distributor management system and salesforce automation. Our focus is to ensure that we reach a good mix of traditional and modern trade stores across the country.

In Indonesia, we significantly accelerated our go-to-market transformation. Our efforts on route-to-market consolidation in the previous year have stabilised well. Direct distribution, through active registered outlets, in Indonesia continued to grow strongly to reach nearly 1,60,000 outlets. This was fuelled by strong reach expansion led by two key initiatives—dedicated salesmen to add and nurture new outlets, and motorist salesmen to identify and further expand last mile distribution. In addition to this, our existing distribution base too billed frequently. We have also expanded alternate channel distribution in pharma and health and beauty, which have strong synergies with our baby care and hair colour portfolios.

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

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

We have also had some other experiments with breakout success this year. We launched a direct-to-consumer (D2C) channel aimed at seeding new products, experimenting with untested price points and product bundles, leveraging consumer analytics, and potentially providing distribution in white space regions with retailers coming onto the platform.

We also launched a door-to-door (D2D) sampling drive to build demand and educate consumers on our recently launched household insecticides portfolio. This resulted in a significant shift in our non-wholesale channel contribution. We will continue the momentum in Nigeria and strengthen fundamentals at an accelerated pace in South Africa and Kenya to unlock the full potential over the next few years.

Go-to-market activations for our hair extension brands in South Africa

A key highlight for us this year in the USA was the Darling–Walmart partnership. We forayed into hair extensions with an exclusive launch at Walmart.

Hair extensions is a USD 1 billion market in the USA, and this provides us a tremendous opportunity with significant consumer synergies. We are the only hair extensions and hair care player to cater to the African community in the USA.

Laying the foundations for future growth priorities

Improving efficiencies

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

Building an omni-channel play

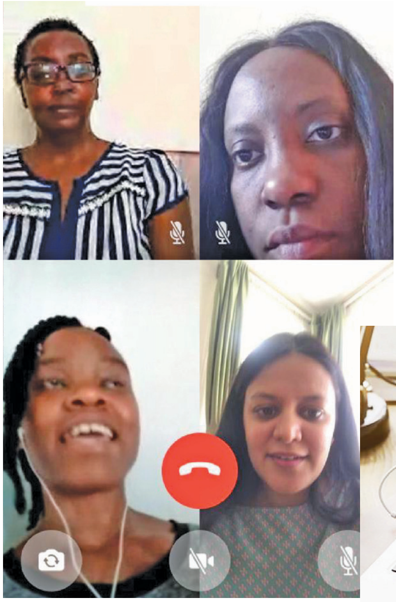
Given the changing shopper trends and environments, we are ramping up capabilities to service the demands of an omni-channel play. Externally, this translates into servicing and solving for channel conflicts. Internally, it means putting the right team structure in place to service this channel with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

Exploring new go-to-market formats

The many disruptions through COVID-19 encouraged experimentation and new go-to-market formats and opportunities. In India, we introduced new projects to explore emergent models like outreach to building apartment complexes, D2C disruptor partnerships (like with Swiggy and Zomato), remote ordering through tele-calling and SMS/WhatsApp, and third-party options for delivery-to-trade.

Gojek and Kereta Commuter Indonesia partnerships for our Saniter brand

Experimenting with new partnerships and delivery-to-trade options for Goodknight Power Shots in Nigeria and Magic in South Africa



Online consumer interactions in India and Africa

In Indonesia, we tested alternate B2B models like web-based-ordering for outlets, product delivery via logistics providers, and alternate B2C models around last mile delivery to customers.

In Nigeria, we explored the D2C channel with strong wins, particularly given the overall shopper preference for online purchasing that they could trust.

Across India and Africa, we also went completely online with our consumer/stylist research interactions, enabling a strong pulse of the emerging trends in the market and translating them to agile actions.

Transforming modern trade

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

In India, we are accelerating joint business planning in pharmacy chains, even as the shopper environment evolves into pharmacy + OTC + FMCG personal care. Our teams are sharing and learning from our Indonesia and Latin America businesses on category management. We are also investing in developing modern trade-specific analytics and shopper marketing capabilities.

Sri Lanka boasts of a strong modern trade-driven FMCG space, and our objective remains to ensure we optimise our efforts to ensure that we take full advantage of the opportunities through driving visibility, focused marketing interventions, in-store sampling, etc. We also aim at deepening our partnerships with chains through strong mutual plans.

Modern trade accounts for nearly 70 per cent of our business in Indonesia. We continued our long-term journey to drive modern trade excellence, with a continued thrust on strategic investments, prioritising winning accounts, which was particularly relevant with shopper shifts post-COVID-19, and focusing on joint business partnerships, which was crucial to win in an unprecedented macro environment. This resulted in a successful foray into the hygiene category. Our Saniter brand ramp up was primarily driven by modern trade and crossed unprecedented milestones.

Given modern trade continues to be key, particularly in South Africa, we are leveraging availability, strong in-store presence, and competitive pricing to build on the opportunity.

Our entire business in the USA is modern trade led, with the channel split into retail and beauty stores. We continue to leverage strong channel partnerships and joint-business planning to drive distribution and new products listing, compelling in-store presence and competitive pricing.

Building on the salon channel

The restructuring of our salon channel in Africa will be a big focus. Salon partnership programmes are key to building influence and generating demand in hair care.

Inside our Darling Professional Stylists' Academy in Nigeria

Training and capability building for frontline teams

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

In India, our in-house training academy, the 'Godrej Sales Academy', moved completely online to encourage easy access and on-the-go learning.

In other geographies too, we have leveraged online training modules for continuous skillset improvement in a tough macro environment, while also focusing on team engagement and motivation.

Ramping up e-commerce

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

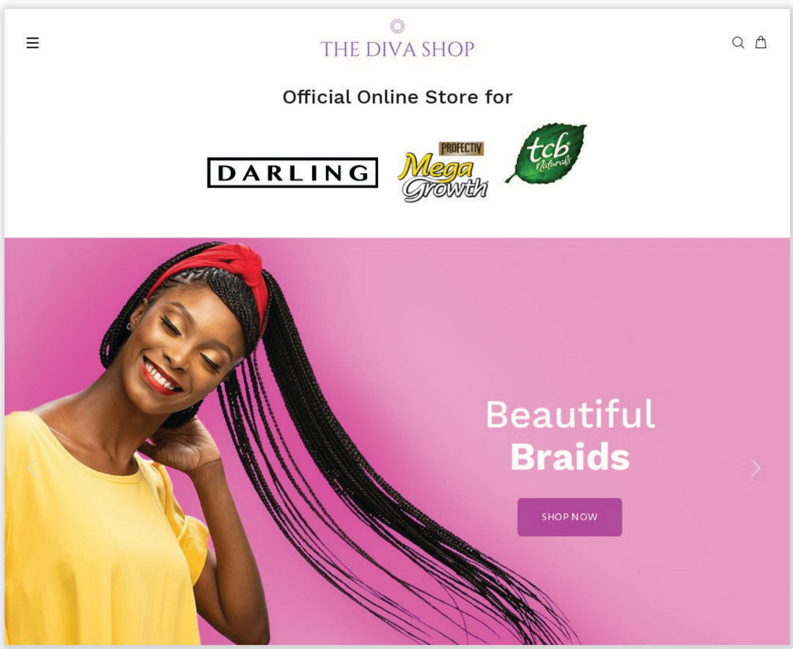
To capitalise on this, we have set up an independent e-commerce business unit in India with separate P&L accountability and fully functional capabilities across sales, marketing, innovation, supply chain, and finance. This structure will deliver the agility and consumer focus required to win in this fast-evolving space.

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

Some of our new products focused on this format have done especially well, like the HIT Anti-mosquito Racquet, Godrej aer matic, and Godrej protekt masks.

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

Our e-commerce business in Indonesia grew 4X post-COVID-19. We have significantly scaled up our efforts and investments with a focus on winning platforms backed by strong joint business partnering, big bang new product launches like Saniter, strong cataloguing and store management, investments with robust returns, and a step jump in leveraging analytics.



Our newly launched D2C channel in Nigeria

In the USA, our efforts to strengthen e-commerce fundamentals paid off with the business growing at a break-out pace to become nearly 3 per cent of our overall USA business this year.

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

This has been more than just a sales channel, with significant upsides to leverage, like the immediate availability of new products, controlled brand building, consumer data, seeding new products, ability to cross-sell/upsell, experiment with untested product bundles and price points, media attribution and efficiency assessment, and opportunities for focused consumer research.

We have set up a new e-commerce team in Latin America and are investing multiple ways to grow our presence on different digital platforms and marketplaces.

Leveraging technology and analytics

We have integrated different technology solutions across the value chain in India, starting with our salespeople on ground, through our many channel partners. Predictive analytics enables our urban salespeople to sell the right assortment in a store. We are moving our distributor billing software and handheld terminals to cloud-based servers to bring in more agility to the sales ecosystem. We have completed cloud transformation for our rural business and we plan to cover our urban business in the coming year too. We are currently exploring the usage of GPS locations to drive in-market execution of our sales team both in urban and rural markets.

Analytics is also helping us improve distributor replenishment by minimising sales losses due to stock-outs.

Our micro-marketing approach in India helps combat inefficiencies and focuses spending on targeted markets, rather than spreading it thin across larger segments. Over the past year, we leveraged these capabilities for focused rural marketing initiatives.

For example, our ‘Magic dangal’ drive, on protekt Magic hand wash in rural markets, focused on driving hand wash education, along with canter activations and D2D sampling, coupled with building mass awareness through television, print, and extensive rural retail visibility.

Given the growth trends in hair colours in rural markets, we enhanced our product reach through direct and indirect distribution. We activated largescale wholesale programmes in key states and changed our television channel mix. Mehendi has higher appeal in rural India, and so, we launched Nupur Mehendi at ₹10. Because hair colouring picks up in the festive season, and with beauty salons still not fully operational, we helped educate rural consumers on do-it-yourself beauty products through local celebrity and multiple micro-influencer partnerships.

Technology continues to play a key role in improving field-force productivity in our Indonesia business. Hand-held terminals guide and track on-ground decision-making, and analytics and dashboards help drive sharper execution. Regional distributors are connected and serviced through an online portal with simplified e-claim settlements. A trade spend optimiser tool helps drive return on in-store investments for modern trade. We will continue to integrate technology across all execution touch points. We have also built stronger visibility in e-commerce analytics on Amazon, which we are translating into action points.

In SAARC, we are leveraging potential tech partnerships and analytics to help augment our traditional trade expansion through systems like cloud-based DMS, micro targeting, SOQ, and TPM. Through this, we want to ensure that our primary aim remains to expand distribution in traditional trade in both Bangladesh and Sri Lanka and drive efficiencies as well as leverage penetrated stores by expansion.

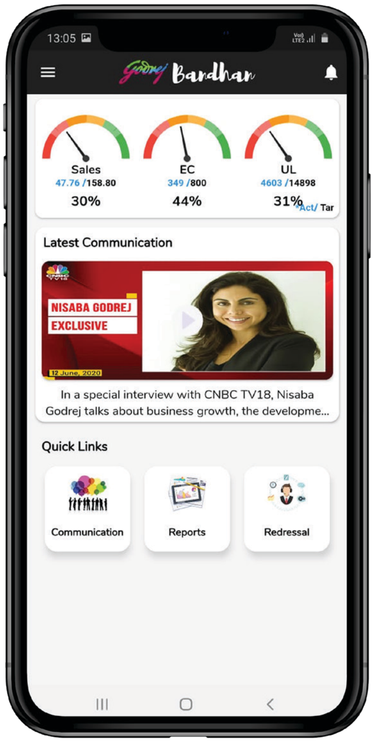
In Africa, salesforce automation has helped expand coverage and improve brand visibility across the sub-continent. Following the roll-out across the general trade and salon channels, the focus will now be on scaling up distribution, extracting efficiencies, and building accountability. We have also leveraged technology in consumer insighting, like taking consumer insights from the D2C channel in Nigeria to product bundles and price points that can work, and shifting to virtual consumer and stylist interactions to continue having a strong pulse of the on-ground trends and for agile action planning.

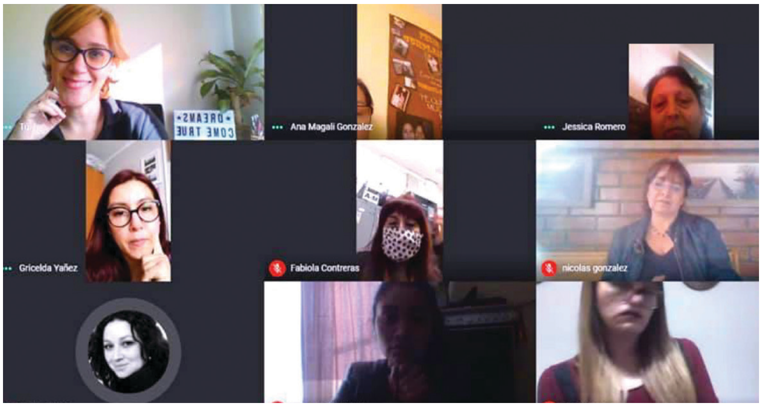
Fostering win-win partnerships

We ramped up channel partner engagement significantly over the past year, even as distribution networks broke down. One of our foremost priories was to ensure the health and safety of our partners and their networks.

In India, we introduced COVID-19 medical insurance and life insurance for our salespeople and distributor staff in extended networks, reaching 7,500 members. We have a comprehensive approach to improve return on investment for our distributors to enhance engagement.

To increase digital connect, we also introduced an industry first, an Android app called ‘Bandhan’, a one stop for all GCPL-related information, communication updates, and trainings for all our distributors.





(Top) Online hair and makeup trainings for our partners in Chile
(Left) Connecting with partners in India through our Bandhan app

Partnering with Walmart in the USA to launch our Darling hair extensions brand

Our regional distributor network in Indonesia contributes a significant share to the business. We are exploring different ways to enhance these partnerships, including leveraging technology for better efficiencies.

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

Our partnership with Walmart in the USA marked an exclusive foray into hair extensions for both Godrej and Walmart. Walmart offers a significant distribution network and unparalleled shopper footprint, and we have strong consumer understanding as the only hair extension brand in the USA with African roots and the only player with an integrated hair care portfolio. This provides a great opportunity for a lasting win-win partnership, unlocking tremendous value for the overall category while serving our consumers.

5

Making our supply chain best-in-class

Strategic Priorities

- High customer service levels through ready availability of a diverse product range
- Best-in-class value delivery to customers at optimised costs
- Freshness of products supplied to consumers

Capitals Impacted

Manufactured Capital

Financial Capital

Human Capital

Intellectual Capital

Social & Relationship Capital

Natural Capital

Risks

- Supply chain risks due to the pandemic
- Commodity inflation
- Labour-intensive product portfolios in some geographies
- Potential disruption due to political risks
- Localised competition
- Regulation non-compliance

Material Issues Impacted

- Research & Development
- Building inclusive and prosperous communities
- Occupational health and safety
- Governance and accountability

Enablers

- Shop floor employee engagement and workplace safety
- Localised manufacturing technology
- Dispersed manufacturing footprint
- Engagement with our business partners and suppliers
- Good & Green vision

Key Focus Areas

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

Key Impact Areas

- Bottom line growth
- Customer service
- Environment
- Community

Value created

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

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

We work closely with our partners and suppliers and together reach out to our wide consumer base and build **Social and Relationship Capital.** Our work impacts the environment, and we are constantly working to improve the sustainability of our process and make a positive impact on **Natural Capital.**

United Nations' Sustainable Development Goals

For more details, refer to the sustainable development goal mapping on our website

- Saved over ₹ **2.30 crore** through sustainable manufacturing
- Stock availability in India is **88%**

Supply chain strategic priorities

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

Key focus areas and initiatives

1. Customer service

Focusing on agile fulfilment initiatives to respond efficiently to changing consumer demands

2. Employee engagement and productivity improvement

Extending best practices and shop floor employee engagement globally

3. Industry 4.0

Making future-ready investments to further improve productivity

4. Sustainability of the process

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

1. Customer service

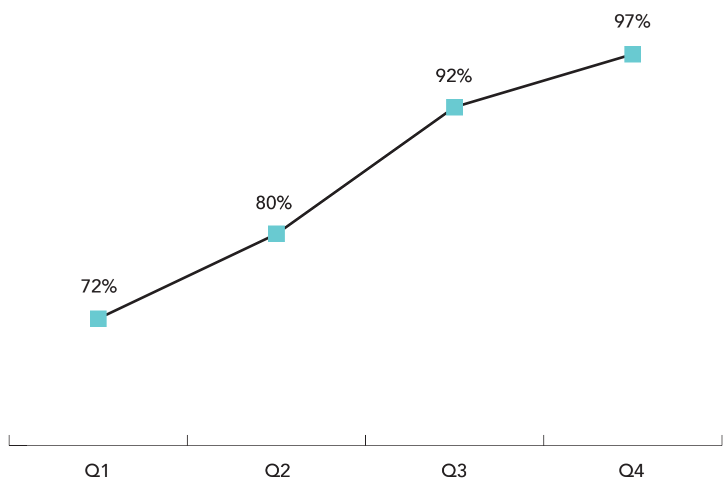
Focusing on agile fulfilment initiatives to respond efficiently to changing consumer demands

Across all our regions, our customer fill rates took a hit in this unprecedented year of operations. The first two quarters were especially affected as we experienced lockdowns across our key geographies, and several of our units could not operate at full capacity once open.

Despite challenges, we bounced back strongly by ramping up production at record speed. By the third quarter, we were clocking fill rates in line with pre-COVID-19 levels.

In India, post the third quarter, we achieved new highs on fill rates with most of our organised trade partners.

Quarter-wise improvement in fill rates in our India operations



Cumulative fill rates across geographies

Country	Fill rate of FY 20-21 (%)
India	88
Indonesia	97.20
Argentina	95.90
Chile	91.40
Kenya	96.20
South Africa	95.56
Nigeria	82.75
Ghana	89.72
Tanzania	97.10
Mozambique	97.36
USA	88.30

In line with demand patterns, we focused on improving the agility of our manufacturing capacity across geographies.

We adopted dynamic network planning to ensure we have a backup for any impacted node in the network. This helped us manage business continuity, and we had minimal disruption in the year despite challenges on ground. We managed to fast track some movements by dispatching directly and billing from plant locations.

For organised trade channels, we rolled out pilots with multiple companies who had experience in working as aggregators and reducing choking issues at customer locations. This was a win-win solution as we had a faster turnaround time and freight savings and our customers had lesser load as we gave them consolidated consignments.

We also extended support by providing direct-to-store deliveries during the start-up phase when there was a need to replenish the stores after a hiatus of lockdown. We managed to be among the fastest growing non-food FMCG companies in a few key retail chains. Our resilient fulfilment options helped us surpass our previous performance on fill rates across all chains.

2. Employee engagement and productivity improvement

Extending best practices and shop floor employee engagement globally

We have adopted best-in-class manufacturing practices such as Theory of Constraints, TPM, Lean, Kaizen, and Low-cost Automation across our global supply chain from procurement to manufacturing and shipping.

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

A. Total quality management

We drive total quality management through shop floor employee engagement initiatives across geographies. As part of this, we train all shop floor employees in TPM, Lean, Quality Circles, Task Force, and Kaizen.

Shop floor engagement strengthening employee relations through participation in sporting activities in Ghana

B. Productivity improvement

In fiscal year 2020-21, we engaged with over 16,000 shop floor team members to improve manufacturing processes, productivity per person, and employee connect and relations.

All team members are encouraged to suggest changes to improve process efficiencies. Like every year, we ran an employee suggestion scheme and got over 7,459 suggestions, 58 per cent of which were implementable. So far, we have implemented 93 per cent of the implementable suggestions, and the others are in process.

Our team members also registered 104 Kaizens for performance improvement across our Africa and Indonesia manufacturing plants. All 104 have been implemented.

Shop floor team members across Indonesia and Africa are helping solve problems related to their own jobs through quality circles, a participatory management technique. Currently, we run 32 quality circles in Indonesia, Kenya, Ghana, and Mozambique.

(Top) Total quality management training session in Indonesia
(Left) Improving teamwork through regular trainings in Kenya

Productivity improvement across locations

Country	Product	Improvement (%)
India	Godrej aer Power Pocket	3.8
	Godrej Expert Rich Crème	5
	Goodknight Fast Card	4.8
	Goodknight Refill	7
Tanzania	Braids	12.55
Uganda	Fluffy Kinky	22
	Afro Kinky	37
	Afro Baby	55
	Elite Curls	104
Kenya	Adara	42
	Afro Baby	75
	Elite Curls	33
	Spring Twist	50
Mozambique	Dry hair category	32.6
Nigeria	Natural Twist	23
	Wet Wave	22
	Kinky Straight	15
Ghana	Kinky	9.8
	Natural Twist	16.6
Indonesia	Mitu Mega 1	0.95

Our Darling hair extensions factory in Mozambique

3. Industry 4.0

Making future-ready investments to further improve productivity

In our North East Cluster, data insights from IoT in our Lokhra unit at our hair crème lines helped us identify and act on minor and medium downtime. We improved the overall equipment effectiveness (OEE) by 5 per cent compared to last year. IoT at the refill lines at our New Conso unit improved OEE by 15 per cent on line 7 and by 8 per cent on line 8. We also conducted digital twins for one of our crème factories, which facilitated changes in layout for improved efficiency, transfer of material, reduction in manpower, energy savings, and better space utilisation.

Data insights from IoT in our Baddi and Katha soap lines in our North Cluster helped reduce downtimes in wrapping, stamping, and banding and resulted in improved line synchronisation. In Katha, our average soap production rate increased by over 8 per cent from the baseline before IoT, and the soap line number 2 average production (MT/day) was up by 7 per cent. Productivity of 100 gm Cinthol improved to 40.5 MT/day from 36.4 MT/day and 50 gm Godrej No.1 soap improved to 27.8 MT/day from 25.6 MT/day.

In our Central Cluster, we implemented several IoT projects at our Malanpur Soap plant and saved over ₹ 22 lakhs. We installed IoT in LP Boiler 3 that helped in taking decisions for cleaning and control of various process parameters. IoT in the soap noodle plant 2 helped in data monitoring and analysing the specific utility consumption. IoT in one of the chilling units monitored critical parameters of the compressor and helped us take action accordingly. IoT in the RO unloading section helped in reducing steam consumption and saved ₹ 22 lakh per annum. To combat COVID-19, we installed an automatic temperature scanner that measures temperature through face detection.

In Argentina, we recently installed a flow-packing machine for an in-house core stock keeping unit that was earlier outsourced. We are also investing in a new case-packaging machine to increase in-house capacity. With these, we will be able to produce 100 per cent of volume in-house without depending on a third party.

Our Indonesia team had one of our can vendors install their manufacturing unit inside our plant premise. This increased the flexibility of operation in our largest product category. As a first step towards industry 4.0, we have started digitising manufacturing records.

4. Sustainability of the process

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

Manufacturing

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. Our performance is guided and tracked by the sustainability team at the corporate centre and driven by manufacturing cluster heads and team members at each location.

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

Ensuring judicious use of natural resources

To measure our progress against our environmental goals, we obtained 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 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.

Our process includes the following:

- Extensive meetings with multiple stakeholders to align on priorities, budgets, and expected benefits for the year
- Setting targets to help drive environmental sustainability in our manufacturing process
- Cascading an annual operating plan where sustainability targets are made part of the Key Responsibility Areas for 'Green Champions'
- An internal sustainability monitoring tool collects and analyses data, and monthly reports are generated highlighting key indicators, including the carbon footprint as per the set GHG protocol
- Identifying and circulating best practices on multiple platforms for wider adoption
- Strategic improvement planning for underperforming units

Our goals and performance - India

1. Energy

- Reduce specific energy consumption by 30%
- Increase renewable energy portfolio to 30%

Approach

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

Performance*#

- Reduced our specific energy consumption by 28.4%
- Increased renewable energy portfolio to 28.9%

2. Water

Become water positive

Approach

- Innovative water management systems and technological improvements

Performance**#

- Achieved water positivity (reduced our specific water consumption by 30.3% and conserved more water than we use in our operations through rainwater harvesting within our facilities and community watershed programme)

3. Waste

Achieve zero waste to landfill

Approach

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

Performance***#

- Reduced our specific waste to landfill by 100% (diverted 100% waste from landfill)

4. Emission

Become carbon neutral

Approach

- Adopting cleaner fuels such as biomass

Performance****#

- Reduced our specific GHG emissions by 37.4%

#Performance as of March 2021 against fiscal year 2010-11 baseline

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

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

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

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

1. Energy

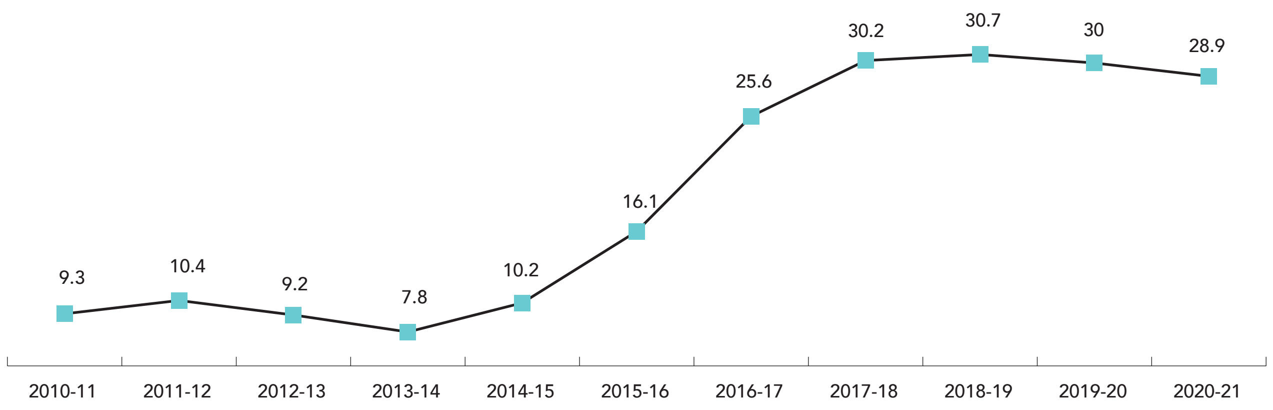
This year, our energy performance for the year was affected due to COVID-19 disruptions and intermittent start-stop operations. This also caused delays in all new energy and renewable initiatives that had been planned. Despite the challenges, we implemented 54 energy efficiency initiatives across all our locations.

Key initiatives in fiscal year 2020-21:

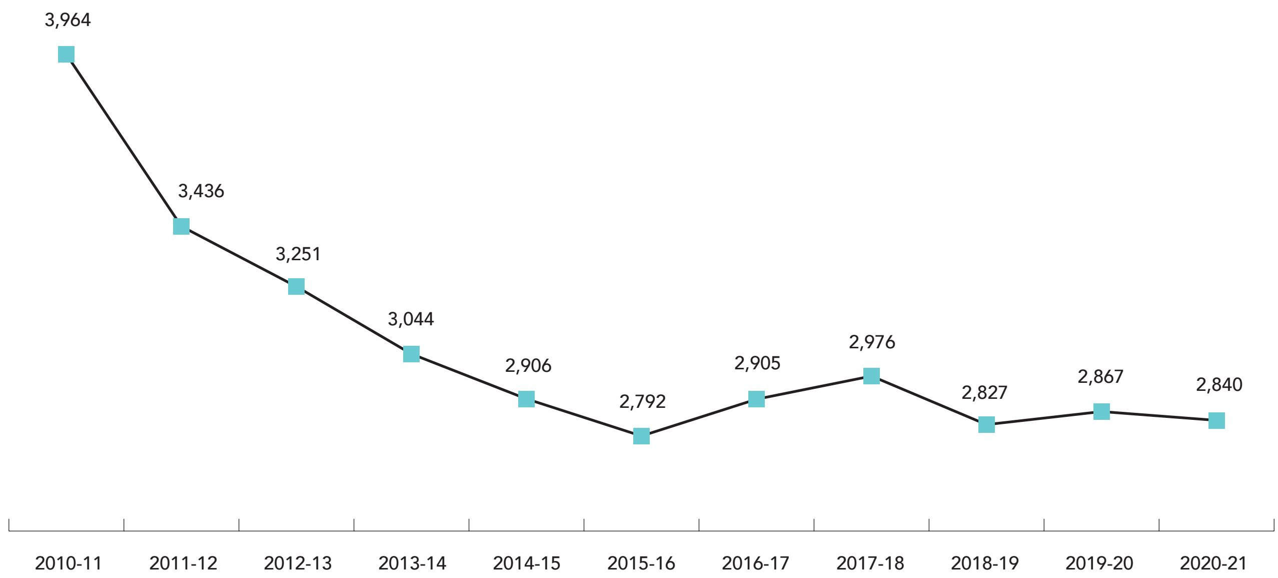
- At Malanpur, we installed energy efficient (IE3) motors and LED lighting. This has helped reduce energy consumption by 1,50,000 kWh annually. We also installed a Vapour Liquid Separator in the soap dryer that helped us save 12 MT of fuel (FO). We provided a jacketed pipe with NRV on oil tankers that helped to save 43 MT of fuel.
- In our North Cluster, we signed rooftop solar power purchase agreement for our Katha and Thana units. They will be commissioned in May 2021 and help us increase our renewable energy portfolio by 0.8 per cent.
- Our North East Cluster installed lower size nozzle for boiler at Lokhra-II plant that will help us save 19 kL of diesel.
- In our South Cluster, we signed rooftop solar power purchase agreement for our Conso unit. It will be commissioned in May 2021. We also installed a servo system for mould push and punching cylinders in the stamping machines that will help save 2,28,000 kWh of energy annually.

Though our overall performance was hit, we were able to get back on track as the year progressed, evident in the improving performance from the first to the further quarter.

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



Specific energy consumption (MJ/MT) - India

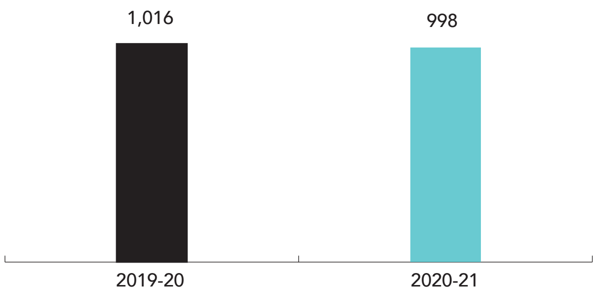


Quarter-wise improvement in energy performance

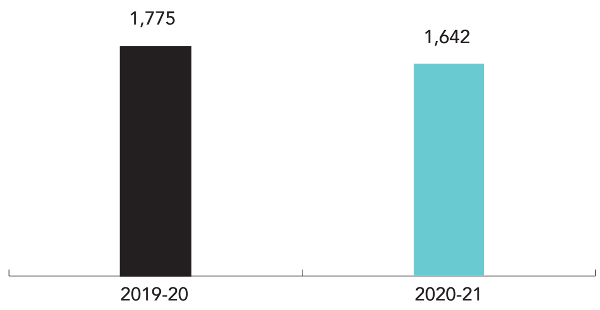
Quarter of FY 20-21	Specific energy in comparison with same quarters of FY 19-20 (%)	Renewable energy (%)
Q1	+ 6.1	27.1
Q2	- 0.7	27.8
Q3	- 5.9	29.3
Q4	- 3.8	31.0

Energy report - Global

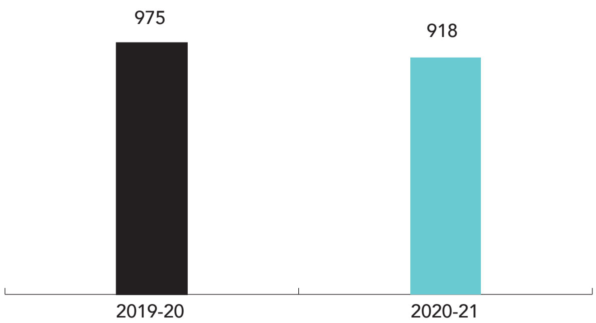
Indonesia - Specific energy consumption (MJ/MT)



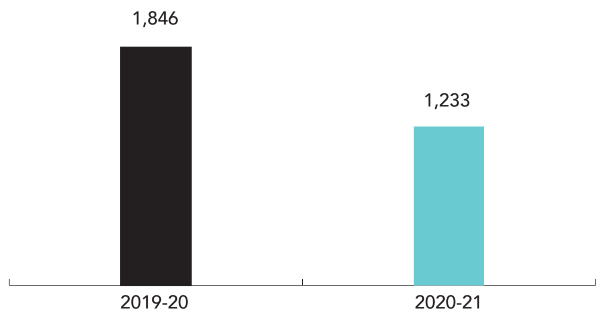
Africa - Specific energy consumption (MJ/MT)



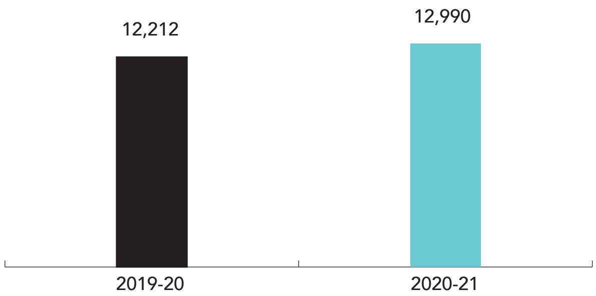
Latin America - Specific energy consumption (MJ/MT)



USA - Specific energy consumption (MJ/MT)



SAARC - Specific energy consumption (MJ/MT)



2. Water

We evaluate and implement innovative projects to reduce our specific water consumption. However, this year, our overall water consumption increased across all locations due to increased cleaning and sanitation requirements to fight COVID-19. Additionally, at a few locations, there was an increase in the manufacturing of water-intensive products such as hand wash and sanitisers.

Meanwhile, we continue to source our water from sustainable sources and have also supported integrated watershed projects to replenish groundwater levels.

Key initiatives in fiscal year 2020-21:

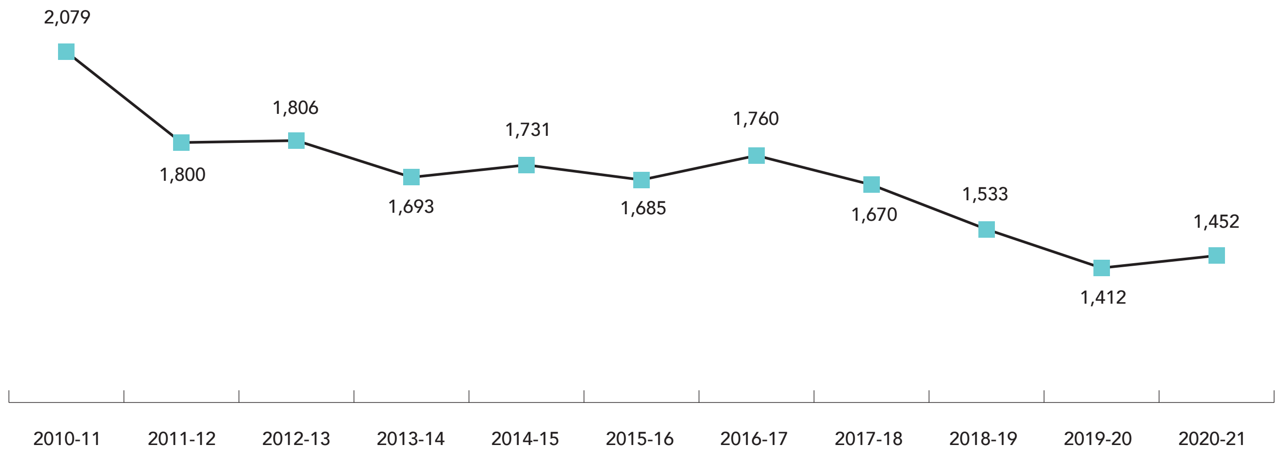
- In India, at the Kalapahar Coil unit, we have installed rainwater harvesting system to conserve 120 kL of water annually. In our North Cluster, we installed water-efficient taps and were able to save 200 kL of water annually.
- In Indonesia, we replaced normal water taps with water-efficient ones in Megasari Plant 1. Given the increased need of water for domestic sanitation, this will help use reduce water use by 20 per cent.
- In Kenya, although the water consumption for the process is very small, we implemented a 2 kLD effluent treatment plant to improve the effluent quality.

With the continuing focus on health and safety and the continuing impact of the pandemic, our water consumption is likely to be high in the next fiscal year too. However, our performance did show gradual improvement from the first to the fourth quarter.

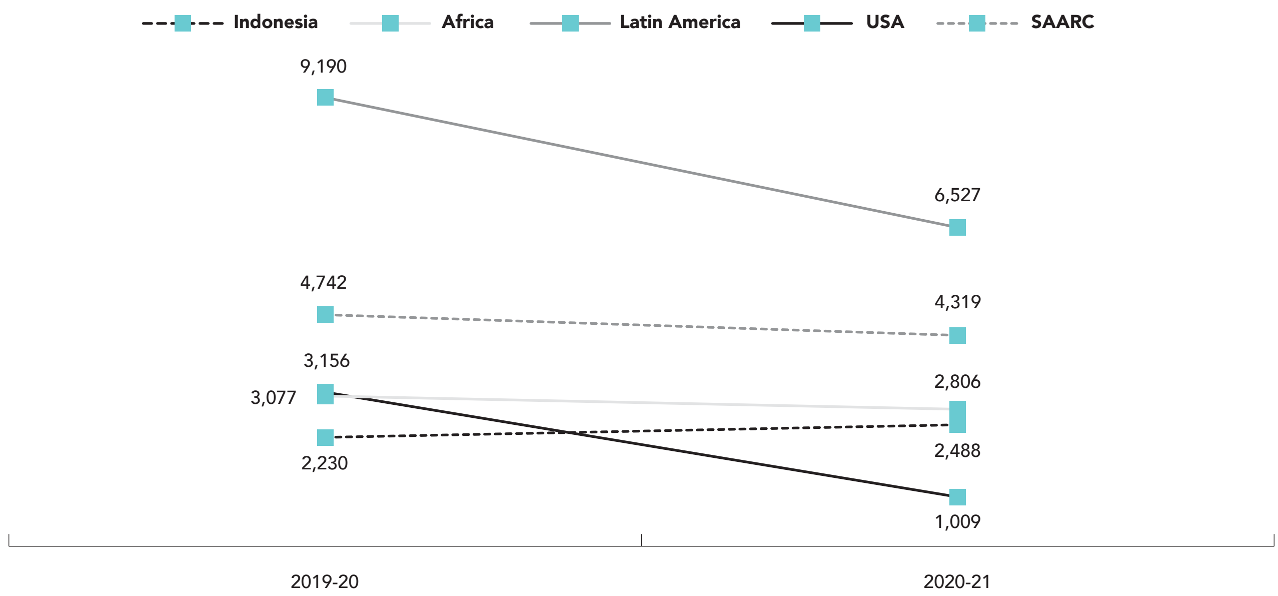
Quarter-wise improvement in water performance

Quarter of FY 20-21	Water performance for FY 20-21 in comparison with same quarters of FY 19-20 (%)
Q1 FY 20-21	+ 10.7
Q2 FY 20-21	+ 1.9
Q3 FY 20-21	- 1.7
Q4 FY 20-21	+ 2.4

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



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



3. Waste

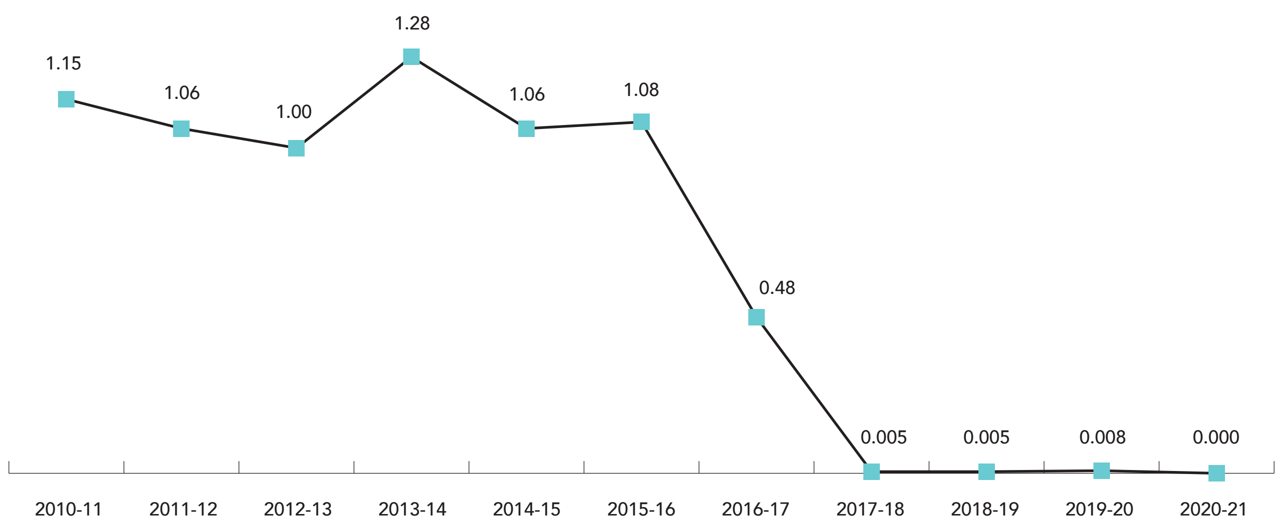
Despite this challenging year, we undertook several initiatives to reduce waste generation and divert waste from landfill. By continuing to send ETP sludge from our Malanpur plant to co-processing at a cement plant, we already achieved over 99 per cent reduction in waste to landfill, and our India operations is zero waste to landfill.

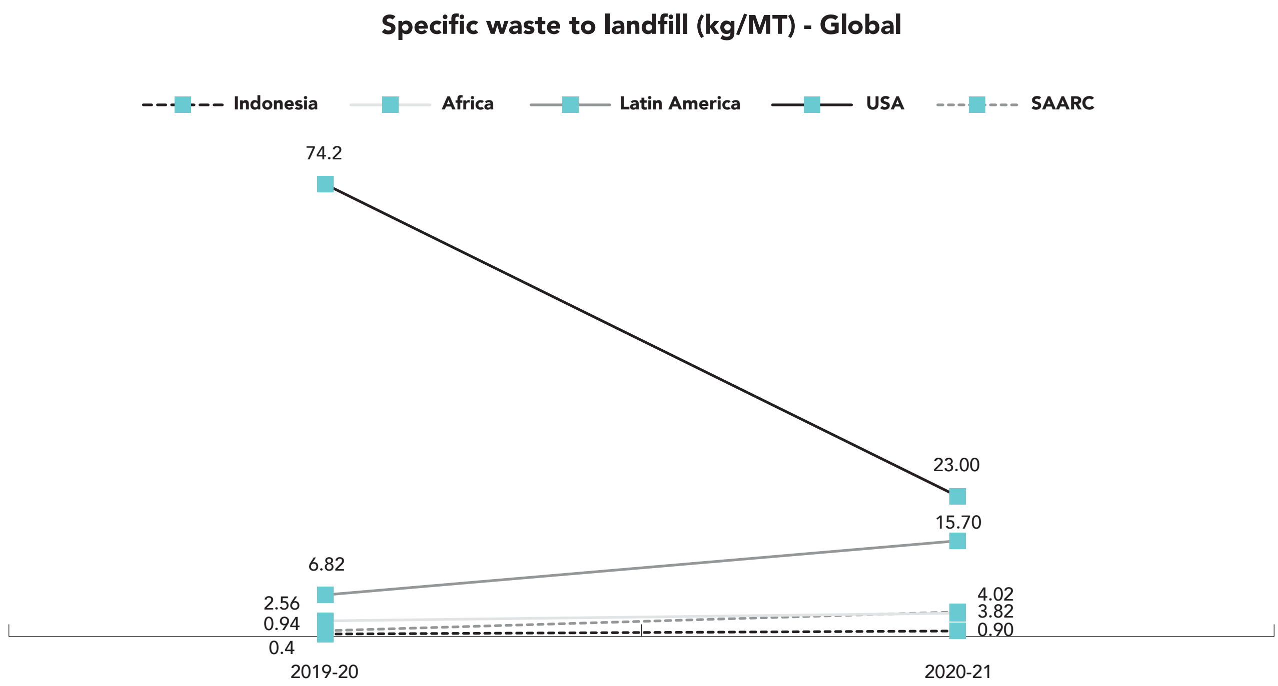
We are also on track with our extended producer responsibility (EPR) commitment. We use just over 20,000 MT of plastic packaging for our products. We are now plastic neutral, which means we take back the equivalent amount of plastic that we send out to our consumers. In addition, we also continue to invest in community solid waste management programmes.

Key initiatives in fiscal year 2020-21:

- In Chile, we implemented a waste management system that covers our entire plant and has helped us achieve complete segregation of waste, where we allocate more than 50 per cent of the waste generated to recycling. Up to 100 per cent of our hazardous waste was destroyed. We sent just over 10 per cent of the waste to landfills.
- In Kenya, we have started reusing corrugated boxes for repacking other goods. Through this, we are reusing 2.8 million cartons annually. It not only helps us in conserving material resources but also results in monetary benefits.

Specific waste to landfill (kg/MT) - India





4. Emission

All our manufacturing units have systems in place for monitoring GHG emissions and short-term reduction targets with the long-term aim of achieving carbon neutrality. Our initiatives on improving energy mix and reducing specific consumption have helped us reduce our GHG emissions. Some of these initiatives include switching to renewable biomass for boilers, increased procurement of renewable energy, flue gas heat recovery from boilers for process utilisation, and installation of energy-efficient equipment, among others.

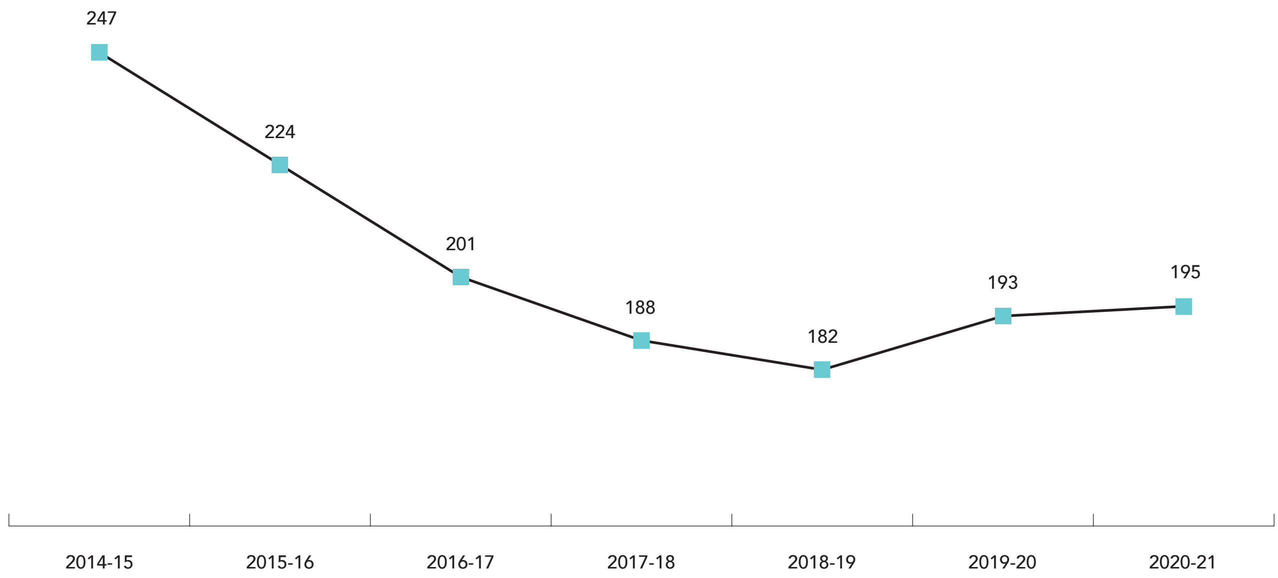
Key initiatives in fiscal year 2020-21:

- In Indonesia, we replaced LPG with natural gas in thermic fluid heaters. It will help us in mitigating 198 tCO2e per annum.

In fiscal year 2020-21, we reported a higher emission trend in India. The main reasons for this performance deviation are as follows:

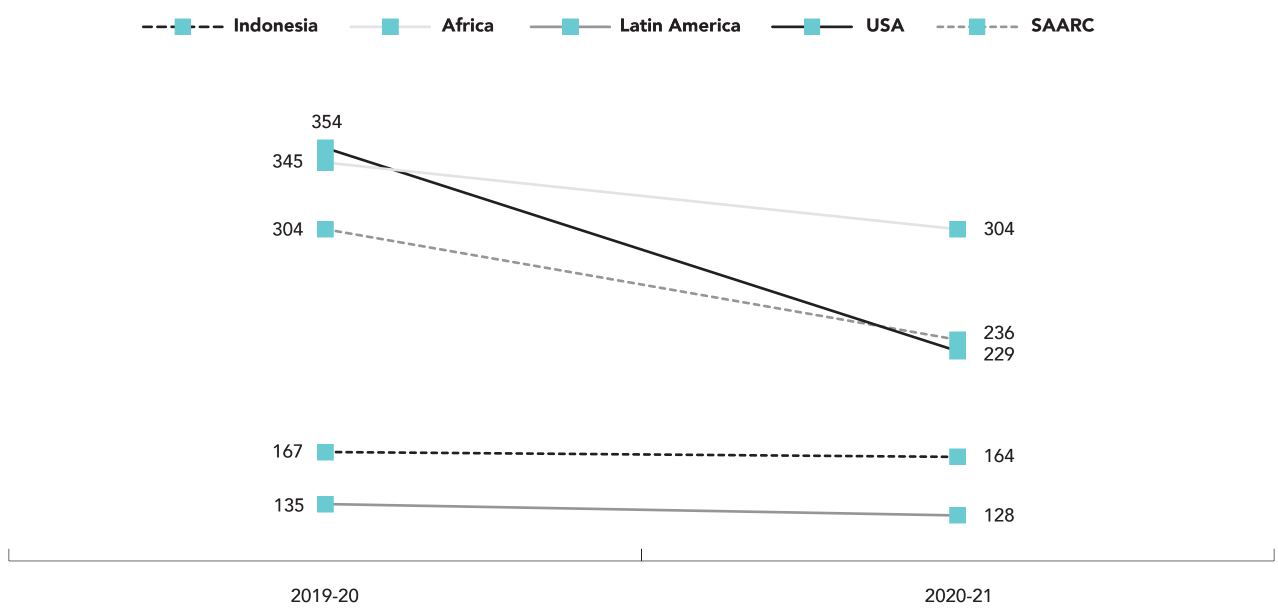
- In our flagship plant in Malanpur, the biomass briquette boiler was not available for the month of August because it was due for inspection, and the factory inspector was unable to visit due to COVID-19 travel restrictions.
- We received lower solar power units for our Malanpur plant, and this affected the renewable energy portfolio and thereby GHG emission intensity.
- Reduction in coil production at our North East and South Clusters where we use renewable fuel has affected GHG emission intensity.

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



*Represents Scopes 1 and 2 emission intensity due to fuel and electricity consumption within our operations

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



Innovating sustainable packaging

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

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

Our goals and performance

1. Reduce packaging consumption per unit of production by 20% from the base year of FY 17-18

Approach

- Process improvements and collaboration with packaging vendors to make packaging more efficient

2. Have 100% of the packaging material be recyclable, reusable, recoverable, or compostable

Approach

- Upgrade to newer technologies and innovate for alternate packaging materials

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

Approach

- Partner with vendors and start-up enterprises to enable the use of PCR plastic in place of virgin plastic

Key initiatives in fiscal year 2020-21:

As part of our goal to replace 10 per cent of all virgin plastic with PCR plastic, we ran a pilot with Goodknight coil poly bags made out of 90 per cent PCR plastic for our South Coil units. This is a first of its kind project in India on circular economy. The recycled granules used to make the poly bags are sourced from our solid waste management project in Hyderabad. We collect PCR waste as part of our EPR obligation, get it processed in a facility that was co-funded by us, and use it back in our packaging. We could successfully complete the pilot implementation after several trials and detailed assessment. We aim to replace 600 tons of virgin plastic through this initiative on full-scale implementation.

Supply chain

Since 2015, we have defined our sustainability commitment expectations for suppliers, linked to our Good & Green goals. This is detailed in the GCPL Sustainable Procurement Policy. All our key suppliers are expected to align with this, and we are committed to enabling them to get there. Existing and new suppliers are expected to conform to the expectations listed under the policy. We are committed to helping our suppliers make their operations more sustainable through the following:

- Assist in reducing specific energy and specific water consumption, waste to landfill and specific CO_2 emissions
- Encourage to identify and mitigate Environmental, Social, and Governance (ESG) concerns
- Help enhance process efficiency, reduce use of hazardous and toxic materials, and responsibly dispose toxic waste, if any
- Recommend the use of renewable sources of energy, wherever possible

As part of our supplier scoring process, we collate qualitative and quantitative data and develop a composite score based on the responses. To drive continuous adherence, we schedule self-declarations from suppliers, as well as external audits, identify category-wise targets, and share industry best practices and suggested actions.

As a part of supplier assessments in India, we have evaluated 128 suppliers so far (accounting for around 70 per cent of our procurement spends) on being quality centred, ethically driven, green inspired, and socially focused.

Due to the pandemic, we conducted only paper audits and no physical site visits. Of 128 vendors with historical scores, 120 showed 8 per cent improvement. None of the vendors showed any noncompliance on ethical policies. We flagged 3 per cent of the evaluated suppliers in the sustainability risk zone.

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

In Argentina, we are assessing over 10 exclusive vendors (accounting for close to 50 per cent of our purchases) who comprise raw material suppliers, co-packers, and local material vendors. Our onsite audit plan is on hold until COVID-19 concerns fade; however, we have made efforts to execute an online audit of our vendors and have been monitoring their issues and risks.

Last year, in Indonesia, we covered 18 of our exclusive vendors (accounting for 65 per cent of our purchases), and in Chile, we covered 13 exclusive vendors (accounting for close to 50 per cent of our purchases). Due to the pandemic, we halted our engagement on supply chain sustainability in these regions and have renewed our work on it since May 2021.

Know more about our Sustainable Procurement Policy

6

Fostering an inclusive, agile, and high-performance culture

Strategic Priority

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

Capitals Impacted

Human Capital

Intellectual Capital

Social & Relationship Capital

Risk

- Competitive market conditions and new entrants leading to attrition enablers

Material Issues Impacted

- Governance and accountability
- Occupational health and safety
- Skill development and training

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'
- Prioritising wellness and safety
- Building a culture of agility and experimentation
- Fostering a diverse and inclusive GCPL
- Enabling bespoke learning
- Leveraging digital to engage meaningfully
- Being among the best companies to work for

Value created

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

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

- Over **11,000 direct team members**
- **~36 nationalities**
- Team members in **17 countries**
- **75%** of team members **based outside India**
- **Average age** of team members (white collar) is **39.9 years**
- **25% of white collar** and **56.5% of blue collar** team members are women
- **21% women** in senior leadership roles (Vice President and above)
- Great Place to Work® Institute's (India) Best Workplaces in Manufacturing (2021)
- Won 'gold' in India's first LGBT+ work quality index by British LGBT+ advocacy group Stonewall, India's LGBT+ rights Keshav Suri Foundation and LGBT+ inclusion consultancy Pride Circle
- Great Place to Work® Institute's (India) top-ranked FMCG company to work for (2020)
- 2021 Indonesian Best Employer Brand Award for the second consecutive year
- Business World Pure: Purpose + Resilience Company Award 2020
- Consistently ranked in the top quartile of best employers in internal employee engagement survey scores
- **Workplace by Facebook** helps engage and **connect 6,373 people** across geographies

Living the 'Godrej Way'

Culture around the 'Godrej Way'

The Godrej Way, our purpose and values, is the cultural cornerstone that guides our choices and actions. Over the past year, we have recommitted to fully embrace and live our distinctive purpose and values and are exploring ways to bring this alive and build a more meaningful Godrej for all our stakeholders.

People-first approach

We believe that our strong value system, rooted in the Godrej Way, is helping us support our people better to emerge stronger from COVID-19. We adopted a people-first approach to support Godrejites working at our various global offices as well as in factories and on ground. Through this, the health and safety of our people has been a top priority, even as we ensured our business priorities remained in focus and we continued to serve our consumers and communities.

Keeping our people safe while continuing to serve our communities

Our employee value proposition

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

Your Canvas

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

Tough Love

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

Whole Self

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

Godrej Capability Factors

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

Leading Self

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

Leading Others

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

Leading Business

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

Ramping up safety measures at our offices and factories across the world

Prioritising wellness and safety

Safety

We shifted to remote work for all our office-based team members well before it was mandated by governments. This allowed us to prioritise the safety of our team members, while also doing our bit towards controlling the spread of the virus.

To help our people ease into this new working format, we introduced several safety measures across offices and factories, and for those on field.

Health and medical support

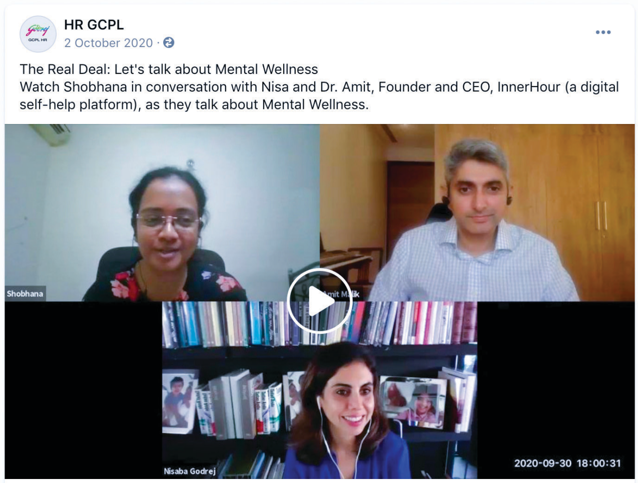
Ensuring the health and well-being of our teams is crucial. Given the categories we operate in, our business was classified an essential service and we were required to keep our manufacturing facilities operational and ensure that our products reached markets on time.

Apart from the existing hospitalisation and medical policies we have for all Godrejites, we introduced additional measures for partners in our extended networks in India. We introduced COVID-19 medical insurance and life insurance to our extended workforce, including salesmen on distributor rolls, CFAs, and drivers and computer operators. We also covered home quarantine expenses, which are not part of regular hospitalisation policies, for team members in frontline roles in manufacturing, Research & Development, and sales.

We also tied up with Apollo, a healthcare service provider, for tele consultation services in India.

Inner Hour, a mental health platform that offers personalised plans with multiple self-help resources

Watch Nisaba Godrej, our Chairperson and Managing Director, host a conversation on mental wellness



Mental wellness

Our Employee Assistance Programme offers a confidential mental wellness platform and services. We have also partnered with Inner Hour, a mental health platform that offers personalised plans with multiple resources like self-help, short daily courses, articles, activities, and access to trained therapists. We have extending the services of Inner Hour to the dependents of Godrejites, including parents, partners, siblings, and children.

We are encouraging open conversations around the importance of mental health by organising webinars with senior therapists and leadership on self-care strategies, strengthening relationships, social media and mental health, among other themes.

Striking a balance while working from home

We are deeply committed to ensuring that our team members continue to bring their 'whole selves' to work, even if it is from home. Enabling and equipping them to navigate the challenges of working from home has been key. We launched a slew of measures to support and truly trust and show respect.

Introducing meeting-free Thursdays

Some of these were as follows:

- Regulating work hours: Encouraging our teams to avoid scheduling meetings before 9 AM, between 1 PM and 2 PM, and post 7 PM
- Silent weekends: Respecting weekends and public holidays
- Meeting-free Thursdays: Rescheduling any meetings planned in the first half of the day for better focus and deep-thinking work
- 'A day to myself': A mandatory day off once a month to recharge and reset
- Leadership role modelling: Senior leadership leading from the front on these behaviour changes

Occupational health and safety

At GCPL, we are committed to building an incident-free organisation by creating a strong culture around the safety and health for all our employees and stakeholders.

In order to achieve this, we have adopted a four pillar approach towards safety.

These four pillars include:

1. People and culture
2. Safety infrastructure
3. OHS management system
4. Automation, technology, and AI

Our people are at the forefront of our company and we are very focused on ensuring that they are equipped with necessary safety know-how. We are doing this by organising hands-on trainings, and skits and safety competitions. In fiscal year 2020-21, we focused on improving safety awareness among all our employees as well as our contractual workforce. We arranged over 21,704 safety training programmes across our plants, covering over 83,000 of our team members.

Due to COVID-19, we conducted these programmes online and in small in-person focus groups, following safety protocols.

On-the-job safety trainings ensuring COVID-19 protocols

As per our commitment to bridge the identified gaps across critical safety areas, we have been investing in improving our safety infrastructure and systems. Some of the key projects in fiscal year 2020-21 were around the installation of fall protection systems, electrical system upgrades, and machine guarding and LOTO provisions.

Fall protection equipment and infrastructure at various factories

Automation and AI are new ways of working and we believe that they can help us in making our operations safer. This year, we used drones as tools to inspect the health of our boiler stacks, which helped us in reducing risks significantly.

We won eight external recognitions for safety this year, and our safety performance was also recognised by various renowned national agencies such as the National Safety Council and Confederation of Indian Industry.

Leveraging AI-powered drones to inspect boiler stack health

Key priorities	FY 19-20	FY 20-21
Number of people trained on safety (global data for employees and contractors)	73,039	83,395
Injury rate (global data)	0.35	0.51*
Disabling incidents (global data)	0	3
Number of fatalities (global data)	1	1**
First aid/medical kits (global data)	434	101
Number of LTIs (global data)	21	21
Safe man-hours	64.99 Million	50.86 Million***
Increase in near-miss reporting	18%	19.1%

*Injury rate is calculated as per IS 3786: Number of reportable accident*1,000)/average number of employees
Reason for increase in injury rate is as follows:
India and SAARC, and Indonesia and Latin America have shown a reduction of 29% in injury rate, whereas in Africa, we have seen an exponential rise due to an increase in awareness and reporting and our endeavour to build a strong safety culture.
** This year we witnessed one fatal incident at one of our sites in Africa. As a company, we have ensured mental, social, and financial help to the family of the deceased. We have conducted a detailed investigation of the incident and implemented corrective actions across all our manufacturing sites. We are also in the process of completing all preventive actions and have further strengthened our systems and process to prevent such issues in the future.
***Overall man-hours worked in FY 20-21 has reduced due to factories being shut and the shifts being curtailed during the pandemic

Building a culture of agility, ownership, and experimentation

Our unique multi-local operating model

Our international growth has been through acquisitions. Unlike traditional multi-nationals, we have a multi-local operating model centred on value-based partnering and operational autonomy at the local level. This helps sustain the agile, entrepreneurial spirit that made these companies successful while providing the benefits of strong processes and scale that Godrej brings.

Striking a balance between our global identity and the ability to appreciate the local flavour and respond to changing consumer needs is our competitive advantage.

Cluster-function ways of working

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

Fostering a diverse and inclusive GCPL

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

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

Diversity and inclusion council

We recently launched a Diversity and Inclusion Council at GCPL to anchor and drive conversations around gender and race. It comprises business leaders and senior team members who champion and drive our diversity and inclusion agenda.

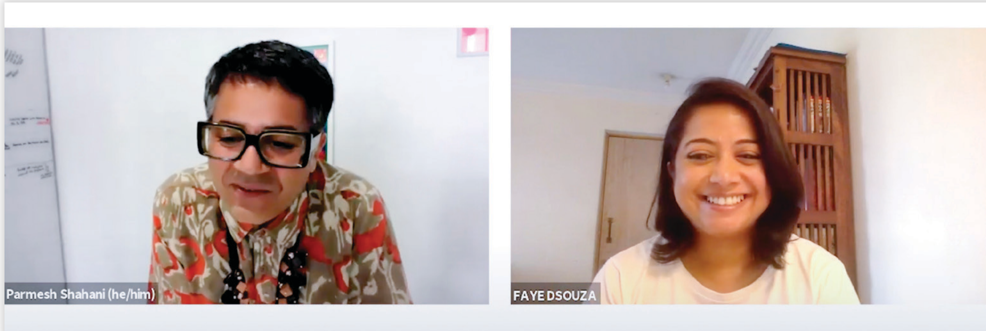
Diversity champions in Africa

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

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

Employee resource group for women in sales

We launched 'Manch', our first women-only employee resource group in India, built on peer-to-peer networking and senior leadership support. Through this, we aim to build trusted professional and personal relationships to share ideas and learn and co-create tangible solutions to challenges faced by women in sales.



Watch Parmesh Shahani in conversation with journalist Faye D'souza on Women's Day 2021

Women and leadership

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

Apart from our maternity benefits and day care facilities, we have a Caregiver Travel Policy, which enables new mothers to bring a caregiver and children up to one 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.

LGBT+ inclusion

Our well-defined Equal Opportunity Policy and a Gender-neutral Anti-harassment Policy protect the rights of our lesbian, gay, bisexual, transgender, queer, and intersex team members.

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

We are reviewing amenities and infrastructure facilities for LGBT+ team members. As a first step, we have set up two gender-neutral washrooms at our headquarters, Godrej One, in Mumbai. The Godrej Group was also one out of two Indian companies to win 'gold' in India's first LGBT+ work quality index by British LGBT+ advocacy group Stonewall, India's LGBT+ rights Keshav Suri Foundation, and LGBT+ inclusion consultancy Pride Circle.

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

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

Prevention of sexual harassment

We are committed to creating a workplace where everyone feels respected and included. We ensure that our team members are protected against sexual harassment while prioritising the redressal of all complaints in connected matters.

To build awareness, we organise compulsory prevention of sexual harassment sensitisation sessions at regular intervals and have an e-learning module available for ready reference.

Enabling bespoke learning

We believe that learning is a continuous process and happens on the job, through a combination of challenging assignments and varying roles. This year, we saw a big shift in our ways of working. The move to completely virtual environments meant that we had to shift our approach towards learning and transform its design and delivery methodologies. We used leading e-learning platforms and designed several in-house training programs around a blended-learning methodology to drive learning.

Online learning

To upskill our team members in functional and behavioural capabilities, we partnered with best-in-class online learning platforms, such as Udemy, Coursera, and EdX, and leveraged our Learning Management System to drive learning. We covered nearly 60 per cent of our people, with a steady increase of 5-10 per cent of learners every quarter.

Udemy

With a vast library of well-structured courses across various domains, Udemy was the most sought-after learning platform. Close to 1,000 unique learners signed up for several courses, around both functional and behavioural areas. In addition, we also utilised courses for our blended learning initiatives.

Coursera and EdX

We leveraged these platforms to improve the capabilities of middle and senior management team members, who actively signed up for courses offered by some of the best institutes globally. High-quality content along with regular assessments ensured that the learning retention was high. As a result, several people could develop critical capabilities in areas such as digital marketing, project management, and strategic orientation.

Harvard Business School Online

We continued our partnership with Harvard Business School Online, which offers access to Harvard's world class case study content on areas such as strategy, innovation, leadership, negotiation, business analytics, and entrepreneurship. The programmes, designed to bring the Harvard Business School Classroom to participants, follow an interactive and case-based study approach, which keeps participants highly engaged and allows them to think from the lens of a business leader. In total, 100 Godrejites signed up for courses.

My Learning Space

Our in-house learning platform has a library of approximately 500 courses on the Godrej Capability Factors. More than 2,000 courses were completed this year.

We used digital content extensively through focused campaigns. In April 2020, we launched a Lockdown Learning Challenge, which drew participation from over 300 team members. We also organised several group-focused campaigns to promote online courses. After analysing improvement areas emerging from past review data, various courses were recommended to specific groups from different functions.

Our Lockdown Learning Challenge to promote online learning

Role transition programmes

Our transition programmes followed a blended-learning approach, with learners completing a self-paced course followed by a group-based learning session. We hosted two transition programmes this year.

Discover, a transition programme for new leaders

A blended learning programme for the transition to a General Manager role, this six-month programme focused on building critical capabilities and equipping people with necessary tools to transition into their new roles.

Evolve, a transition programme for new managers

Designed to manage the transition of people to managerial roles, this programme focuses on building critical capabilities around acting strategically, leading teams, influencing, and emotional and social awareness.

Leading teams for impact

We designed and delivered this customised people management programme virtually, focused on key aspects of effective leadership. The sessions were run in six segments, each focusing on a particular skill, and leveraged a mix of technological platforms and brainstorming tools, interactive tools, and learner engagement platforms. It was hosted for people managers across different levels, covering nearly 100 managers, and customised based on the scope and complexity of each level. It received strong positive feedback with an average Net Promoter Score of 88.

Leadership development programmes

We are committed to building a strong pipeline of women leaders. We understand that women leaders face a unique set of challenges as they prepare for leadership positions, some of which include unconscious biases, scarcity of role models, and a peer group that continually shrinks the more senior they become. So, we launched 'Accel', a comprehensive leadership development programme, and created an intensive immersive learning experience for 20 high-potential women team members across geographies. It focused on building capabilities around strategic thinking, emotional intelligence, influencing, and people management. We also used different psychometric tools, such as OPQ, influencing styles inventory, and FIRO-B, to enable self-awareness and reflection.

Reframed careers

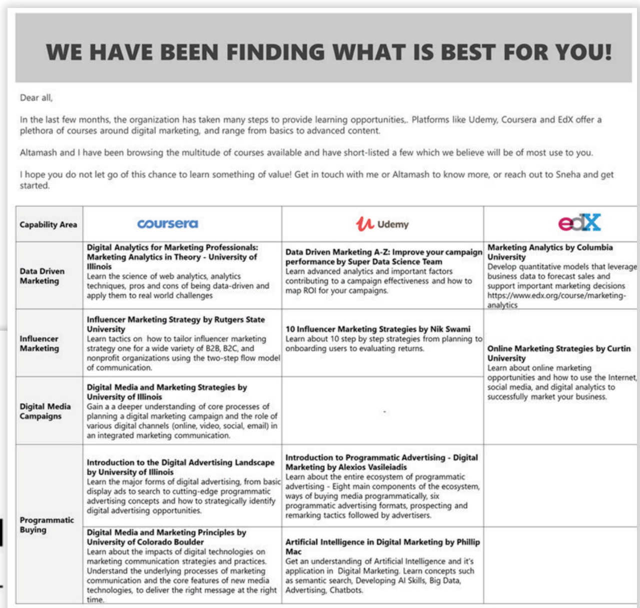
Our career philosophy draws from the key pillars of our people philosophy and focuses on providing fair growth opportunities. Based on the feedback and concerns shared around career opportunities and guidance through engagement surveys, continuous listening, and leadership connect, we identified the need to reframe careers.

As part of this, we have taken 5 key steps:

- *Outline a career credo:* List beliefs around career and growth and how they are interpreted, viewed, and leveraged to make career decisions
- *Revise process timelines:* Dissociate career dialogues from performance dialogues and give it due time and investment for both the manager and the individual
- *Shift in talent meetings:* Call for discussions between senior leaders and function, business, and HR heads before a people manager has a dialogue with an individual so that the manager is equipped with accurate information, clarity, and an aligned perspective on the individual
- *Encourage deeper reflections:* Enable deeper reflections on performance, careers and aspirations by re-designing annual self-reflection forms
- *Build capabilities:* Hold capability sessions with leaders who will facilitate the career dialogue to ensure they walk in with the requisite tools, techniques, and skills to facilitate meaningful and impactful conversations

The reframed career approach was communicated to all managers through Learning Cafés, sessions led by business and HR heads.

(Right) High-impact courses on digital marketing recommended for brand managers
(Bottom) Creative and fun campaigns to encourage people to sign up for online learning,



WE HAVE BEEN FINDING WHAT IS BEST FOR YOU!

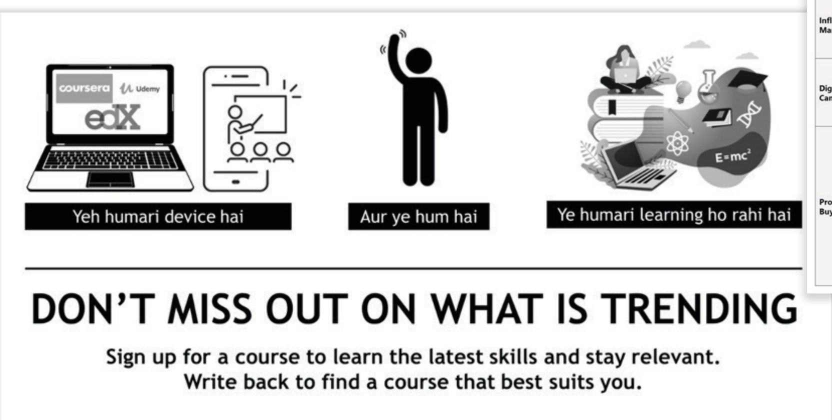
Dear all,

In the last few months, the organization has taken many steps to provide learning opportunities,. Platforms like Udemy, Coursera and EdX offer a plethora of courses around digital marketing, and range from basics to advanced content.

Altamash and I have been browsing the multitude of courses available and have short-listed a few which we believe will be of most use to you.

I hope you do not let go of this chance to learn something of value! Get in touch with me or Altamash to know more, or reach out to Sneha and get started.

Capability Area	coursera	Udemy	edX
Data Driven Marketing	**Digital Analytics for Marketing Professionals: Marketing Analytics in Theory - University of Illinois** Learn the science of web analytics, analytics techniques, pros and cons of being data-driven and apply them to real world challenges	**Data Driven Marketing A-Z: Improve your campaign performance by Super Data Science Team** Learn advanced analytics and important factors contributing to a campaign effectiveness and how to map ROI for your campaigns.	**Marketing Analytics by Columbia University** Develop quantitative models that leverage business data to forecast sales and support important marketing decisions https://www.edx.org/course/marketing-analytics
Influencer Marketing	**Influencer Marketing Strategy by Rutgers State University** Learn tactics on how to tailor influencer marketing strategy one for a wide variety of B2B, B2C, and nonprofit organizations using the two-step flow model of communication.	**10 Influencer Marketing Strategies by Nik Swami** Learn about 10 step by step strategies from planning to onboarding users to evaluating returns.	**Online Marketing Strategies by Curtin University** Learn about online marketing opportunities and how to use the Internet, social media, and digital analytics to successfully market your business.
Digital Media Campaigns	**Digital Media and Marketing Strategies by University of Illinois** Gain a a deeper understanding of core processes of planning a digital marketing campaign and the role of various digital channels (online, video, social, email) in an integrated marketing communication.		
Programmatic Buying	**Introduction to the Digital Advertising Landscape by University of Illinois** Learn the major forms of digital advertising, from basic display ads to search to cutting-edge programmatic advertising concepts and how to strategically identify digital advertising opportunities.	**Introduction to Programmatic Advertising - Digital Marketing by Alexios Vasileiadis** Learn about the entire ecosystem of programmatic advertising - Eight main components of the ecosystem, ways of buying media programmatically, six programmatic advertising formats, prospecting and remarking tactics followed by advertisers.	
	Digital Media and Marketing Principles by University of Colorado Boulder Learn about the impacts of digital technologies on marketing communication strategies and practices. Understand the underlying processes of marketing communication and the core features of new media technologies, to deliver the right message at the right time.	**Artificial Intelligence in Digital Marketing by Phillip Mac** Get an understanding of Artificial Intelligence and it's application in Digital Marketing. Learn concepts such as semantic search, Developing AI Skills, Big Data, Advertising, Chatbots.	



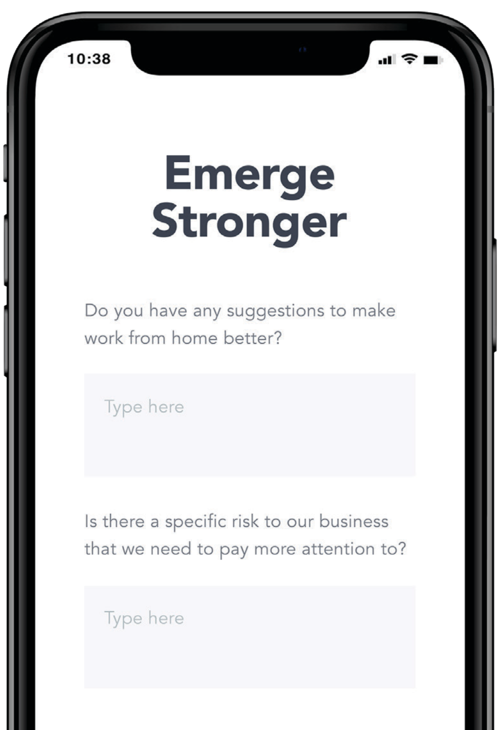
Leveraging digital to engage meaningfully

Authentic conversations

Our senior leadership team engages through different platforms, including town halls and one-on-one conversations. We are making a shift from static point-in-time conversations and surveys to a culture of continuous listening, aimed at understanding the pulse of our company in real-time for taking immediate action. These conversations have been extremely crucial in the context of navigating the COVID-19 pandemic.

Earlier this year, our Chairperson and Managing Director introduced the Emerge Stronger app as a way to tap into the collective wisdom our people and seek direct feedback, suggestions, and ideas to navigate the pandemic with agility and effectiveness. The app functions as a feedback tool primarily aimed at collecting business ideas and suggestions for improvement and business growth. It allows for specific targeting with customised questions that can be sent at predetermined frequencies. Based on emerging themes, she connects with people in small groups to discuss challenges and solutions.

We continue to leverage Amber, a chat bot, to interact with team members across geographies. Over 1,300 people were engaged as part of the first wave of interactions. Through this, we capture people's experiences at a defined frequency based on their tenure in the company. The feedback has helped us take both faster individual actions and make organisation-level changes based on emerging themes.

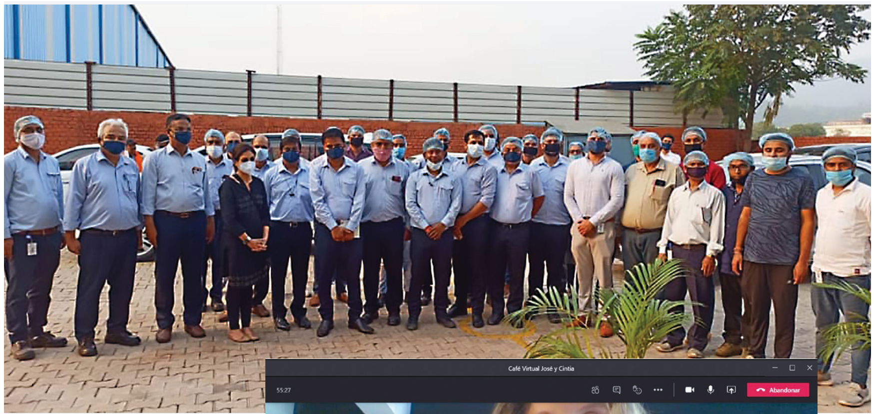


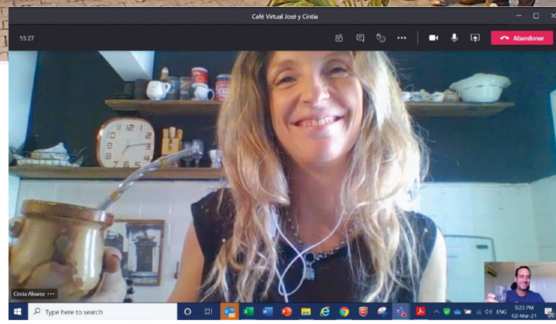
The new Emerge Stronger feedback app

Leadership connect

COVID-19 lockdowns encouraged our leadership teams to reimagine new ways to connect. In Latin America, our CEO José Toscano introduced Café Virtual, an online catch-up over coffee session with team members from across the business. Our India and SAARC CEO Sunil Kataria connected with managers each month for the first three months to understand how people were doing.

As lockdowns eased, our leadership teams gradually resumed market visits and spending time with our sales and manufacturing teams. Our on-ground teams, including our suppliers and partners, have been our true heroes through the pandemic, ensuring that we continue to serve our consumers and communities through some of the toughest lockdowns.





(Top) Nisaba Godrej, our Chairperson and Managing Director, visits sales and factory teams in India
(Bottom) Hosting Café Virtual in Latin America

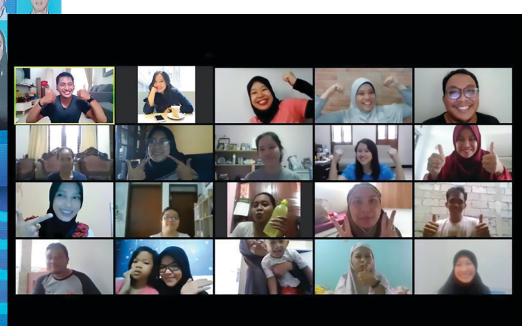
Leveraging technology to connect

Our business heads regularly engage through town halls at our offices and one-on-one conversations. This year, however, we had to completely relook at how we connect due to the global lockdowns.

We pivoted to virtual town halls to share our business performance on a quarterly basis and hosted online interactive sessions to answer questions and share feedback and ideas.

We also continued to host the Real Deal, our in-house talk show that encourages open conversations on important topics. Some of the topics we covered this year included mental wellness, working from home, and the importance of the Godrej values.

(Left) Godrej Indonesia hosts a virtual townhall
(Bottom) Introducing different online engagement platforms

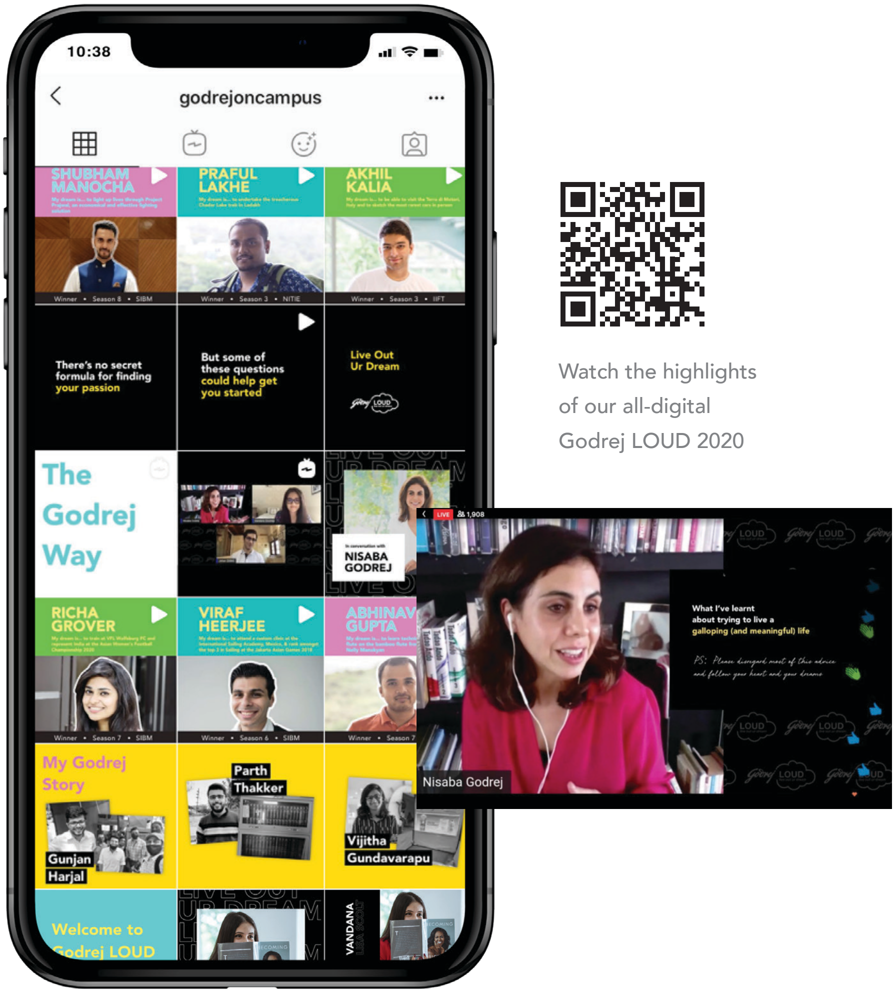


Innovative approach to recruitment

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.

This year, we adopted an all-digital format for LOUD, leveraging technology to forge deep connections with business school students. We garnered greater reach than before, engaging with 5,500 students from 17 business schools over 40 days. Given our multi-pronged platform approach, the accessibility of the conversations went much beyond participating business schools, drawing in a large, relevant audience.

Watch the highlights of our all-digital Godrej LOUD 2020



Connecting with our global teams

Workplace by Facebook is our in-house social media and engagement platform used to stay connected with our teams globally. This year, we saw 11 per cent increase in new users on the platform and 10 per cent increase in engagement rates.

Recognising and celebrating high performance

The Godrej Awards

Our annual Godrej Awards ceremony, organised across the Godrej Group, is dedicated to recognising outstanding performers. We shifted to a completely virtual format, recorded from our team members' homes across the globe on mobile devices.

Watch our virtually organised Godrej Awards 2020

The Godrej Way Awards

Organised every quarter, the Godrej Way Awards are where we recognise people for behaviours in line with our values — trust, be bold, show respect, own it, be humble, and create delight.

Challenger Club Spot Recognition

To motivate our team members in India amidst a highly challenging environment, we selected the theme 'unleash the challenger' and defined five challenger behaviours, including: (1) overcoming fear, (2) possibility thinking, (3) hyper agile execution, (4) leading from the front, and (5) thriving in beautiful constraints. This helped us set the tone for the year and ensure a clear sense of direction within teams. As part of this, we also launched the Challenger Club Spot Recognition to recognise employees displaying these challenger behaviours.

Superstar Awards

One of the most prestigious awards within GCPL, the Superstar Awards recognise the excellence of our team members across all our business functions.

Godrej Leadership Forum

At our annual Godrej Leadership Forum, leaders from across Godrej businesses come together to share perspectives and interact with global change makers across. We reimagined the standard 2-day conclave format, went all-digital, and hosted online sessions with some incredible leaders on how to build resilience and emerge stronger. Nandan Nilekani, Co-founder and Chairman of Infosys, highlighted the importance of a compelling, energising vision for the future.

Author and professor, Chinmay Tumbe, reminded us that we first made soap in the year of the Spanish flu pandemic and asked what our contribution in the year of COVID-19 would be. Sanjiv Bajaj, Chairman and Managing Director of Bajaj Finserv, discussed how crises could change the way we look at productivity and efficiency going ahead. Historian and professor, Nancy Koehn, pointed out why crises are amazing crucibles or greenhouses for leadership growth.

Watch our first-ever digital Godrej Leadership Forum

Volunteering, the socially distanced way

This year, we moved our annual Godrej Global Volunteering Day online. Not only did we go completely digital but we also made it a week-long activity that could be completed at home and while socially distancing too. Our theme was centred around sustainable living, through which we encouraged our team members across the globe to make tiny lifestyle changes that could be done from anywhere and at any time.

We offered 56 volunteering tasks and hosted them on the Aimeo App. Over 1,320 Godrejites volunteered and posted their updates on the app. On an average, our volunteers completed 28 tasks and contributed 2,400 hours to volunteering in just one week!

Watch our socially distanced Godrej Global Volunteering Week 2020

Being among the best companies to work for

Godrej Indonesia is awarded the 2021 Indonesian Best Employer Brand Award

We have been consistently recognised among the best companies to work for. We were recognised on Great Place to Work® Institute's (India) Best Workplaces in Manufacturing (2021) for creating a high-trust, high-performance culture, and we were also part of Great Place to Work® Institute's (India) top-ranked FMCG companies for building a purposeful and agile workplace for our people. Our Godrej Indonesia business was awarded the 2021 Indonesian Best Employer Brand Award by the Employer Branding Institute, World HRD Congress for the second consecutive year.

In addition, we were also awarded the 'Business World Pure: Purpose + Resilience Company Award 2020, for bringing alive our purpose and showing resilience in a challenging year.

Godrej InTune, our engagement survey, hosted in partnership with Willis Towers Watson, measures engagement levels and seeks feedback from across teams and geographies against identified parameters. We use the insights generated to co-create targeted interventions with specific teams.

Human rights in the workplace

GCPL is committed to uplifting human rights as part of our vision to help build a more equitable, inclusive and greener world. Our respect for and commitment to human rights is central to our values. We believe our main human rights responsibilities are to our employees, the communities where we operate, suppliers and business partners, and customers and consumers. Our commitment to human rights is reflected in our Human Rights Policy, Sustainable Procurement Policy, Policy on Prevention of Sexual Harassment at the Workplace, and Code of Conduct for Employees, Senior Management, and Directors.

The Human Rights Policy was adopted in 2017 and since then we have focused on the following aspects:

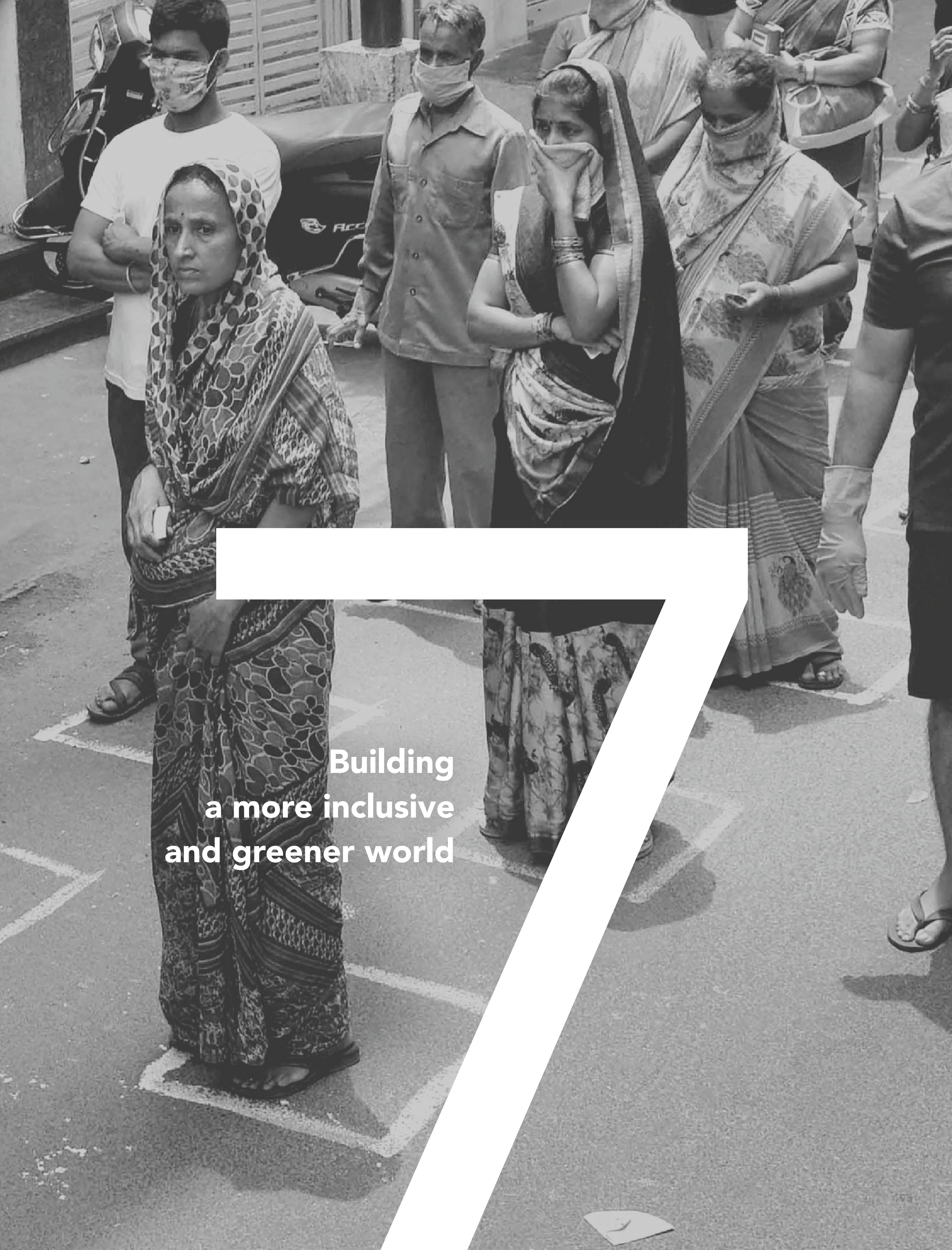
- All new recruits certify that they understand and accept the GCPL Code of Conduct, which includes our human rights commitment
- Conducted a self-assessment across our plants and locations in India to ensure compliance with the policy
- Our Sustainable Supply Chain Policy focuses on responsible conduct with all stakeholders, employee health and safety, local community development, business integrity and ethics, and human rights. In India, we have conducted third-party audits comprising 128 suppliers so far (accounting for around 70 per cent of our procurement spends). None of the suppliers were non-compliant.

Going forward, we aim to work on some of our salient human rights with the support of our stakeholders. In 2021, we are committed to:

1. Identifying our salient human rights issues across our businesses and geographies through stakeholder engagements
2. Carrying out self-assessments to identify to identify and resolve critical issues
3. Articulating our ambition to work on select salient aspects with our team members by 2025 and creating an action plan to help us achieve the stated ambition

Visit our website to view our Codes and Policies


RICE



7

Building a more inclusive and greener world

Strategic Priority

Building an inclusive and greener world

Capitals Impacted

Intellectual Capital

Manufactured Capital

Human Capital

Natural Capital

Social & Relationship Capital

Risks

- Disruptions due to outbreaks of infectious diseases
- Regulatory non-compliance
- Loss of social licence to operate
- Community unrest

Material Issues Impacted

- Building inclusive and prosperous communities
- Sustainable packaging
- Research & Development

Enablers

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

Key Focus Areas

- Providing COVID-19 relief and recovery solutions to protect lives and livelihoods
- Ensuring judicious use of natural resources
- Innovating sustainable packaging
- Enhancing employability of beauty professionals
- Protecting people from vector-borne diseases
- Enabling sustainable communities
- Fostering volunteerism

Value created

We channelled most of our resources to address the urgent need for relief at the start of the pandemic between March and September 2020. We took on the responsibility of providing food and hygiene essentials to communities around our operations across the world. This directly impacted our **Social and Relationship Capital.**

Meanwhile, we continue to remain committed to innovating, exploring new technologies, and improving our processes to become more sustainable through enhanced **Manufactured Capital** and **Intellectual Capital.**

After September 2020, we continued to focus on and invest in social programmes that align with our goals. We continue to leverage our **Human Capital** through volunteering efforts to maximise **Natural Capital** and **Social and Relationship Capital.**

United Nations' Sustainable Development Goals

For more details, refer to the sustainable development goal mapping on our website

Godrej Trusts

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

Environment

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

Education

The Godrej Udayachal pre-primary and primary schools focus on 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. In 2020, the movement covered 260 schools, with over 900 fellows impacting over 32,000 children. Teach For India has a strong network of over 3,400 alumni serving over 33 million children. A recent study also revealed that the alumni community has founded over 150 organisations.

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 mangrove forests around our headquarters Godrej One in Mumbai

Good & Green

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

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

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

In fiscal year 2020-21, we recognised the urgent need for philanthropic and corporate support to ensure immediate COVID-19 relief for our communities. We pivoted our initiatives to consider this, supporting a wide range of programmes with the government and local municipal bodies, civil society organisations, and citizen initiatives to reach the most vulnerable communities in our ecosystem. We also invested in medium- to long-term recovery initiatives.

Know more about our CSR Policy

Our key focus areas and corresponding initiatives

Providing COVID-19 relief and recovery to protect lives and livelihoods

- Supporting the most vulnerable people in our ecosystem
- Strengthening public healthcare
- Supporting government efforts
- Conducting product donations
- Enabling economic relief and supporting livelihood recovery

Ensuring judicious use of natural resources

- Green projects to conserve energy, water, and materials and provide environmental sustainability at our manufacturing plants
- Sustainable supply chain initiatives
- Product sustainability through life cycle assessment (LCA)
- Extended producer responsibility compliance and exploring circular economy
- Innovation of sustainable packaging

Enhancing employability of beauty professionals

Enabling economic empowerment and building resilience among micro and nano beauty entrepreneurs

Protecting people from vector-borne diseases

Project Elimination of Mosquito Borne Endemic Diseases (EMBED) to support the government's initiatives to eradicate insect-borne diseases

Enabling sustainable communities

Implementing a range of environmental sustainability and community development initiatives

Fostering volunteerism

Initiatives to get our team members to connect more meaningfully with our communities

I. Providing COVID-19 relief and recovery solutions to protect lives and livelihoods

The impact of COVID-19 has not only been felt in terms of a public health crisis of unprecedented proportions but also as a long-term economic disaster impacting the lives and livelihoods of billions of people worldwide. In emerging markets where GCPL operates, this is further complicated by pre-existing inequalities.

The Godrej Group was one of the first companies in India to respond to the crises in terms of a plan of action for our own people and business, as well for our communities and country. In addition, we began to plan for a similar response across all our international locations as well.

Our initial response had two phases:

Phase I	Phase II
Immediate relief (March-September 2020)	***Mid to long-term recovery*** (October 2020 onwards)

Phase I

When the pandemic began, the safety and well-being of our team members was our top priority. While our office staff continues to work from home, our manufacturing facilities serve our consumers by manufacturing and delivering essential products such as soaps, hand wash, sanitisers, and household insecticides.

We follow strict protocols of social distancing, sanitation, and hygiene across all our sites and offices. At the same time, we also ensure our upstream and downstream transport teams and sales and distribution teams use the necessary safety kits and follow standard protocols to keep themselves safe. Beyond our business operations, we have reached out to vulnerable communities across our ecosystem.

Donating food supplies among local communities in India

Key initiatives:

- **Providing relief to the worst affected populations**
  - In India, we provided food supplies and safety kits to over 1,37,000 migrant labourers and urban poor through our NGO partners. Our partners also helped in unlocking funds from government relief packages for vulnerable members in our ecosystem.
  - In Indonesia, we distributed food kits to impacted families and nursing and disability homes.
  - In Zambia, our team provided over 700 face masks to students and staff of a local primary school.
  - In Ghana, our team organised a voluntary fundraiser through which they were able to provide food packages for 100 widows and aged people and to community and contract workers.

(Left) Distributing face masks at a school in Zambia

(Bottom) Supporting local communities in Indonesia

We donated 38 ICU beds to a hospital in Guwahati

- **Strengthening public healthcare**
  - In India, we supported the public healthcare system in Mumbai, Maharashtra, and Guwahati, Assam, by donating medical equipment (beds, ventilators, ICU equipment, testing kits, and mobile testing auto rickshaws, among other support) worth ₹2.36 crore.

- **Conducting product donations**
  - In India, we donated 21,69,975 units of sanitation products in response to requests from local authorities, hospitals, and NGOs for frontline workers and communities.
  - In Nepal, we distributed 3,820 Godrej No. 1 soaps, 2,750 Goodknight coils, and 820 Magic hand wash bottles among vulnerable communities, 44 hospitals, 47 police stations, and various other government offices.
  - In Argentina, we distributed 10,000 sanitisers and liquid hand washes to NGOs.
  - In the USA, we distributed 1,50,000 sanitisers to 100 charities.
  - In Indonesia, we donated products among local communities and 74 hospitals.
  - In Kenya, we provided 504 Lavik hand washes (252 litres), 5 Lavik disinfectants (40 litres), and 1,000 face masks to the Mlolongo Primary School for over 1,500 children and 30 staff members.

(Top) Donating face masks to support national relief efforts in South Africa
(Bottom) Donating our products like soap, mosquito coils, and hand wash in Nepal

- **Supporting government efforts**
  - In India, our team members contributed to the PM Cares Fund, and we matched their contribution. We also provided safety kits to frontline and health workers.
  - In South Africa, our team members contributed towards national relief efforts. Our team also donated face masks to the government.
  - In Uganda, we donated ₹40 lakh to the government to support their efforts.
  - In Kenya, our team raised money in support of local communities and government efforts.
  - In Mozambique, our team raised funds in support of local government efforts. They also manufactured masks and donated one disinfectant tunnel to the government.

- **Protecting people in our ecosystem**
  - In India, we provided safety kits to over 46,120 people, including contract workers, GCPL transporters, field sales personnel, and Godrej Professional salonists. We also made direct cash transfers to 250 market research agents to help meet the basic needs of their families.
  - In Nigeria, our team made voluntary contributions that helped provide cash support to 500 out-of-work hair stylists.
  - In Kenya, we supported salons by providing 1,00,000 re-usable masks, 20,000 litres of disinfectants, 10,000 litres of liquid hand wash, and 3,000 face shields and conducting weekly disinfection drives.
  - In Tanzania, we distributed sanitisers to 60 local customers.

Phase II

National and state governments have announced relief packages for those who have been hit the hardest, and we are working with our non-profit partners to unlock these funds through government schemes for our Beautypreneurs. We helped unlock ₹2.5 lakh in government schemes for 171 Beautypreneurs.

Post-lockdown, we have also started providing need-based livelihood support such as returnable grants, insurance cover against COVID-19-related medical expenses, training on business recovery post lockdown, and incubating nano and micro entrepreneurs in key geographies.

In Kolkata and Guwahati, we are providing livelihood recovery training and support to 5,000 street vendors — one of the most vulnerable and at-risk occupation groups within the informal sector workers. We are training them on health, hygiene, safe product handling, proper waste disposal, business and financial literacy, and digital payment methods. We are also building awareness on various social entitlements and social protection schemes available to them.

In Thane and Palghar, we are working to establish micro enterprises in rural areas, which will positively impact over 600 people and help them in setting up market platforms. The project has a special focus on enterprises led by women and returned migrant workers. It is developing entrepreneurship and enterprises in farm produce value addition, aggregation, and trading. We are also creating marketplaces for rural entrepreneurs by setting up farmer markets. These pop-up marketplaces will help connect buyers (from urban India) and sellers (from rural India), leading to responsible consumption and production.

In Mumbai, we are supporting 250 women to access livelihood options through a network of 50 community childcare centres, providing safe and affordable childcare services. The project will help women establish, rebuild, and renew the centres by diversifying and exploring related business opportunities. It will also link women to government welfare schemes for availing entitlements and to skill partners for gaining livelihood opportunities.

In Malanpur, we are setting up an entitlement facilitation centre to ensure people get access to and avail their basic entitlements of various state and central government welfare schemes. The project is identifying individuals, capacitating and training them, and handholding them to avail entitlements.

In Baddi, Jammu, Pune, and Lucknow, we are working with 750 out-of-work adults and 350 adolescents who are dropping out of school. We are supporting the out-of-work adults to get formal and semi-formal jobs and handholding them to set up micro enterprises. With adolescents, we are identifying dropouts, providing learning opportunities, enhancing their life-skills, and building their resilience.

II. Ensuring judicious use of natural resources

As part of our Good & Green vision, we have established five environmental sustainability goals to be achieved by fiscal year 2020-21. Our data calculations are performed for all locations where we have 100 per cent operational control. 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.

At a product level, we have started monitoring green parameters for 12 products and are working on LCAs for three of our products. Our teams are working on implementing the opportunities identified in these LCA reports.

We have also extended our ESG parameters to our supply chain and are working closely with around 130 of our suppliers (covering 70 per cent of our procurement spends) on improving their sustainability performance.

For more information on initiatives, please refer to the following:

Making our supply chain best-in-class > Sustainability of the process

Our goals and performance

1. Energy

- Reduce specific energy consumption by 30%
- Increase renewable energy portfolio to 30%

Approach

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

Performance[*#]

- Reduced our specific energy consumption by 28.4%
- Increased renewable energy portfolio to 28.9%

2. Water

Become water positive

Approach

- Innovative water management systems and technological improvements

Performance[*##]

- Reduced our specific water consumption by 30.3%

3. Waste

Achieve zero waste to landfill

Approach

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

Performance[*###]

- Reduced our specific waste to landfill by 100% (diverted 100% waste from landfill)

4. Emission

Become carbon neutral

Approach

- Adopting cleaner fuels such as biomass

Performance[*####]

- Reduced our specific GHG emissions by 37.4%

[*]Performance as on March 2021 against fiscal year 2010-11 baseline

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

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

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

[####]Emissions are tracked for Scopes 1 and 2 and calculated by specific GHG emissions per tonne of production

III. Enhancing employability for beauty professionals

Our livelihood programmes focus on economic empowerment and are a part of our CSR initiatives. They are guided by our Good & Green vision and our CSR Policy and are reported under Schedule VII, Section 135 of the Companies Act, 2013 in the Directors' Report. We follow a shared value approach that addresses critical economic needs of marginalised and underprivileged sections of society by leveraging our expertise.

Salon-i and Beautypreneur in India

Salon-i and Beautypreneur are our flagship programmes that train and work with women in the beauty industry.

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 skillsets and circumstances. Though 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, and empowerment of women. Since fiscal year 2012-13, we have trained over 2,84,000 women. This includes the young women trained by our Beautypreneurs.

A third-party impact assessment of Salon-i showed a threefold increase in our trainees participating in paid work — from 14 per cent to 45 per cent, of which 78 per cent were first-time entrants in the workforce.

As an extension of Salon-i, we reached out to women micro entrepreneurs in the beauty and wellness sector in various parts of the country and set up the Beautypreneur platform. Beautypreneur aims at incubating beauty and wellness entrepreneurship in women, thereby enabling them to start training other girls. This is in addition to their regular salon business, which helps them expand their enterprise. Since fiscal year 2016-17, we have supported over 4,210 women entrepreneurs.

A third-party Social Return on Investment study of the Beautypreneur programme showed an overall social return of ₹ 6.46 on the programme for every ₹ 1 invested. Beautypreneurs reported a 50 per cent increase in their revenue after training, achieved with a mix of lower expenses and higher sales of their services.

COVID-19 impact

The beauty and wellness industry has been badly hit during the pandemic. As per the Ministry of Micro, Small and Medium Enterprises, the sector has suffered over 70 lakh job losses during the lockdown. Healthcare concerns over the very nature of beauty operations have kept customers away from accessing beauty and wellness services.

Over two-thirds of the jobs in the sector are held by women and young girls from low-income groups. Moreover, a McKinsey study revealed that female job loss rates owing to COVID-19 are about 1.8 times higher than male job loss rates globally.

Our partner, Samhita Social Ventures, in its study revealed that income of small beauty parlours led by women is down by 50 per cent, even six months after lockdown. These micro businesses are dependent on daily cash inflow to run their business. Moreover, their savings were exhausted during the lockdown and many even reported that their spouses are out of jobs, leaving them cash crunched.

Providing personal safety kits to Beautypreneurs

COVID-19 pivot

We used the lockdown as an opportunity to refresh the domain skills of our Beautypreneurs. Our Godrej Professional hair team also volunteered to host advanced training sessions to further help them. We communicated extensively on health and hygiene awareness, providing them with personal safety kits and sharing guidelines that need to be followed as salons reopen. We are also helping them explore ways they can diversify their income through homemade beauty products and wellness solutions.

As lockdown measures eased, we tied up with Samhita's Revive initiative — a returnable grant model that provides access to timely grants and technical assistance to people and small businesses. We supported 440 Beautypreneurs by rolling out interest-free returnable grants to them. In addition, 46 per cent of the women are borrowing for the first time, and hence, we have issued small loans of ₹ 5,000 and ₹ 10,000 to be repaid in 12 months.

The loans are used to buy safety equipment and salon consumables and, in some cases, to diversify into a new income stream such as tailoring or catering. Through this process, the women have also learned important digital and financial skills. The returnable grants have approximately 96 per cent return rate. The repaid amount will be used to fund other deserving Beautypreneurs and later for reskilling programmes to help increase their incomes.

During fiscal year 2020-21, we did not train any new young girls as part of Salon-i. We ran a small pilot in the third quarter to train 40 barbers in Gujarat and Rajasthan and will expand on it in the next year.

In December, our Innovation and Sustainability teams came together to build a community panel in Mumbai. Together, we worked with Salon-i alumni to train Beautypreneurs and upskill them to become research facilitators and bring community insights and a fresh neutral perspective. We have now successfully established two consumer panels at Dharavi and Virar. The panels help us engage with and access their communities and give us an opportunity to understand their specific behaviours towards life in general and health and hygiene habits in particular.

Given the negative impact of the pandemic on lives and livelihoods, we have been able to support these cash crunched individuals and their communities with an alternate source of income. Beautypreneurs working with us were able to earn approximately ₹ 15,000 each since the start of our project in December 2020. We are looking at expanding this initiative to other parts of the country to not only enrich communities but also enhance our proprietary insights that tie back to our shared value approach.

Training programmes in Africa

Kenya

The Wezesha Kenya Youth Empowerment Programme is a way of providing support to young mothers and girls from poor backgrounds who dropped out of school with no formal skills or stable income sources. The programme aims at youth empowerment through employability to tackle poverty.

As part of the initiative, we run a programme on hair dressing and beauty therapy. Along with core domain skills, we provide soft skills, entrepreneurial skills, financial literacy, and basic business skills as part of the training. We also provide post-training support and handhold them as they start out on their own. We run training for young women at 34 vocational training centres in Kenya, of which 30 centres are run in partnership with local county polytechnics. We have trained over 4,200 women in the past five years.

In fiscal year 2020-21, we scaled down the programme and organised refresher training of the trainers in September after COVID-19 lockdown restrictions eased. We also completed online training of 479 trainees to help them complete the course and start working at a job or build their own salon.

Ghana

COVID-19 lockdown measures in Ghana disrupted employment opportunities for young people and triggered labour shortage for our manufacturing plants. To find a solution that bridges both these problems, our team reached out to United Nations Habitat, a multi-lateral agency, who connected us with the NGO Federation of Urban Poor that works with people from 278 communities, primarily working in Ghana's informal sector. We partnered with the NGO to mobilise workers for the plant and build work sheds in densely populated areas to manufacture dry hair.

We set up a new manufacturing facility in Tema, Accra, to scale up our production after lockdown and the NGO helped mobilise over 200 workers from the local slums in the first week itself. The facility now operates with over 450 workers and is ramping up operations.

Going forward, to minimise the local commute costs and keeping in mind the health the safety of the workers, the project will build work sheds in densely populated urban areas where we will provide raw material, manufacturing equipment, and offer quality supervision. This will ensure higher pay out to workers, while enabling us to meet production targets.

Nigeria

In November, we launched Darling Nigeria's Professional Stylists' Academy in partnership with MegaGrowth and Make Me Beauty Salon. This joint effort has helped in setting up a state-of-the-art academy for passionate and talented Nigerian stylists who want to advance their careers in the hair industry but do not have the means or resources for formal training. The academy offers a robust curriculum with training in the areas of hair, hair styling, hair trends, product knowledge, entrepreneurship development, and personal development. We are working with 40 stylists and helping them get better at hair styling skills.

The Darling Professional Stylists' Academy in Nigeria

IV. Protecting people from vector-borne diseases

Overview

Project EMBED started in 2015 in Madhya Pradesh in partnership with the Ministry of Health & Family Welfare's National Vector Borne Disease Control Programme (NVBDCP). This year, we extended our initiative to Uttar Pradesh and Chhattisgarh. We have also started an urban dengue and chikungunya project in four cities under the Integrated Vector Management project with the NVBDCP. Despite challenges, our programme covered 824 villages, and we have met all our coverage targets for the year.

We collaborate with NGOs and state governments to run intensive behaviour change programmes in regions with a high annual parasite index, where malaria transmission risks are the highest. We work in each village for two years, spreading awareness among households and people at the bottom of the pyramid and vulnerable and marginalised groups in tribal, hilly, and hard-to-reach areas.

COVID-19 pivot

At the peak of COVID-19 in the first quarter of the year, the risk of malaria outbreak was looming large in India as the monsoon season was about to set in. While healthcare systems were grappling with COVID-19 cases, there was a dire need to keep a check on malaria outbreaks and double down on precautions.

Our pre-season preparedness and awareness activities started as early as April 2020 during the initial lockdown. At the same time, we also extended our support to local health departments to spread awareness on COVID-19. We provided support to local health workers, relaying information back to primary or community health centres and following up of at-risk, suspected, and quarantined persons.

A big challenge is that fever is a common symptom of both malaria and COVID-19. Testing for malaria has taken a back seat due to the pandemic. Our programme played a vital role in ensuring people are aware, take precautions, and seek medical support at the right time.

Impact

- By the end of fiscal year 2020-21, 24 per cent of 824 villages became malaria free.
- We started EMBED interventions in 400 new villages; however, we continue to see cases appear in year one, with malaria-free outcomes expected from year two onwards.

Supporting local health bodies to spread awareness on malaria and COVID-19

V. Enabling sustainable communities

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

Waste management

Overview

Our efforts towards solid waste management extend beyond our manufacturing plants and immediate areas of operations. As part of our CSR efforts, we run community waste management projects using circular economy principles. In the past, we have collaborated with the Hyderabad and Kalyan-Dombivali Municipal Corporations.

Most recently, we have partnered with the Pondicherry Municipal Corporation to implement a community waste management project. Due to COVID-19, the project was delayed, but it was launched in the third quarter with a beach clean-up drive. We are digitally tracking the waste management process and achieved 100 per cent door-to-door collection and 20 per cent source segregation in the pilot area of the project. Through the project, we aim to scientifically manage 140 MT of waste per day from Pondicherry to establish a circular economy.

We are also working with a social enterprise in Guwahati to convert plastic waste into fuel, and with another partner in Assam to recycle forest and agri residue into briquettes for use as biofuel. Through these projects, we currently process 25 MT of waste per day, with a goal to scale it up to divert 50 MT of waste per day from landfill by 2023.

Watershed management

Overview

Our integrated watershed development project is helping restore the ecological balance in the drought-prone district of Siddipet in Telangana. Currently, groundwater levels are lower than 400 ft in many areas, and as a result, farmers are under acute pressure. We are partnering with NABARD and a local NGO to rejuvenate the land and recharge groundwater levels to facilitate necessary irrigation, increase cropping cycles, improve quality and quantity of produce, enhance livelihoods, and ensure sustainable agriculture practices.

Output

We have completed treating 1,362 hectares of land covering 42 per cent of the total area under the project. Till date we have provided over 5 lakh saplings for direct plantation and seeds for dibbling. Due to the pandemic, the livelihoods of farmers were impacted. We provided financial assistance to 174 farmers through returnable grants to support their livelihoods. We also captured 3 million KL of water in fiscal year 2020-21 which is 3.5X of our water use at GCPL.

By 2023, we aim to treat 3,234 hectares of land as well as build capacity of the whole community on water management and sustainable agriculture.

Community initiatives

Overview

Another focus of our CSR programme is working closely in communities around our manufacturing plants. All of our efforts this year were diverted to COVID-19 response. We provided 4,400 food packets to the communities around our manufacturing sites, reaching out to 22,000 people.

Around our flagship plant in Malanpur, we had rolled a 'Youth ki awaaz' initiative, which is a water, health, and sanitation behaviour change programme that works with young people to drive change. We had enrolled 81 young people at the start of 2020. With the COVID-19 outbreak, the team supported COVID-19 surveillance and prevention of the outbreak in the intervention villages we had planned for. The project team was issued identity cards form the health department and has been working in close coordination with Gram Panchayats, Panchayat Secretaries, Public Distribution Shops, Accredited Social Health Activist (ASHA), and Anganwadi workers for the following:

- Reaching out to vulnerable and disadvantaged families, including persons with disabilities, elderly, women in distress (including pregnant women), and children and linking them with existing available services and government benefits
- Raising door-to-door awareness regarding maintaining social distancing at shops, public distribution schemes, and water collection points, using masks and hand wash, and following restrictions of the lockdown
- Tracking households where any family member has come from outside the state/district
- Supporting ASHA and other frontline workers in tracking and community awareness on prevention from COVID-19
- Reporting suspected COVID-19 cases to the closest Primary Health Centre/Community Health Centre and following up with persons in home quarantine

The youth reached out to 1,123 households in four villages through these initiatives. The project also trained 300 adolescent girls on menstrual health and hygiene and provided them sanitary pads.

VI. Fostering volunteerism

Our multi-faceted volunteering platform provides a range of opportunities for Godrejites to contribute their time and skills in community activities. However, this year, we had limited our volunteering opportunities to the digital medium.

Godrej Global Volunteering Day

This is our annual day of community service. In 2020, close to 320 of our team members across the globe volunteered from their homes. We tweaked our volunteering week to focus on tiny tasks on sustainable living, hosted on the Aimeo app that could be done from anywhere and at any time. This was the first time we experimented with hosting volunteering week online, and the response was truly inspiring.

Of the 56 tasks we hosted on the app, each volunteer, on average, completed 28 tasks. Across the Group, we had 1,320 volunteers that helped save 67,560 litres of water and 13,658 kWh of electricity and recycle 2,735 kg of waste. We also got healthier as we burned 1,77,500 calories and took time off for self-care.

Brighter Giving

These are one-time volunteering opportunities to help make a meaningful impact with your skills. We partner with Goodera to scope out relevant volunteering opportunities and connect with our team members. Our volunteers provide career counselling, give academic mentoring, take an online fitness class, and help record an audiobook, among other activities. In fiscal year 2020-21, 100 of our team members across the Group volunteered for a range of virtual volunteering activities.

The Godrej Corona Quilt Project on public display in Mumbai, India

Godrej Corona Quilt Project

We partnered with the Corona Quilt Project that collates people’s experience of the pandemic on digital squares. These squares are weaved together in a massive quilt and showcased publicly across Mumbai. Over 292 Godrejites have shared their experience of the pandemic in the form of an artwork. We have also received over 700 submissions from our NGO partners, and together our squares will be displayed at our headquarters in Godrej One, Mumbai, after they are returned from the public showcase.

World
Environment Day

We celebrated World Environment Week online during the week of June 5, 2020 and explored the theme of biodiversity. We hosted a webinar on how individuals can connect with the nature around them and hosted photography and quiz contests. Over 800 of our team members participated over the week.

Daan Utsav
and Payroll Giving

In total, 72 Godrejites across the Group participated in Daan Utsav though one-time donations, buying hand-made products from our NGO partner, participating in awareness session webinar, volunteering and signing up for Workplace Giving, and supporting our NGO partners with a fixed monthly donation.

Awards

- Ranked among the top 15% in our industry for excellence in sustainability as part of The Sustainability Yearbook 2021 by S&P Global CSA
- Ranked among the top 15 in India in the leadership index of the Climate Disclosure Project CDP; scored an 'A-'rating in climate disclosure, making us part of the top 25% of all global companies
- Ranked fourth in Businessworld India's Most Sustainable Companies rankings
- Ranked among India's top 10 Companies for Sustainability and CSR 2020 by Futurescape

Board's Report

Dear Members,

Your Directors, with great pleasure, present the Annual and Integrated Report for the year ended March 31, 2021.

1. Results of Our Operations

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

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

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

₹ (Crore)

Financials: Abridged Profit and Loss Statement	Consolidated		Standalone	
	March 31, 2021	**March 31, 2020**	**March 31, 2021**	**March 31, 2020**
Total revenue from operations	**11028.62**	9,910.80	**6,254.33**	5,474.45
Other income	**67.07**	112.30	**64.74**	91.26
Total income	**11095.69**	10,023.10	**6319.07**	5,565.71
Total expenses, including depreciation and finance costs	**8,970.85**	8,182.46	**4,709.77**	4,166.08
Profit/loss before exceptional items, share of profit of equity accounted investees, and tax	**2124.84**	1,840.64	**1,609.30**	1,399.63
Exceptional items	**(44.87)**	(81.05)	**(15.38)**	-
Share of profit of equity accounted investees (net of income tax)	**(0.01)**	0.81	**-**	-
Profit/loss before tax	**2080.36**	1,760.40	**1,593.92**	1,399.63
Tax expense	**359.54**	263.82	**369.58**	219.74
Profit/loss after tax	**1720.82**	1,496.58	**1,224.34**	1,179.89
Other comprehensive income	**(163.63)**	223.20	**1.11**	(0.97)
Total comprehensive income attributable to owners of the Company	**1557.19**	1,719.78	**1225.45**	1,178.92

2. Appropriation

The surplus available for appropriation is as given below:

Appropriation	Fiscal Year 2020-21	Fiscal Year 2019-20
	₹ (Crore)	₹ (Crore)
Surplus at the beginning of the year	**3450.43**	3,258.64
Less: Transition impact of lease as per IND AS 116 (net of tax)	**0**	1.20
Restated balance at the beginning of the year	**3450.43**	3,257.44
Add: Net profit for the year	**1224.34**	1,179.89
Add: Remeasurements of defined benefit plans (net of tax)	**1.11**	(0.97)
Available for Appropriation	**4675.88**	4,436.36
Less: Interim dividends	**0**	817.82
Less: Tax on distributed profits	**0**	168.11
Surplus Carried Forward	**4675.88**	3,450.43

3. Dividend

A. Dividend Declared

The Board did not declare any Interim Dividends during Fiscal Year 2020-21, and also has not recommended any final dividend for the fiscal year.

B. Dividend Distribution Policy

The Board of Directors adopted the Dividend Distribution Policy pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), which requires the top 1000 listed companies (by market capitalisation) to formulate the same.

The Company's Dividend Distribution Policy may also be accessed through the following link [1].

4. COVID-19

The Materiality study was carried out in fiscal year 2019-20. The COVID-19 pandemic had not spread at that point and so it does not appear as a material aspect. In FY20-21, however, the COVID-19 pandemic has had a multi-fold impact on the business and this impact and our mitigation strategies are discussed in detail in our Chairperson's message and our seven Strategic Pillars.

5. Board of Directors

A. Number of Meetings

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

B. Changes in the Board of Directors

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

[1] https://www.godrejcp.com/public/pdfs/codes_policies/legal/Dividend-Distribution-Policy.pdf

of Mr. Gambhir, the Board, at the same meeting approved the appointment of Ms Nisaba Godrej as the Managing Director of the Company. The Board of Directors also requested her to continue as the Chairperson of the Board till March 31, 2022, and accordingly, designated her as the Chairperson and Managing Director. The shareholders approved her appointment at the Annual General Meeting (AGM) of the Company held on August 4, 2020.

At the Board meeting held on May 11, 2021, the Board approved the appointment of Mr. Sudhir Sitapati as the Managing Director & CEO of the Company with effect from October 18, 2021, subject to shareholder's approval. The terms and conditions of appointment and the other details required pursuant to Listing Regulations and Secretarial Standards is available in Notice of the Annual General Meeting. At the same meeting, the Board also approved the continuation of Ms. Nisaba Godrej as Whole-time Director of the Company, designated as Executive Chairperson for the period from October 18, 2021 till March 31, 2022 and thereafter carry the designation as Executive Director for her remaining term till September 30, 2022.

Mr. Aman Mehta's second term is ending on August 31, 2021.The Board of Directors place on record their sincere appreciation of the contribution made by Mr. Mehta during his tenure on the Board.

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

C. Audit Committee of the Board of Directors

Your Company has an Audit Committee in compliance with Section 177 of the Companies Act, 2013 and Regulation 18 of Listing Regulations. During the year, Mr. Pirojsha Godrej has been appointed as the member of the Committee with effect from October 1, 2020. The Committee consists of following Directors, viz., Mr Aman Mehta, Chairman of the Committee, and, Mr Narendra Ambwani, Dr Omkar Goswami, Ms Ireena Vittal, Ms Ndidi Nwuneli, Ms Pippa Armerding, Mr Sumeet Narang, Mr. Pirojsha Godrej, all being members of the Committee.

D. Declaration from Independent Directors

All the Independent Directors have given their declaration confirming that they meet the criteria of independence as prescribed under the provisions of the Companies Act, 2013 and the Listing Regulations, and the same has been noted by the Board of Directors. The Independent Directors also confirmed the compliance with code of conduct for directors and senior management.

E. Enrolment of Directors in Independent Directors Data Bank

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

F. Familiarisation Programmes

During the year the Independent Directors were familiarised with the Annual Operating Plan for the fiscal year 2020-21. Additionally, at all the Board meetings, detailed presentations covering business performance and financial updates were made. The programmes were conducted by the members of Company management. The details of the same are available on the website of the Company and can be accessed through the following link[2].

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

G. Board Diversity Policy

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

H. Remuneration Policy

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

I. Remuneration to Directors

The remuneration of Directors is in accordance with the Remuneration Policy formulated in accordance with various rules and regulations for the time being in force. The disclosure on the details of remuneration to Directors and other employees pursuant to Section 197 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given under **Annexure 'C'**. With respect to the information under Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, members may request the same by sending an email to the Company at investor.relations@godrejcp.com from their registered email ID, quoting their name and Folio No.

Mr Adi Godrej, Chairman Emeritus and Ms Nisaba Godrej, Chairperson & Managing Director, voluntarily waived off their remuneration for the year 2020-21 due to the lockdown imposed by the Government of India and the likely impact of the same on the Company's performance. Mr Vivek Gambhir, who resigned during the year, received remuneration for the period till he acted as a director in the Company.

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

We conducted a formal Board effectiveness review, as part of our efforts to evaluate the performance of our Board and identify areas that need improvement in order to enhance the effectiveness of the Board, its Committees, and Individual Directors. This was in line with the requirements of the Companies Act, 2013 and the Listing Regulations.

The Corporate HR team of Godrej Industries Limited and Associate Companies worked directly with the Chairperson and the Nomination and Remuneration Committee of the Board to design and execute this process. It was later adopted by the Board.

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

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

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

The following reports were created as part of the evaluation:

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

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

K. Directors' Responsibility Statement

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

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

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

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

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

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

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

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

In accordance with the applicable provisions of the Companies Act, 2013 read with Investor Education and Protection Fund (Accounting, Audit, Transfer, and Refund) Rules, 2016 (IEPF Rules), all unclaimed dividends are required to be transferred by the Company to the IEPF after completion of 7 years. Further, according to IEPF Rules, the shares on which dividend has not been claimed by the shareholders for 7 consecutive years or more shall be transferred to the demat account of the IEPF authority. Accordingly, ₹ 1,16,91,295 of unpaid/unclaimed dividends were transferred during the financial year 2020-21 to IEPF. No shares were required to be transferred during the current year.

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

[3] https://godrejcp.com/investors/details-of-shares-to-iepf

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on March 31, 2020 on the Company website, which can be accessed through the following link[4]. The details of unpaid and unclaimed amounts lying with the Company as March 31, 2021 will be available on the same link within 60 days of the AGM.

7. Finance

A. Loans, Guarantees, and Investments

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

B. Related Party Transactions

In compliance with the Listing Regulations, the Company has a Policy for Transactions with Related Parties (RPT Policy). The RPT Policy is available on the Company website and can be accessed through the following link[5].

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

8. Subsidiaries, Associates and Joint Venture

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

- Godrej Hair Care Nigeria Limited on account of its voluntary dissolution with effect from April 15, 2020.
- Godrej Hair Weave Nigeria Limited on account of its voluntary dissolution with effect from April 24, 2020.
- Godrej International Trading Company on account of its voluntary dissolution with effect from January 20, 2021.
- SON South Africa (Pty) Limited on account of its voluntary dissolution with effect from November 11, 2020.

During the year, the Company acquired balance 25% stake in Canon Chemicals, Kenya on May 15, 2020.

A. Report on the Performance of Subsidiaries and Associates

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

Indonesia

The fiscal year 2021 was a challenging one for Indonesia, with the Covid-19 pandemic challenging the business environment through the year. The overall business top line grew at 4 percent in INR terms (2 percent constant currency), but at 8 per cent over a 2 year period. Despite a challenging year, we focused on strengthening the fundamentals for the future. We made a strong foray into the Hygiene segment with growing global relevance, with our new brand Saniter launched within a month, with a portfolio across personal and home hygiene. HIT continued to deliver strong growth with innovations in burning format and launches in Aerosol segment. We bolstered category relevance for Air Fresheners in the new normal, with the launch of Stella Fresh & Protect with a functional / germ-kill proposition. We faced strong headwinds in our Baby wipes segment, with significantly heightened

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

[5] https://www.godrejcp.com/public/pdfs/codes_policies/legal/Related-Party-Transactions-Policy.pdf

competitive intensity from new / smaller players, but we have focused on rejuvenating our portfolio to clawback share in the coming year. We also significantly accelerated our Go-To-Market efforts with strong distribution expansion in General Trade, continued to strengthen our in-store execution in Modern Trade and also doubled down into ecommerce which grew at break out pace for us.

We also continued our focus on cost savings to fuel our growth investments, field macro environment & also strengthen profitability. Our margins expanded this fiscal, with the bottom line growing well ahead of the top line. We will continue to focus sharply on category development with breakthrough innovation, strong brand building and strengthening GTM.

Africa, Middle East and USA

The fiscal year 2021 witnessed strong revival in growth for our Africa, Middle East, and US business cluster. The overall business top line grew by 9 per cent in constant currency terms. While all countries faced a challenging macro environment due to COVID-19, West and South clusters bounced back from the crisis strongly and grew at break-out pace at 38 and 21 per cent in constant currency terms. US market also witnessed green shoots in latter part of the year as it recovered from macro shocks in the first half. We faced significant cost headwinds across markets - input cost increases, adverse forex movement, factory shut downs & consumers shifting away from value-added products resulting in adverse portfolio mix. However, our robust cost optimisation programs helped minimise impact on margins, with our EBITDA margins diluting only by ~0.5%. Overall, despite a challenging year, we focused on strengthening the fundamentals for future. We have established a braid portfolio across markets to address key portfolio gaps, and have seen early momentum on braid premiumization in South Africa. We entered the ~0.5 Billion Dollar & fast growing human-hair-feel weave category across different markets, and managed to gain strong early momentum in Nigeria. We have entered the HI category in Nigeria and had strong early momentum. We also strengthened our US portfolio, by entering the >1 Billion Dollar ethnic hair fashion category , through an exclusive partnership with Walmart. We also significantly accelerated our GTM efforts in Nigeria particularly last mile distribution. Going forward, our focus would be to strengthen GTM across markets, continue improving margins by driving operational excellence, strengthening our portfolio by addressing whitespaces in hair fashion & accelerating Wet Hair / FMCG in the post-COVID new normal. We will also ensure strong governance controls and maintain an unrelenting focus on employee / consumer safety.

Latin America

Our Latin America cluster closed a strong year in a challenging environment. Net Sales (INR) grew 17 per cent while EBITDA grew at 126 per cent versus last year.

Argentina business closed another year of profitable growth. In a context of COVID restrictions and lockdowns, the team delivered a Top Line growth of 60 per cent in constant currency (17 per cent in INR), driven by Distribution, COMEX expansion and Innovation. EBITDA grew 166% percent in constant currency (89 per cent in INR) achieving an EBITDA margin of 14%, the highest ever for the market. Profit improvements led to a healthy NWC reduction.

Our Chile business grew Net Sales at 22 percent (CC and INR) driven by a strong performance of Hair Color, Hair Removal and Traditional Channel. EBITDA grew by 255 per cent (in INR) driven by efficiencies and better absorption of fixed costs.

Looking ahead, we will continue focusing on profitable growth and working capital management to strengthen our Latin America businesses.

B. Policy on Material Subsidiaries

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

C. Financial Performance

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

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

Your Company has complied with the provisions relating to the constitution of the Internal Committee in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to consider and resolve all sexual harassment complaints reported by women. During the year, e-learning modules were made available to create awareness regarding sexual harassment among employees. No complaint was reported during calendar year 2020, and hence, the Committee has not filed any complaint report with the concerned authorities, in accordance with Section 22 of the aforementioned Act.

10. Talent Management and Succession Planning

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

11. Annual Return

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

[6] https://www.godrejcp.com/public/pdfs/codes_policies/legal/Policy-on-Material-Subsidiaries.pdf
[7] https://godrejcp.com/investors/annual-reports

without the knowledge of the management. All employees shall be protected from any adverse action for reporting any unacceptable or improper practice and/or any unethical practice, fraud, or violation of any law, rule, or regulation. This policy is also applicable to the Directors of the Company.

Mr V Swaminathan, Head Corporate Audit and Assurance, has been appointed as the 'Whistle Blowing Officer', and his contact details have been mentioned in the policy. Furthermore, employees are free to communicate their complaints directly to the Chairman/Member of the Audit Committee, as stated in the policy. The policy is available on the internal employee portal as well as the Company website and can be accessed through the following link[8]. The Audit Committee reviews reports made under this policy and implements corrective actions wherever necessary.

14. Annexures

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

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

B. Corporate Social Responsibility (CSR)

During the year, there was an amendment in CSR Regulations, which required amendments in the CSR Policy of the Company. The revised Policy is available on the Company website under the following link[9]. The CSR Report, along with details of CSR projects, are provided in **Annexure 'E'** to this report.

C. Employee Stock Option Scheme

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

15. Listing

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

16. Business Responsibility Report

Pursuant to Regulation 34 of the Listing Regulations, the Business Responsibility Report

[8] https://www.godrejcp.com/public/pdfs/codes_policies/people/Whistle_Blower_Policy.pdf

[9] https://www.godrejcp.com/public/pdfs/codes_policies/sustainability/CSR-Policy.pdf

highlighting the initiatives taken by the Company in the areas of environment, social, economic, and governance is available on the website of the Company and can be accessed through the following link[10].

17. Auditors and Auditors' Report

A. Statutory Auditors

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

B. Cost Auditors

The Company is maintaining requisite cost records for the applicable products of the Company. Pursuant to directions from the Department of Company Affairs, M/s. P. M. Nanabhoy and Co., Cost Accountants, were appointed as cost auditors for the applicable products of the Company for the fiscal year 2020-21. 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 2020-21. The Secretarial Audit Report for the fiscal year ended March 31, 2021 is attached herewith as **Annexure 'G'.** The Secretarial Audit Report does not contain any qualification, reservation, or adverse remark.

18. Corporate Governance

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

19. Management Discussion and Analysis

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

20. Confirmations

- Your Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.
- There have been no material changes and commitments affecting the financial position of the Company that have occurred between March 31, 2021 and the date of this Board's Report.
- There have been no instances of frauds reported by the auditors under Section 143 (12) of the Companies Act, 2013 and the Rules framed thereunder, either to the Company or to the Central Government.
- The Company has not accepted any deposits from public, and as such, no amount on the account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.
- During the Financial Year 2020-21, there were no significant and material orders passed by the regulators or Courts or Tribunals that can adversely impact the going concern status of the Company and its operations in future.

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

21. Appreciation

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

For and on behalf of the Board of Directors

Nisaba Godrej
Chairperson & Managing Director

Mumbai, May 11, 2021

ANNEXURE 'A'

BOARD DIVERSITY POLICY

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

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

ANNEXURE 'B'

GCPL TOTAL REWARDS POLICY

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

Highlights

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

The total compensation for a given position is influenced by three factors: position, performance, and potential. As a broad principle, for high performers and potential employees, GCPL strives to deliver total compensation at the 75th percentile of the market.

Total Cash Compensation

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

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

2. 'Flexible Compensation' comprising a fixed predetermined component of employees' compensation. The employees can allocate this amount to different components, as per their grade eligibility, defined at the start of each fiscal year.

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

Long-Term Incentives (Employee Stock Grant Scheme)

This scheme aims at driving a culture of ownership and focus on long-term results. It is applicable to Godrej Leadership Forum members. Under this scheme, performance-based stock grants are awarded.

The value of the stock grant is proposed by the management and approved by the Nomination and Remuneration Committee.

ANNEXURE 'C'

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

The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the fiscal year 2020-21; the percentage increase in the remuneration of each Director, Chief Financial Officer, and Company Secretary during the fiscal year 2020-21; 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 2020-21	Ratio of Median Remuneration of Each Director to the Median Remuneration Paid/Payable to all Employees for the Fiscal Year 2020-21
1	Adi Godrej	Chairman Emeritus	-40.06	81.22
2	Nisaba Godrej	Chairperson & Managing Director	-76.84	21.84
3	Vivek Gambhir*	Whole -time Director	36.87	297.76
4	V Srinivasan	Chief Financial Officer and Company Secretary	100.00	Not applicable

* Mr. Vivek Gambhir ceased to be the Managing Director of the Company with effect from close of June 30, 2020. He continued as Whole -time Director till September 30, 2020 and ceased to be a member of the Board thereafter.

Mr. Adi Godrej and Ms. Nisaba Godrej had voluntary waived their remuneration for the year 2020-21 due to the grave situation caused by the outbreak of the COVID 19 pandemic and suspension of business activities due to the lockdown imposed by the Government of India and the likely impact of the same on the Company's performance. In case of Mr. V Srinivasan, remuneration includes the provisional amount of Performance Linked Variable Remuneration payable for the fiscal year on the basis of performance, profitability and optimum utilisation of capital. The actual payment will happen in FY 2021-22 and could be lower as the multipliers (both individual driven and organization performance driven) applied to arrive at actual payout are determined post entire organization's performance is assessed and plotted on the bell curve which typically closes by third week of May every year.

B. Non-Executive Directors

Sr. No.	Name of Director	Per Cent Increase/(Decrease) in Remuneration in the Fiscal Year 2020-21	Ratio of Remuneration of Each Director to the Median Remuneration Paid/Payable to all Employees for the Fiscal Year 2020-21
1	Jamshyd Godrej	4.17 %	5.10
2	Nadir Godrej	4.00 %	5.31
3	Tanya Dubash	4.17 %	5.10
4	Pirojsha Godrej	4.17 %	5.10
5	Narendra Ambwani	2.44 %	8.57
6	Pippa Armerding	27.27 %	8.57
7	Omkar Goswami	5.00 %	8.57
8	Aman Mehta	5.00 %	8.57
9	Ndidi Nwuneli	5.00 %	8.57
10	Ireena Vittal	5.00 %	8.57
11	Sumeet Narang *	-	-

* Mr Sumeet Narang has voluntarily waived the remuneration receivable from the Company.

Note:

(i) The median remuneration of all the employees of the Company for the fiscal year 2020-21: ₹ 4.90 lakh.

(ii) The percentage increase in the median remuneration of employees in the fiscal year 2020-21: 16.53 per cent.

(iii) The number of permanent employees on the payrolls of the Company as on March 31, 2021: 2698

(iv) The average percentile increase already made in the salaries of the employees, other than the Managerial Personnel, in the last fiscal year and its comparison with the percentile increase in the managerial remuneration and justification thereof:

Total managerial remuneration comprises the remuneration of the Whole-Time Directors and commission paid to Non-Executive Directors. The Whole-Time Directors' remuneration is as per the resolution approved by the shareholders and will not exceed 10 per cent of the Company's net profits as permitted by the Companies Act, 2013. The Non-Executive Directors are also eligible for a sitting fees of ₹ 1 lakh per Board meeting attended and ₹ 20,000 per Committee meeting attended. The shareholders at the AGM held on July 30, 2018, has authorised the payment of commissions on profits to the Non-Executive Directors at the rate not exceeding 1 per cent of net profits of the Company with authority to the Board to determine the manner and proportion in which the amount be distributed among the Non-Executive Directors. The Board has authorised a base commission of ₹ 20 lakhs per annum to each Non-Executive Director. All the Independent Directors are paid an additional commission linked to their attendance at the Audit Committee meeting, Nomination & Remuneration Committee meeting, and Independent Directors' meeting. There is no change in the base amount of the commission on profits or sitting fees payable to Non Executive Directors for attending meetings of the Board/ Committee thereof.

The per cent change in remuneration represents change in the payout based on actual attendance at meetings of the Board or Committee thereof for each of the Non Executive Directors, compared to the previous year.

The average change in the salary of employees other than the Managerial Personnel is an increase of 33.69 per cent whereas that in salary of the Managerial Personnel is decrease of 10.40% per cent. The changes are on account of two of the promoter directors voluntarily waiving of the remuneration for reasons already explained in the previous page, Cessation of Mr.Vivek Gambhir from the Board during the year and increase in the provision for performance linked variable remuneration for FY 20-21 to the other employees.

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

ANNEXURE 'D'

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

A. Conservation of Energy

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

I. North East Cluster

The total capital investment on energy savings initiatives is ₹20 lakh. The major energy conservation initiatives are as follows:

- Auto Heater cut off mechanism during idle condition installed in Packaging & filling machine at Lokhra II unit.

Annual Energy Savings – 17952 KWH

- Additional Crème line shifted from 2nd floor to 1st floor at Lokhra II unit, resulting in reduction of consumption of all non-process energy consumption like light, fan and exhaust. Annual Energy Savings – 30722 KWH

- VFD installation in 15 HP hopper motor and 10 HP dust collector motor at Kalapahar Coil unit. Annual Energy Savings – 87816 KWH

- Bulk recycle conveyor motor reduced from 3HP to 1.5 HP at Meghalaya Coil unit. Annual Energy Savings – 3488 KWH

- Change in refill manufacturing batch size from 3 MT to 4.5 MT at New Conso unit. Annual Energy Savings – 30722 KWH

- Timer for vertical Lift for cutting off Power in case idle for more than 80 Sec at New Conso unit. Annual Energy Saving – 15694 KWH.

- Change in nozzle size (9.5 to 7.5 GPH), infeed pump VFD and pneumatic valve in the steam header line, causing reduction in per hour diesel consumption in baby boiler from 32 ltr/hr to approx. 28 ltr/Hr. at Lokhra II unit. Annual Saving in Diesel – 19 kl.

Awards

- National Safety Councils Safety Award 2020—4th level 'PRASHANSHA PATRA' award won by the GCPL Lokhra II unit.

- NE Cluster won the Godrej Corporate Safety Awards 2020 for outstanding performance for the celebration of National Road Safety Week 2020.

- Mr. Debasish Das Gupta won the Godrej Corporate Safety Awards 2020 for Safety Ambassador of the year 2020.

- Lokhra II unit won the Godrej Corporate Good & Green Awards 2020 for "Maximum number of initiative taken".

- 6 teams from North East cluster had participated in "National Convention on Quality Concept (NCQC) 2020" and won 3 Par Excellent award & 3 Excellent Award.

CSR

- North East cluster have supported Guwahati Medical College Hospital by donating 38 ICU beds & 7000 Ltrs of Protekt sanitizer. Assam Health Minister Mr. Himanta Biswa Sarma have personally recognised our CSR activity during a large event in the Guwahati Medical College Hospital and thanked Godrej for the support.

- During Covid19 lockdown and just after the lockdown we distributed around 850 food packets to our casual employees and 240 food packets to families of nearby villages who have not received any help from Govt. & NGO

- 2400 nos. of Covid19 Care safety packets distributed to truck drivers & helpers coming to factories

II. North Cluster

Energy Conservation

The total capital investment on energy savings initiatives is ₹ 130 lakh, and savings in energy consumption is 7.92 lakh KWh per annum, which is equivalent to ₹ 72 lakh per annum.
Some of energy conservation initiatives are as follows:

- Replacement of heater assembly in wrapping machine with reducing heaters.

- Optimization of lights on the shop floor.

- V belts to be replaced with Cogged Belts.
- Motor rating reduction on duplex plodder.
- Vacuum pumps to be replaced with venturi arrangement.
- Installing VFD and Energy efficient motors on utilities pump with pressure transmitter.
- Energy monitoring System in Soap plant.
- Bypassing hot well pump in Brine & Water chiller.
- Replacement of ordinary common AC with Individual 5-star rating AC.
- Direct Mixing of RED Premix at Kneading section.
- Replacement of HT line with dedicated industrial feeder for less operation of DG at C11.

Water Conservation

The total capital investment on water conservation initiatives is 2.8 lakh, and savings in water consumption is 824 KL per annum. The water conservation initiatives are as follows:

- Sensor water taps installed in the plants for conservation of water.
- ETP treated water using for gardening and in toilet for flushing.
- Water Management by Level sensors for Water Storage tanks.

Award Won

- Excellence award for 6 Team and 2 teams with par excellence award during NCQC 2020.

III. Central West Cluster

The total capex utilized for energy conservation measures is ₹ 148 lakh. The energy conservation measures undertaken are as follows:

- Installed & commissioned a IOT based instrumentation system in RO1 & part of RO3 for reduction of steam consumption, resulted in saving of fuel consumption by 73 MT/ annum.
- Installed & commissioned bottom sampling system for reducing steam consumption & saving time and efforts for bottom sampling, this has resulted in saving of fuel consumption by 43.3 MT/ annum
- Provided single nozzle in place of multiple nozzle in booster of precut tower in FADP2, this has resulted in reducing fuel consumption by 30.7 MT/ annum
- Replaced 6 old motors with energy efficient motors IE3, this has resulted in reducing power consumption by 41000 kwh/annum
- Provided LED lights in plants in place of conventional lights, resulted in reducing power consumption by 112000 units/annum
- Installed solar street lights in place of conventional lights, resulted in saving of 9000 kwh/annum and also help in utilizing natural resources
- Installed a bucket type strainer in cooling tower for ease of cleaning and getting full suction to the pump. This has resulted in saving of power consumption by 6600 kwh/annum
- Installed two SS oil feed tanks in CP3 for reducing steam consumption which are directly feeding oil in FSP3, resulted in reduction of fuel consumption by 25 MT
- Initiated IOT projects for monitoring of various critical parameters in Boiler, Chiller and soap noodle plant in order to take action immediately

Water & Legal compliance

- Installed Telemetric & piezometer for ground water level & flowmeters for bore-well water extraction under CGWA for legal compliance

Awards won by the Malanpur unit

- GCPL Malanpur unit received following awards held virtually first time in NCQC 2020
  - o 9 Par Excellence
  - o 6 Excellence
  - o 2 for Essay & Slogan
  - o Ranked in top 10 in QC quiz

- GCPL Malanpur unit received a PRASANSHA PATRA - 2020" by National Safety council for the period of 2017, 2018 & 2019 for team for their active participation and contribution to level up safety performance.

IV. South Cluster

Energy Conservation

- The total CAPEX utilized for energy conservation measures in FY21 was ₹ 49.8 lakh.

- Reduction in energy consumption by the installation of energy efficient LED lightings, Solar based lightings, Timer for Exhaust fans, Installation of Servo based Coil punching cylinders and Servo based mould bed pushers, have all resulted in savings of 6,63,000 KWh/Year, covering all units.

- Use of Bio waste fuels, instead of Furnace oil, in our Hot air generators in our Pondicherry Coil Factory, to the extent of 3,939MT.

- Pre heating of raw water using flue gas before letting it to Hot water generator system has given the Natural gas fuel saving of 82800 SCM.

Awards

- 4 Members of our Karaikal Coil units have received the "Best Energy Saving Team Award" from our HO Good and Green team.

- Quality Circles: Teams from MMN unit, Conso unit, Coil units-6, 7 & 9 participated in the Chennai Quality Circle and 5S competition in the month of October / November 2020 & National Convention of Quality Circle during December 2020.

  Conso unit: 2 Teams participated in CCQC and won two Gold Awards and in NCQC two Excellence Awards. Participated 5S competition and won the Par-Excellence Award.

  MMN unit: 2 Teams Participated in CCQC and won 2 Gold Awards & in NCQC won 1 Par Excellence and 1 Distinguish Awards.

  Coil6 unit: 2 Teams Participated in CCQC and won 2 Gold Awards & in NCQC won 1 Par Excellence and 1 Excellence Awards.

  Coil7 unit: 1 Team Participated in CCQC and won 1 Gold Award & in NCQC won 1 Par Excellence Award.

- CII-EHS: MMN unit, Conso unit, Coil units-6, 7 & 9 participated in the CII- EHS Assessment 2020 and got awarded 4-Star Rating for CONSO, MMN, COIL9 & COIL6 & 3-Star Rating for COIL7 in March 2021.

- National Safety Councils Safety Awards: CONSO unit and MMN Unit received "Certificate of Appreciation" towards NSCI Safety Award 2020.

- The South Cluster Safety Lead won the "Safety Professional of the year 19-20 Award" at GILAC level.

Audits

- Integrated Management Systems (IMS): South Units have successfully completed 4th and 5th IMS surveillance audits without any NCs (ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018).

- 5S Award: 5S Award from QCFI and Union of Japanese Scientist Engineers (JUSE), received by the Conso and MMN units in 2018 and 2019 respectively. First Surveillance Audit by the QCFI / JUSE committee was completed successfully and the Award was retained.

- COVID-19 Audits: Various Government Officials like Tahsildars, Revenue Inspectors, VAOs, Commune Panchayat authorities, Health Department, Primary Health Centre, Police & Labour Department visited our factories to audit the implementation and compliance to MHA Covid Safety guidelines and they appreciated the various initiatives taken and protocols followed by the units.

Events

- Nivar Cyclone safety measures were implemented in all units and ensured there were no property damages.

- COVID-19 medical camp was done by the Health Department of Karaikal in Coil7 unit. There were no single POSITIVE cases found and all were NEGATIVE (128 employees were tested). Based on this, received the "Certificate of Appreciation" from the Deputy Director (Immunization), Karaikal, for very good COVID safety control measures implementation in the unit.

- Using Drone Technology for the first time, Chimney stack stability inspection was done in Coil9 unit in a safe manner using Thermal Imaging technique.

- Safety Theme based monthly celebrations organized in all units for the last 6 years.

CSR

- 2 Numbers of ICU Cots with 5 function remote were handed over to the Government Hospital, Karaikal through the District Collector in April 2020.

- Covid Care Packages containing essential grocery items were distributed to Contract Workers and the Local Community in April / May 2020 from our Conso, Coil 9, Coil 6 Units, while distribution to Contract Workers only were done from our MMN and Coil 7 Units.

- 10000 Masks were handed over to Deputy Director, Public Health Department of Puducherry in July 2020 to support their frontline workers' protection from Covid. Also 11000 Masks were provided to Health Department, Karaikal in August 2020 and in November 2020.

- All units handed over Covid Safety Kits to the Truck Drivers in November / December 2020, who brought materials to the units and who transported our FG out of the units.

- Distributed Protekt Hand Sanitizers to the baseline workers of Puducherry Municipality in March 2021, through ReCity NGO.

B. Technology Absorption

The Research and Development function of your organization played a key role in ensuring the successful launches of following products during the year 20-21:

1. Protekt – Hygine Range
2. HIT Roach Bomb
3. Good Knight Smart Spray
4. AER Power Pocket
5. AER disinfectant sprays
6. Expert Fashion range

7. Health Soaps
8. BBlunt range extension
9. Godrej Professional new shades
10. Proclean range
11. Protekt Hand washes/ Cinthol Hand wash
12. E-commerce led products – Good Knight Mosquito repellant cream/Good Knight anti mosquito skin spray etc.
13. Magic hand wash across our geographies
14. Sanitor range of hygiene products
15. Styling gels

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

R&D Product Categories initiated by the Company:

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

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

R&D has played pivotal role in developing new technologies in Hygiene, AER, Hair Colours, Personal Wash and HI areas. Strong R&D led initiatives with innovative projects have led to successful launches of several new products in the marketplace in the current financial year. The company has launched range of health & Hygiene products under different brands and has shown strong agility in development & technology commercialisation. R&D is continuously protecting its Innovations through Design and Product patents. The company has filed several patents both in India and abroad. R&D has played a pivotal role in improving cost optimization across product categories by contributing through both product and process related innovations and improvements.

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

Future Plan of Action:

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

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

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

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

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

5. Partnering collaborations with external stake holders and leading Institutions.

C. Expenditure on R&D

₹ Crore

	Fiscal Year 2020-21	Fiscal Year 2019-20
Capital	**0.72**	**0.09**
Recurring	**22.68**	**18.12**
Total	**23.40**	**18.21**
Total R&D expenditure as a percentage of total sales turnover	**0.38 per cent**	**0.34 per cent**

D. Foreign Exchange Earnings and Outgo

₹ Crore

		Fiscal Year 2020-21	Fiscal Year 2019-20
I.	Foreign exchange used	**487.16**	**458.39**
II.	Foreign exchange earned	**232.93**	**204.22**

ANNEXURE 'E'

CSR REPORT

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

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

An overview of the projects or programmes undertaken during the fiscal year 2020-21 is given below. We have aligned our programmes to national missions and priorities, and they are categorised as follows.

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 by empowering them. Apart from core domain skills, our programmes also focus on life skills training, entrepreneurship development, and postplacement support.

As of March 2021, we have trained over 4,51,342 young people in skills that will enhance their earning potential. This includes the young women trained by our beautypreneurs. Our projects are:

- Salon-i—our beauty and hair care training
- Beauty-preneur (BP) and Home-preneur (HP) platform for nano and micro entrepreneurs in beauty industry

In FY21, given the Covid-19 lockdown and ensuing slowdown, all training programmes were paused across partners and we did not work with any new students. Our focus was instead on 1,633 beauty entrepreneurs who were part of our programme in FY20 and we worked with them to ensure that they would

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

be able to successfully navigate the challenges due to the pandemic.

We provided online training and handholding support to our entrepreneurs and ensured that of 1,875 entrepreneurs, 1,633 stayed in business. Our implementation partners provided them with over 50 hours of online training and innumerable one on one calls to help them with covid safety strategies, SOP for reopening salons post lockdown, alternative business ideas, attracting clients back to the salon, etc. 79% of beauty-entrepreneurs joined the online sessions and 32% started alternate businesses due to inputs from the training. We provided returnable grants (between INR 5,000 to 20,000) to over 440 of our entrepreneurs to help them revive their businesses. Overall net revenue grew three fold between the October 2020 to March 2021 period.

B. Covid Relief and Community Development

The impact of COVID-19 has not only been felt in terms of a public health crisis of unprecedented proportions, but also as a longer-term economic disaster impacting the lives and livelihoods of billions of people worldwide. We channeled most of our resources to address the urgent need for relief at the start of the pandemic between March and September 2020.

We took on the responsibility to provide food and hygiene essentials to communities around our operations across the world.

In India, we provided food supplies and safety kits to over 1,37,000 migrant labourers and urban poor through our NGO partners. Our partners also helped in unlocking funds from the government relief packages for vulnerable members in our ecosystem. Further, we supported the public healthcare system in Mumbai, Maharashtra, and Guwahati, Assam, by donating medical equipment (beds, ventilators, ICU equipment, testing kits, and mobile testing auto rickshaws, among other support). In addition, we provided safety kits to over 46,120 people, including contract workers, GCPL transporters, field sales personnel, and Godrej Professional salonists. We also made direct cash transfers to 250 market research agents to help meet the basic needs of their families.

Our stakeholders are also the communities that border our plant locations. Our communities were impacted by the pandemic and hence our focus in FY21 was primarily Covid19 relief and recovery projects.

We realized the need for swift action on ground and an urgent need of philanthropic and corporate support to ensure immediate relief efforts and medium to long term recovery initiatives. Our initiatives to date have taken this into consideration and have been implemented with a wide range of on-ground partners from government and municipal bodies, to civil society organisations and citizen initiatives in order to reach the largest number of the most vulnerable communities in our ecosystem.

Supporting the most vulnerable in our ecosystem: We provided food and safety kits to frontline workers and most vulnerable groups such as contract workers, poor communities around our factories and warehouses, migrant workers, urban casual workers, sex workers, transgender groups, people with disability, people living with HIV/AIDS, and other vulnerable communities In addition, we provided local authorities with sanitation essentials to support them in their battle against Covid19.

Strengthening public healthcare: We are supporting the public healthcare system in key geographies as healthcare institutions are facing a shortage of personal protective equipment (PPEs), gloves, masks, and other basic equipment. In addition, we supported the set-up of municipal quarantine centres, mobile testing vehicles, and ICU units. Many of our products are essential to fight the battle against Covid19 and hence we have freely donated our products to governments, frontline departments such as police and municipalities, hospitals, civil society bodies and citizen efforts to manage the pandemic across all our locations worldwide. These have included soaps, hand wash, sanitisers, masks, household insecticide products, etc.

Enabling economic relief and supporting livelihoods recovery: National and state governments have announced relief packages for those who have been hit the hardest and we are working with our non-profit partners to unlock these funds through government schemes. Post lockdown, we have also started providing need based livelihoods support such as zero interest loans, insurance cover against Covid related medical expenses, training on business recovery post lockdown, and incubating nano and micro entrepreneurs in key geographies.

Assist learning: Children are one of the most impacted groups, especially those belonging to economically weak families. Not only are they unable to attend school but they are also unable to continue learning due to lack of digital devices and/ or access to Internet in their homes and communities.
In response to this, GCPL is supporting a range of initiatives such as funds to provide Internet enabled digital devices, continued learning engagement in the community, and safety kit donation to schools to ensure a safe learning environment to those going back to school.

C. Elimination of Vector-Borne Endemic Diseases

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

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

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

In the fiscal year 2020-21, we worked in 9 districts across Madhya Pradesh, Uttar Pradesh, and Chhattisgarh covering 824 villages and close to 10,00,000 people. We have signed MoUs with the governments of UP and Chhattisgarh and are supporting them in their endeavour to eliminate malaria by 2030.

Impact:

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

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

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

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

D. Waste Management

We have initiated various community waste management projects across India. In the past, we have collaborated with Hyderabad and Kalyan-Dombivali municipal corporations for urban waste management. We are working with a social enterprise in Guwahati to covert plastic waste into fuel. Further, we are partnering with an enterprise in Assam that is recycling forest and agri-residue into briquettes for biofuel. In FY21, we have started another waste management programme in Pondicherry where we are working with the citizens, Municipal Corporation, and other stakeholders to divert waste from landfill. Altogether, through these projects, we aim to process up to 150 MT of solid waste per day.

E. Watershed Management

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

F. Donations

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

- To develop training programmes for the characterisation of biologics and biopharmaceuticals
- To establish a state-of-the art centre for biophysical and biochemical analysis for skill development for training students and provide a resource to the Indian biotechnology industry participants to hone their skills.

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

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

IV. Support Habitat for Humanity to respond to the 2019 Assam, Bihar and Maharashtra floods by repairing and rebuilding schools and Anganwadis.

V. Support to Asha Sadan in Mumbai to provide overall care for orphans and destitute children and their education.

VI. Support to Mahendra and Young Knowledge Foundation to support sustainable development.

VII. Support to Public Health Foundation of India for prevention and control of vector borne diseases in India.

G. Composition of CSR Committee

The composition of the CSR Committee is as follows:

1. Mr Nadir Godrej, Chairman of the Committee
2. Ms Tanya Dubash, Director
3. Ms Nisaba Godrej, Chairperson & Managing Director
4. Mr Narendra Ambwani, Independent Director

H. Average net profit of the company in the last 3 fiscal years: ₹ 1,402.41 crores.

I. Prescribed CSR expenditure (2 per cent of the amount as in item H above): ₹ 28.05 crores.

ANNEXURE -II FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company.

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

2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Nisaba Godrej	Chairperson and Managing Director	2	2
2	Nadir Godrej	Non-Executive Director	2	2
3	Tanya Godrej	Non-Executive Director	2	1
4	Narendra Ambwani	Independent Director	2	2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

   https://www.godrejcp.com/sustainability/codes-and-policies

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable.

   The report is available on the website of the Company under the following link:

   Saloni and BP: https://www.godrejcp.com/public/pdfs/salon-i-and-beautypreneur-sroi-and-impact-assessment-report.pdf

   EMBED: https://www.godrejcp.com/public/pdfs/embed-impact-assessment-and-sroi-report.pdf

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.

S. No.	Financial Year	Amount available for set-off from preceding financial years	Amount required to be setoff for the financial year, if any (in ₹)
1	FY19-20	₹ 5.85 crore	-

6. Average net profit of the company as per section 135(5) – ₹ 1402.41 crore

7. (a) Two percent of average net profit of the company as per section 135(5) – ₹ 28.05 crore

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years - NIL

   (c) Amount required to be set off for the financial year, if any – ₹ 5.85 crore

   (d) Total CSR obligation for the financial year (7a+7b+7c) – ₹ 33.90 crore

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

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹ crore)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
34.09	-	-	-	-	-

(b) Details of CSR amount spent against ongoing projects for the financial year:

(Amount ₹ in crore)

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
S. No.	**Name of the Project**	**Item from the list of activities in Schedule VII to the Act.**	**Local area (Yes/ No).**	**Location of the project.**		**Project duration**	**Amount allocated for the project**	**Amount spent in the current financial Year**	**Amount transferred to Unspent CSR Account for the project as per Section 135(6)**	**Mode of Imple-mentation – Direct (Yes/No)**	**Mode of Implementation - Through Implementing Agency**	
				State	**District**						**Name**	**CSR Registration No.**
1	Salon-i	Schedule VII (ii) livelihood enhancement projects	No	Delhi NCR, UP, Rajasthan, Gujarat, Maharashtra, Karnataka	Varanasi, Jaipur Ahmedabad, Baroda, Palanpur, Mumbai, Pune, Aurangadbad, Hoskote, Chitradurga, Mysore, Hasan	1 year	2.27	2.27	-	No	Saath Dhriiti Pratham Vrutti YUVA Vision India	CSR00000021 CSR00001800 CSR00000258 CSR00000538 CSR00004731
2	EMBED	Schedule VII (i) promoting preventive healthcare	No	Madhya Pradesh Uttar Pradesh Chattisgarh	Shivpuri, Sheopur and Balaghat, Bareilly Budaun, Bastar, Kondagaon	3 years	4.93	4.93	-	No	FHI	CSR00001169
3	Watershed Management	Schedule VII (iv) environment sustainability	No	Telangana	Siddipet	5 years	0.22	0.22	-	No	PEACE	
4	Waste management	Schedule VII (iv) environment sustainability	Yes	Pondicherry	Pondicherry	3 years	1.45	1.45	-	No	Recity	
5	Carbon Mitigation project	Schedule VII (iv) environment sustainability	No	Assam	Tezpur	3 years	0.35	0.35	-	No	Dharthi Sustainables Pvt Ltd	
6	Covid19 livelihood recover	Schedule VII (ii) livelihood enhancement projects; (xii) disaster relief	Yes	J&K, Himachal Pradesh, Uttar Pradesh, West Bengal, Assam, Madhya Pradesh, Maharashtra	Jammu, Baddi, Lucknow, Pune, Guwahati, Kolkata, Bhind, Mumbai, Palghar	1.5 years	1.88	1.88	-	No	Magic Bus Access Dev Apnalaya Agrani Grassroutes Janvikas	CSR00001330 CSR00002703 CSR00003515 CSR00000790 CSR00002913
7	Promotion of handwashing	Schedule VII(i) promoting preve-ntive healthcare	No	Maharashtra	Mumbai	1 year	0.57	0.57	-	No	Save the Children India	CSR00000158
8	Community development around factories	Schedule VII (i) Promoting prev-entive healthcare (x) Rural Development Projects	Yes	Madhya Pradesh	Bhind	2 years	0.05	0.05	-	No	Family Health India	CSR00001169
	Total						**11.72**	**11.72**				

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(Amount ₹ in crore)

(1) S. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes / No)	(5) Location of the project: State	(5) Location of the project: District	(6) Amount spent in the current financial Year	(7) Mode of Implementation – Direct (Yes/No)	(8) Mode of Implementation - Through Implementing Agency: Name	(8) Mode of Implementation - Through Implementing Agency: CSR registration no.
1	Covid19 relief and recovery	Schedule VII (xii) disaster manage-ment, including relief, rehabilitat-ion and reconstru-ction activities	Yes	Jammu, Himachal Pradesh, Madhya Pradesh, Sikkim, Pondicherry, Tami Nadu, Maharashtra	Jammu, Baddi, Bhind, Guwahati, Pondicherry, Karaikal, Mumbai	8.60	Yes	-	-
2	Covid19 relief and recovery	Schedule VII (xii) disaster management, including relief, rehabilitation and reconstruction activities	Yes	Gujarat, Uttar Pradesh, Karnataka, Delhi NCR, Telengana	Ghaziabad, Pune, Bangalore, Hyderabad, Ahmedabad, Delhi	10.43	No	Anant University Jan Sahas Dharthi Sustainables Habitat for Humanity Rubabbai Ameeji Foundation YUVA Stree Mukti Sangathan Vikalp Foundation Akanksha Foundation STCI Anudip Foundation Akhil Bhartiya Marathi Natya Parishad Collective Good Foundation TISS Humsafar Trust Sneha Samarthanam Swasti Teach to Lead PM Cares Fund	CSR00002869 CSR00001303 CSR00000402 CSR00004731 CSR00001126 CSR00003592 CSR00001286 CSR00000158 CSR00000060 CSR00001648 CSR00003475 CSR00001950 CSR00002137 CSR00000063 CSR00000549 CSR00002271
3	Disaster relief in response to Kerala floods	Schedule VII (i) Promoting preve-ntive healthcare and sanitation and making available safe drinking water	No	Kerala	Wayanad	0.20	No	Sustainable Environment and Ecological Development Society	

(Amount ₹ in crore)

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No)	Location of the project		Amount spent in the current financial Year	Mode of Implementation – Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR registration no.
4	Disaster relief in response to Assam Bihar and Maharashtra floods	Schedule VII (i) Promoting preve-ntive healthcare and sanitation and making available safe drinking water	No	Assam Bihar Maharashtra	Barpeta Madhubani Sangli, Badlapur	0.13	No	Habitat for Humanity	CSR00000402
5	Green Chemistry	Schedule VII (ii) Promoting Education	No	Maharashtra	Mumbai	0.40	No	Institute for Chemical Technology	
6	Promotion of Sports	Schedule VII (vii) Promoting nationally recognised sports	No	Pan-India		0.35	No	Olympic Gold Quest	CSR00001100
7	Support to orphans and destitute children in Mumbai	Schedule VII (i) Eradicating hunger (ii) Promoting education	No	Maharashtra	Mumbai	0.50	No	Asha Sadan	
8	Promoting sustainable development	Schedule VII (iv) Ensuring environmental sustainability	No	Pan-India		0.20	No	Mahendra and Young Knowledge Foundation	CSR00003531
9	Vector borne disease control and management	Schedule VII (i) Promoting healthcare	No	Pan-India		0.20	No	Public Health Foundation of India	CSR00001071
	TOTAL					21.01			

(d) Amount spent in Administrative Overheads – ₹ 1.36 crore

(e) Amount spent on Impact Assessment, if applicable - NA

(f) Total amount spent during the Financial Year (8b+8c+8d+8e) – ₹ 34.09 crore

(g) Excess amount for set off, if any:

S. No.	Particular	Amount (₹ in Crore)
(i)	Two percent of average net profit of the company as per section 135(5)	28.05
(ii)	Unspent CSR amount for the preceding financial year	5.85
(iii)	Total CSR obligation for the financial year [(i)+(ii)]	33.90
(iv)	Total Amount spent during the Financial Year	34.09
(v)	Excess amount spent for the financial year [(iv)-(iii)]	0.19
(vi)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NA
(vii)	Amount available for set off in succeeding financial years [(iv)-(iii)]	0.19

10. (a) Details of Unspent CSR amount for the preceding three financial years:

(Amount ₹ in crore)

S. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6)	Amount spent in the reporting Financial Year	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years
				Name of the Fund	Amount (in ₹)	Date of Transfer	
1	FY 19-20	5.85	5.85	Not Applicable			Nil

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(Amount ₹ in crore)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project	Amount spent on the project in the reporting Financial Year	Cumulative amount spent at the end of reporting Financial Year	Status of the project –-Completed / Ongoing
1	-	Disaster relief in response to Kerala floods	FY20	1 year	0.20	0.20	0.20	Completed
2	-	Disaster relief in response to Assam Bihar and Maharashtra floods	FY20	1 year	0.13	0.13	0.13	Completed
3	-	Watershed Management	FY2016-17	~5 years	2.17	0.22	1.96	Ongoing
4	-	Waste management	FY2019-20	~5 years	2.10	0.35	0.83	Ongoing

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details) – Not Applicable

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) – Not Applicable

Mr. Nadir Godrej
Chairman of the CSR Committee

Ms. Nisaba Godrej
Chairperson & Managing Director
(Member of the Committee)

ANNEXURE 'F'

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

Sr. No.		Particulars	Godrej Consumer Products Limited Employee Stock Grant Scheme
1		Date of shareholders' approval for the options granted under the scheme	March 18, 2011
2		Total number of options approved for grants under the Scheme	25,00,000
3		Vesting requirements	As specified by the Nomination and Remuneration Committee, subject to minimum 1 year from the date of grant
4		Exercise price or pricing formula	₹. 1 per share
5		Maximum term of options granted	As may be decided by the Nomination and Remuneration Committee as per the prevalent regulatory provisions
6		Source of shares	Direct allotment
7		Variation of terms of options	None
8		Number of options outstanding as on April 1, 2021	2,90,133
9		Number of fresh options granted during the year	97,653
10		Number of options lapsed during the year	30,444
11		Number of options vested during the year	1,69,921
12		Number of options exercised during the year	1,69,921
13		Number of shares arising as a result of exercise of options	1,69,921
14		Money realised by exercise of options	₹1,69,921
15		Number of options outstanding and exercisable at the end of the year	1,87,421
16		Method used to account for the options	The company has calculated the employee compensation cost using the fair value of stock options, in accordance with IND AS
17		Weighted-average exercise prices and weighted-average fair values of options (shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock)	Exercise price: ₹ 1.00 per share Fair value: ₹ 652.19
18		Employee-wise details of options granted to —	
	i)	Senior Managerial Personnel	
	ii)	Any other employee who receives a grant in any one year of option amounting to 5 per cent or more of the option granted during that year	As per Note 1 below
	iii)	Identified employees who were granted option, during any one year, equal to or exceeding one per cent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	Nil
19		Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 'EPS'	₹ 11.19 per share (standalone) ₹ 16.83 per share (consolidated)
20		Description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information:	The fair value of the options granted has been calculated using the Black–Scholes Options pricing formula, and the significant assumptions made in this regard are as follows:
	i)	Risk-free interest rate	4.12 per cent
	ii)	Expected life	2 years
	iii)	Expected volatility	38.12 per cent
	iv)	Expected dividends	1.20 per cent
	v)	The price of the underlying share in the market at the time of option grant	₹ 666.58

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 2018-19 and Outstanding as on March 31, 2021	Granted in Fiscal Year 2019-20 and Outstanding as on March 31, 2021	Granted in Fiscal Year 2020-21 and Outstanding as on March 31, 2021	Total Outstanding Options as on March 31, 2021
V Srinivasan, Chief Financial Officer and Company Secretary	1,755	4047	6001	11,803
Akhil Chandra, Business Head—ASEAN	2193	5059	7501	14,753
Venkateswara Yadlapalli, Head - R&D	527	1214	1800	3,541
Sunil Kataria, CEO – India & SAARC*	3002	6921	10,261	20,184
Omar Momin, Head - M&A	2633	2024	3000	7,657
Rahul Gama, Head—Human Resources	1475	3400	5041	9,916
Darshan Gandhi, Head—Design	1316	3036	4501	8,853
Anirban Banerjee, Head—Innovation	527	1214	1800	3,541
Jishnu Batabyal, Head—Strategy & Planning	438	1012	3188	4,638

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

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

ANNEXURE 'G'

Form No MR – 3

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

[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, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner reported and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by company for the financial year ended on March 31, 2021 according to the provisions of:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above except signing of register of contracts, Board has noted to sign the register of contracts in physical Board meeting to be held in future.

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

a. Insecticide Act, 1968 and rules made thereunder.

b. Legal Metrology Act and rules made thereunder.

c. Drugs & Cosmetics Act, 1940.

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

We further report that

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

Adequate notice is given to all directors to schedule the Board Meetings; the agenda and related detailed notes on agenda were sent at least seven days in advance. Further, since all the Board and committee meetings were held virtually, attendance for all the meetings were recorded in the minutes itself as physical signatures could not be obtained. Also, signed minutes could not be circulated to the Board members as Board has approved to sign the minutes at a future date. Furthermore, a system for seeking and obtaining further information and clarifications on the agenda items before the meeting exists for meaningful participation at the meeting.

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

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

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

1. Accepted resignation from Mr. Vivek Gambhir from the office of Managing Director and CEO of the company and appointed Ms. Nisaba Godrej as Managing Director.

2. Issued shares on exercise of options under the Employee Stock Grant Scheme.

3. Acquired balance 25% stake in Canon Chemicals, Kenya.

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

Mital Pawar
Partner
ACS - 57478, COP – 23424
UDIN - A057478C000271087

Place: Thane
Date : 11th May, 2021

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

'Annexure A'

The Members,
Godrej Consumer Products Limited

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

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

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

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

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

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

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

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

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

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

Mital Pawar
Partner
ACS - 57478, COP – 23424
UDIN - A057478C000271087

Place: Thane
Date : 11th May, 2021

ANNEXURE 'H'

Practising Company Secretary's Certificate on Corporate Governance

The Members,
Godrej Consumer Products Limited

We have examined the compliance of conditions of corporate governance by Godrej Consumer Products Limited ('the company') to the year ended on March 31st 2021, as stipulated in Regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 ('Listing Regulation')

Management Responsibility

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

PCS Responsibility

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in above mentioned Listing Regulations as applicable during the year ended March 31, 2021.

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

Restriction on use

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

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

Mital Pawar
Partner
ACS -57478, COP –23424

Place: Thane
Date : 11th May, 2021

UDIN:- A057478C000271120

GODREJ CONSUMER PRODUCTS LIMITED

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

A. List of employees employed througout the Financial Year 2020-21 and was in receipt of remuneration which in the aggregate was not less than Rs. 1,02,00,000

***EMPLOYEE NAME*Qualification*Total Remuneration Rs*Date Of Employment*Age*Last Employment####**

*Adi Godrej*B.S., M.S.Engg.& Industrial Management *39798746*18/Feb/1964*79*Godrej Soaps Ltd#### *Nisaba Godrej*BSC from Wharton School, University of Pennsylvania. MBA, Harvard Business School*8969650*01/Oct/2001*43*Godrej Industries Ltd#### "*Omar A Momin*B.Chem.Engg, P.G.D.Mgt, ISB (Hyderabad) *19324509*01/Jun/2001*41*Godrej Industries Ltd####"*Somasree Bose*PGDM - Xaviers Institute of Mgmt, Bhubaneshwar*15216150*02/Jun/2003*43*Godrej Household Products Ltd#### *Pradeep Kumar M*MBA*14108390*04/May/2001*50*Dabur India Ltd#### *V. Srinivasan*B.com, ACA, ACS*25829596*03/Jul/1989*56*Godrej Properties Ltd#### *Subha S. Iyer*Post Graduate Diploma (Media Planning from Mudra Institute of Communication)*10251553*16/Sep/2002*50*Mindshare WPP Marketing#### *Sameer Shah*CA, CTM*15417607*06/Feb/2006*42*M/s General Mills India Ltd####*Darshan Gandhi*NID- Design*14935159*08/Jun/2009*41*Godrej Industries Ltd#### *Rahul Gama*B.Com, MBA *21356007*01/Jul/2009*47*Godrej Household Products Ltd#### *Sunil Kataria*MBA*57437309*04/Feb/2011*53*IdeaCellular####*AmitJain*MBA*10629512*08/Jul/2011*41*Dabur India Ltd#### *Milind Korgaonkar*Middle Management Program, IIM-A*12122488*03/Aug/2011*51*Godrej Household Products Ltd####*Pankaj Parihar*MBA*12525865*03/Mar/2014*43*Godrej Industries Ltd####*Robert Menzies*Masters Degree – Engineering*26907717*01/Apr/2019*42*Godrej Industries Ltd#### *Jishnu Batabyal*MBA*20129069*03/Nov/2014*35*Godrej Industries Ltd#### *Venkateswara Rao Yadlapalli*Post Graduate Diploma*11589907*19/Nov/2014*52*Wipro####*Saurin Shah*Master in Management*12480451*16/Apr/2016*47*Narsee Monjee Institute of Management Studies####*Rajan Raghavachari*Doctorate Degree – Chemical Engineering*14682457*31/May/2019*51*Next Big Innovation Labs####*Ravin Mody*Chartered Accountant*14054515*03/Feb/2020*41*Future Consumer Limited####*R. S. Gopalakrishnan*B.Com, MBA*11390367*01/Aug/1987*58*Godrej Household Products Ltd#### *Anirban Banerjee*PGDM-SCMHRD*13878359*19/Sep/2005*46*Godrej Agrovet Ltd#### *Pallavi Wad*Masters in Management Studies*16826762*02/Jun/1997*51*Steel Authority of India####*Subrata Dey*BSC, PGDCA*13920548*16/Dec/1998*56*Godrej Household Products Ltd####

B. Employed for a part of the financial year 2020-21 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.

***EMPLOYEE NAME*Qualification*Total Remuneration Rs*Date Of Employment*Age*Last Employment####**

*Vivek Gambhir*MBA*147542714*01/Aug/2009*52*Godrej Industries Ltd####*Sunder Nurani Mahadevan*PHD, MSC, BSC*25434072*04/Sep/2006*58*Dabur Research Foundation####*Manoj Kothari*BE in Production Engineering , CFA*10141555*06/Oct/2006*48*Godrej Household Products Ltd####*G Sathyanandan*B. Com*8356121*04/Dec/1989*60*Godrej Household Products Ltd####*Mahnaz Shaikh*MA in HR from TISS*8014734*02/Jan/2017*40*Procter and Gamble####*Naveen Gupta*MBA from Indian Institute of Foreign Trade*6592283*01/Nov/2004*48*Godrej Indonesia####*K Suryanarayan*B.Com, CA*6434101*25/Jun/2001*48*RPG Spencers####*Jatin Brahmecha*B.Com, CA*6350315*01/Sep/2003*50*Godrej Indonesia####*Nazir Ahmed Kazi*Post Graduate Diploma in Materials Management*2857603*01/Jun/1991*61*Godrej Industries Ltd####*Radhakrishna Jagannath*Post Graduation (Master of Management from Indian Institute of Technology, Bombay),*2798616*14/Mar/2012*46*E&Y Pvt Ltd.####*Pradeep Potnis*BE, Post Graduate Diploma in Indian Institute of Packaging*2302127*01/Apr/2005*61*Godrej Industries Ltd####*Sanjeev Kumar Verma*B. Sc, B. Tech (Oil Technology)*1428058*02/Jan/2007*61*####*Mathew Ponnachan*B. Com*998184*01/Feb/1989*31*Godrej Industries Ltd####*Sandeep Sant*B.Com, CWA*919098*05/Dec/1997*40*Godrej Household Products 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 sid

b) The appointment of Mr. Adi Godrej, Chairman Emeritus, Ms. Nisaba Godrej, Chairperson & Managing Director 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, tax borne by the Company where applicable and taxable value of perquisites as per Income Tax Act, 1961

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

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

Report on Corporate Governance

Company's Philosophy On Corporate Governance

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

The Company is a part of the 124-year young Godrej Group, which has established a reputation for honesty, integrity, and sound governance. Its philosophy on corporate governance envisages attaining the highest levels of transparency, accountability, and equity in all facets of its operations and interactions - whether it is with shareholders, employees, lenders, or the government. The Company is committed to achieve and maintain the highest standards of corporate governance. It believes that all its actions must serve the underlying goal of enhancing the overall stakeholder value over a sustained period.

1. Board of Directors

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

A. Board procedures

GCPL currently has a 13-member Board, with 7 Independent Directors who are eminent professionals from diverse fields, with expertise in finance, information systems, marketing, and corporate strategy. None of the Independent Directors have had any material association with the Godrej Group in the past. The Board of Directors also confirms that Independent Directors fulfil conditions specified in Listing Regulations and are independent of management. In line with the accepted best practices, to strengthen the focus and quality of discussion at the Board, GCPL's Board has appointed Ms Ireena Vittal as the lead Independent Director.

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

Before the commencement of the Audit Committee meeting, the Independent Directors are given an opportunity to have a discussion with Statutory Auditors without the presence of the management team. For all major items, comprehensive background information is provided to the Board members to enable them to take an informed decision.

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

Familiarisation programmes for the Independent Directors covered topics such as the Annual Operating Plan for the fiscal year 2020-21, performance and financial updates by Chief Financial Officer. The details of the same are available on the website of the Company and can be accessed through the following link[1]

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

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

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

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

- **Market Expertise – **Has expertise with respect to the geography the organisation operates in. Understands the macroeconomic environment, nuances of the business, and consumers and trade in the geography. Has the knowledge of the regulations and legislations of the market/(s) the business operates in.

- **Technology Perspective** – Has expertise with respect to business-specific technologies such as in the field of research and development and manufacturing. Has experience and adds perspective on the future-ready skills required by the organisation such as e-commerce, digital, and sustainability.

- **People and Talent Understanding** –Has experience in human resource management such that they bring in a considered approach to the effective management of people in an organisation.

- **Governance, Finance, and Risk** – Has an understanding of the law and application of corporate governance

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

principles in a commercial enterprise of a similar scale. Capability to provide inputs for strategic financial planning, assess financial statements, and oversee budgets for the efficient use of resources. Ability to identify key risks for the business in a wide range of areas

including legal and regulatory.

- **Diversity of Perspective –**

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

used for appointing new directors

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

C. Process and criteria

Director Names/Skills	Age (Years)	Appointment Year	Gender	Committee Membership as on March 31, 2021	Strategy and Business	Industry Expertise	Market Expertise	Tech and Future Perspective	People and Talent Understanding	Governance, Finance, and Risk	Diversity of Perspective
Mr Adi Godrej	79	Nov 2000	M	SRC	√	√	√			√	
Ms Nisaba Godrej	43	May 2011	F	CSR, RMC	√	√	√		√	√	
Mr Jamshyd Godrej	72	Mar 2001	M	SRC	√		√			√	√
Mr Nadir B. Godrej	70	Nov 2000	M	SRC, CSR, RMC	√		√	√		√	√
Ms Tanya Dubash	53	May 2011	F	CSR	√		√			√	√
Mr Pirojsha Godrej	41	Apr 2017	M	AC, SRC	√		√			√	√
Mr Narendra Ambwani	73	May 2011	M	AC, NRC, CSR, SRC	√	√	√		√	√	
Mr Sumeet Narang	45	Apr 2019	M	AC, NRC	√		√	√		√	√
Mr Omkar Goswami	65	Jun 2008	M	AC, NRC, RMC			√			√	√
Mr Aman Mehta	75	Apr 2006	M	AC, NRC	√					√	√
Ms Ireena Vittal	53	Apr 2013	F	AC, NRC	√	√	√		√	√	
Ms Ndidi Nwuneli	46	Apr 2017	F	AC, NRC	√		√		√	√	√
Ms Pippa Armerding	53	Jan 2018	F	AC, NRC	√		√		√	√	√

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

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

(i) Composition of the Board

The Board composition is as follows:

Category		Number of Directors as on March 31, 2021
i)	**Non-Independent Directors**	
	Chairperson & Managing Director	1
	Executive Director	1
	Non-Executive Promoter Directors	4
	Subtotal	6
ii)	**Independent Directors**	7
Total Strength (i + ii)		**13**

(ii) Other relevant details of the Directors as on March 31, 2021

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)	2	1	1500#
Jamshyd Godrej	March 01, 2001	None	Promoter/ Non-Executive	5 (4)	1	0	0#
Nadir Godrej	November 29, 2000	Brother of Adi Godrej	Promoter/ Non-Executive	8 (5)	3	2	63#
Tanya Dubash	May 02, 2011	Daughter of Adi Godrej and Sister of Nisaba Godrej and Pirojsha Godrej	Promoter/ Non-Executive	8 (5)	1	0	66#
Nisaba Godrej	May 02, 2011	Daughter of Adi Godrej and Sister of Tanya Dubash and Pirojsha Godrej	Promoter/ Chairperson & Managing Director	5 (4)	0	0	3,70,087#
Pirojsha Godrej	April 01, 2017	Son of Adi Godrej and Brother of Tanya Dubash and Nisaba Godrej	Promoter/ Non-Executive	4 (3)	3	0	3,70,129#
Narendra Ambwani	May 02, 2011	None	Non-Executive/ Independent	5 (4)	8	1	3,000
Pippa Armerding	January 30, 2018	None	Non-Executive/ Independent	1 (1)	1	0	Nil
Sumeet Narang	April 01, 2019	None	Non-Executive/ Independent	1 (1)	1	0	Nil
Omkar Goswami	June 18, 2008	None	Non-Executive/ Independent	5 (4)	6	1	Nil
Aman Mehta	April 26, 2006	None	Non-Executive/ Independent	4 (4)	5	2	Nil
Ndidi Nwuneli	April 01, 2017	None	Non-Executive/ Independent	1 (1)	1	0	Nil
Ireena Vittal	April 30, 2013	None	Non-Executive/ Independent	3 (3)	3	0	Nil

#This shareholding reflects holding in their own name and does not include shares held as one of the trustee of family trusts.

*Does not include directorships in private companies, Section 8 companies, and foreign companies.

**Does not include chairmanship/membership in Board Committees other than the Audit Committee and Shareholders' Grievance Committee and chairmanship/membership in board committees in companies other than public limited companies registered in India.

Note: Figures in brackets denote directorships in listed companies.

(iii) Details of directorship in other listed companies including category of their directorship as on March 31, 2021

Names of Directors		Directorship in Other Listed Companies	Category of Directorship
Adi Godrej	1.	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
Tanya Dubash	1.	Godrej Industries Limited	Director
	2.	Godrej Agrovet Limited	Director
	3.	Britannia Industries Ltd	Independent Director
	4.	Escorts Limited	Independent Director
Nisaba Godrej	1.	Godrej Agrovet Limited	Director
	2.	VIP Industries Limited	Independent Director
	3.	Mahindra and Mahindra Limited	Independent Director
Pirojsha Godrej	1.	Godrej Agrovet Limited	Director
	2.	Godrej Properties Limited	Chairman
Narendra Ambwani	1.	Parag Milk Foods Limited	Independent Director
	2.	Agro Tech Foods Limited	Independent Director
	3.	RPG Life Sciences Limited	Independent Director
Pippa Tubman Armerding		NIL	-
Sumeet Narang		NIL	-
Ndidi Nwuneli		NIL	-
Omkar Goswami	1.	Bajaj Finance Limited	Independent Director
	2.	Ambuja Cements Limited	Independent Director
	3.	Bajaj Auto Limited.	Independent Director
Aman Mehta	1.	Wockhardt Limited	Independent Director
	2.	Max Financial Services Limited	Independent Director
	3.	Tata Steel Limited	Independent Director
Ireena Vittal	1.	Housing Development Finance Corporation Limited	Independent Director
	2.	Wipro Limited	Independent Director

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

Names of Meetings	Board	Audit Committee	Nomination and Remuneration Committee	Corporate Social Responsibility	Stakeholders' Relationship Committee	Risk Management Committee	AGM August 4, 2020
Number of Meetings held	5	4	4	2	1	2	1
Attendance of Directors							
Adi Godrej	5	NA	NA	NA	1	NA	Yes
Jamshyd Godrej	5	NA	NA	NA	1	NA	Yes

Names of Meetings	Board	Audit Committee	Nomination and Remuneration Committee	Corporate Social Responsibility	Stakeholders' Relationship Committee	Risk Management Committee	AGM August 4, 2020
Nadir Godrej	5	NA	NA	2	0	1**	Yes
Tanya Dubash	5	NA	NA	1	NA	NA	Yes
Nisaba Godrej	5	NA	NA	2	NA	2	Yes
Pirojsha Godrej	5	1#	NA	NA	1	NA	Yes
Narendra Ambwani	5	4	4	2	1	NA	Yes
Pippa Armerding	5	4	4	NA	NA	NA	Yes
Sumeet Narang	5	4	4	NA	NA	NA	Yes
Omkar Goswami	5	4	4	NA	NA	2	Yes
Aman Mehta	5	4	4	NA	NA	NA	Yes
Ndidi Nwuneli	5	4	4	NA	NA	NA	Yes
Ireena Vittal	5	4	4	NA	NA	NA	Yes
Vivek Gambhir*	3	NA	NA	1	NA	NA	Yes

Notes:

*Mr Vivek Gambhir ceased to be Director with effect from September 30, 2020.

**Mr Nadir Godrej became member of Risk Management Committee with effect from December 24, 2020.

#Mr Pirojsha Godrej became member of Audit Committee and Stakeholders Relationship Committee with effect from October 1, 2020.

'NA' indicates not a member of the committee.

- The maximum gap between any two board meetings did not exceed 120 days during the year.
- Leave of absence was granted to the Directors whenever they could not be present for the Board/ Committee meeting.
- All the meetings were held through video conferencing as permitted by the MCA.
- Board meetings were held on May 13, 2020, June 9, 2020, Aug 4, 2020, Nov 5, 2020 and Feb 8, 2021.
- Audit Committee meetings were held on May 13, 2020, Aug 4, 2020, Nov 5, 2020 and Feb 8, 2021.
- Nomination and Remuneration Committee meetings were held on May 13, 2020, June 9, 2020, Aug 4, 2020 and Feb 8, 2021.
- The Independent Directors meeting was held on May 13, 2020.
- The Stakeholders' Relationship Committee meeting was held on Nov 5, 2020.
- Risk Management Committee meetings were held on Nov 3, 2020 and March 26, 2021.
- Corporate Social Responsibility Committee meetings were held on May 13, 2020 and Nov 5, 2020.

(i) Reappointment of Directors liable to retire by rotation

The Board has four Directors whose period of office is liable to be determined for retirement by rotation, and of these four directors, one-third, i.e. one Director, shall retire at the Annual General Meeting. Thus, Mr Nadir Godrej will retire at the ensuing Annual General Meeting of the Company and, being eligible, will be considered for reappointment. His brief resume is annexed to the notice of the Annual General Meeting.

F. Committees of the Board

The Company has constituted an Audit Committee in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). The Stakeholders' Relationship Committee formed in accordance with Regulation 20 of the Listing Regulations and Section 178 of the Companies Act, 2013 inter alia looks into investor grievances. The Company has also formed a Nomination and Remuneration Committee in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations, which looks after the appointment, remuneration, and performance evaluation of Directors. The criteria for performance evaluation of Independent Directors includes skills, experience, level of preparedness, attendance, extent of contribution to board debates and discussion, and how each Director leverages his/ her expertise and networks to meaningfully contribute to the Company. The Company also has a Risk Management Committee in accordance with Regulation 21 of the Listing Regulations.

GCPL has also formed a new Committee called 'Sustainability Committee' with effect from April 1, 2021 in order to strengthen oversight and governance of Sustainability risks, opportunities and progress against goals. The Sustainability Committee consist of Ms. Nisaba Godrej, Ms. Tanya Dubash, Mr. Nadir Godrej, Mr. Narendra Ambwani and Ms. Ndidi Nwuneli as Members. The Committee will meet at least twice in a year.

Composition of the Committees as on March 31, 2021

Names of Directors	**Position in the Committee**					
	Category	**Audit Committee**	**Nomination & Remuneration Committee**	**Stakeholders' Relationship Committee**	**Risk Management Committee**	**Corporate Social Responsibility Committee**
Adi Godrej	Promoter and Executive	None	None	Member	None	None
Jamshyd Godrej	Promoter and Non-Executive	None	None	Member	None	None
Nadir Godrej	Promoter and Non-Executive	None	None	Chairman	Member*	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	Member#	None	Member#	None	None
Narendra Ambwani	Independent	Member	Chairman	Member	None	Member
Pippa Armerding	Independent	Member	Member	None	None	None
Sumeet Narang	Independent	Member	Member	None	None	None
Omkar Goswami	Independent	Member	Member	None	Chairman	None
Aman Mehta	Independent	Chairman	Member	None	None	None

Names of Directors	Position in the Committee					
	Category	Audit Committee	Nomination & Remuneration Committee	Stakeholders' Relationship Committee	Risk Management Committee	Corporate Social Responsibility Committee
Ndidi Nwuneli	Independent	Member	Member	None	None	None
Ireena Vittal	Independent	Member	Member	None	None	None
Total Strength of the Committee		8	7	5	5	4
Number of Independent Directors in the Committee		7	7	1	1	1
Number of Non-Independent Directors in the Committee		1	-	4	2	3
Members of Senior Management in the Committee		-	-	-	2	-

*Mr Nadir Godrej became member of Risk Management Committee with effect from December 24, 2020.

#Mr Pirojsha Godrej became member of Audit Committee and Stakeholders Relationship Committee with effect from October 1, 2020.

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

G. Terms of reference of Board Committees

(i) Audit Committee

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

Financial Statements

- Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient, and credible.

- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

  (a) Matters required to be included in the Director's responsibility statement to be included in the Board's report in terms of clause (c) of subsection (3) of Section 134 of the Companies Act, 2013.

  (b) Changes, if any, in accounting policies and practices and reasons for the same.

  (c) Major accounting entries involving estimates based on the exercise of judgment by the management.

  (d) Significant adjustments made in the financial statements arising out of audit findings.

  (e) Compliance with listing and other legal requirements relating to financial statements.

(f) Disclosure of any related party transactions.

(g) Modified opinion(s) in the draft audit report.

- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.

- Scrutiny of intercorporate loans and investments.

Review of Information

- Reviewing, with the management, the statement of uses/ application of funds raised through an issue, such as public, rights, or preferential issues; the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/notice; and the report submitted by the agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to initiate steps in this matter.

- Reviewing the management discussion and analysis of financial condition and results of operations.

- Statement of deviations:

  - quarterly statement of deviation(s) including the report of the monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations.

  - annual statement of funds utilised for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7) of the Listing Regulations.

Internal Control

- Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems.

- Evaluation of internal financial controls and risk management systems.

- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity, or a failure of internal control systems of a material nature, and reporting the matter to the Board.

External and Internal Audit

- Recommendation for appointment, remuneration, and terms of appointment of auditors of the Company.

- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

- Reviewing of management letters/ letters of internal control weakness issued by the statutory auditors.

- Reviewing the appointment, removal, and terms of remuneration of the chief internal auditor.

- Reviewing the adequacy of the internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage, and frequency of internal audit.

- Reviewing internal audit reports relating to internal control weakness.

- Discussion with internal auditors of any significant findings and follow-up thereon.

- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

- Reviewing and monitoring the auditor's independence and performance, and effectiveness of the audit process.

- Periodical discussions with the auditors about internal control systems and the scope of audit including the observations of the auditors and review of the quarterly, half yearly, and annual financial statements before submission to the Board. Overseeing compliance of internal control systems.

Subsidiary Companies

- The Committee shall have access to the Audit Committee minutes of the subsidiary companies.

- Reviewing the financial statements, in particular the investments made by the subsidiary companies.

- Recommending the revision in the Policy for determining Material Subsidiaries to align it with the extant applicable provisions.

- Reviewing the utilisation of loans and/or advances from/ investment in the subsidiary exceeding ₹ 100 crore or 10 per cent of the asset size of the subsidiary, whichever is lower, including existing loans and advances.

Related Party Transactions

- Approval or any subsequent modification of transactions of the Company with related parties.

- Formal approval or omnibus approval of transactions with related parties or any subsequent modification of transactions of the Company with related parties including their basis.

- Laying down criteria for granting omnibus approval to related party transactions.

- Satisfy itself of the need for omnibus approval of related party transactions so that that the approval is in the interest of the Company.

- Granting omnibus approval for related party transactions not exceeding ₹ 1 crore per transaction in a financial year.

- Reviewing on a quarterly basis, the statement of such significant related party transactions as may be specified by the Committee and the details of related party transactions entered into by the Company pursuant to each of the omnibus approval given.

- Recommending the revision in the Policy on Material-Related Party Transactions and on dealing with Related Party Transactions to align it with the extant applicable provisions.

Compliance

- Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends), and creditors, if any.

- Reviewing the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of non- compliance.

- Reviewing the findings of any examinations by regulatory agencies and any auditor observations.

- Reviewing the process for communicating the Code of Conduct to Company personnel and for monitoring compliance therewith.

- Reviewing compliance with respect to the provisions of Insider Trading Regulations at least once in a financial year and verifying that the systems for internal control for compliance with these regulations are adequate and operating effectively.

- Obtaining regular updates from the management regarding compliance matters.

Other Responsibilities

- Reviewing the functioning and compliances as regards the Company's Whistle Blower Policy.

- Approval of the appointment of the Chief Financial Officer after assessing the qualifications, experience, and background of the candidate.

- Valuation of undertakings or assets of the Company, wherever it is necessary by appointing a Registered Valuer in terms of Section 247 of the Companies Act, 2013.

- Instituting and overseeing special investigations as needed.

- Performing any other functions and activities related to this terms of reference as requested by the Board of Directors.

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

(ii) Nomination and Remuneration Committee

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

- Formulation of the criteria for determining qualifications, positive attributes, and independence of a Director and recommendation to the Board of Directors a policy relating to the remuneration of the Directors, key managerial personnel, and other employees.

- Formulation of criteria for the evaluation of performance of Independent Directors and the Board of Directors.

- Devising a policy on the diversity of Board of Directors.

- Identifying individuals who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommending to the Board of Directors their appointment and removal.

- Deciding whether to extend or continue the term of appointment of the Independent Director on the basis of the report of performance evaluation of Independent Directors.

- Recommending to the Board, all remuneration, in whatever form, payable to senior management.

- Administering the Employee Stock Grant Scheme of the Company and render all such functions required to be done under the SEBI (Share-Based Employee Benefit) Regulations, 2015.

- Performing any other functions and activities related to the terms of reference as requested by the Board of Directors.

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

(iii) Stakeholders' Relationship Committee

- Resolving the grievances of the security holders of the Company, including complaints relating to transfer/transmission of shares, non-receipt of Annual Report, and non-receipt of declared dividends; issue of new/ duplicate certificates; and general meetings.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent.
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the shareholders of the Company.
- Performing any other functions and activities related to the terms of reference as requested by the Board of Directors.
- Performing any other functions as required to be done by the Stakeholders' Relationship Committee as per the provisions of the Companies Act, 2013, the Listing Regulations, and any other laws or regulations from time to time.

(iv) Risk Management Committee

- The terms of reference of the Committee are as follows:
- Spearhead the risk management initiative within the Company.
- Review status of actions planned.
- Review progress and status of mitigation for the 'Risks That Matter'.
- Set standards for risk documentation and monitoring.
- Improve risk management techniques and enhance awareness.
- Review and manage risks relating to cyber security.
- Performing any other functions and activities related to the terms of reference as requested by the Board of Directors.
- Performing any other functions required to be done by the Risk Management Committee as per the provisions of the Companies Act, 2013, the Listing Regulations, and any other laws or regulations from time to time.

(v) Corporate Social Responsibility Committee

- Formulate and recommend to the Board a Corporate Social Responsibility Policy that shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013.
- Recommend the amount of expenditure to be incurred on the activities referred above.
- Monitor the Corporate Social Responsibility Policy of the Company from time to time;
- Perform any other functions and activities related to the terms of reference as requested by the Board of Directors.

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

(vi) Sustainability Committee

- Spearhead GCPL's overall Sustainability ambition, strategy and long-term thinking
- Review progress against Sustainability goals across the company
- Review key Sustainability risks for GCPL, set standards for monitoring, and sign off mitigation measures
- Frame key long-term Sustainability opportunities for GCPL and align Board of Directors as required
- Formulate and recommend to the Board of Directors, key Sustainability policies, as required
- Performing any other functions and activities related to these terms of reference as requested by the Board of Directors.

2. REMUNERATION POLICY

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

Remuneration to Directors:

Details of the remuneration to Directors are as follows:

Amount (₹) crore

Names of Directors	Sitting Fees	Commission on Profits	Salary, Allowances and Other Benefits	PLVR	Company's Contribution to PF	Monetary Value of Perquisites	Total
Whole-Time Directors							
Adi Godrej	-	-	1.38	0.00	0.02	2.58	3.98
Nisaba Godrej	-	-	0.49	0.00	0.01	0.57	1.07
Vivek Gambhir	-	-	9.50	0.00	0.16	4.93	14.59
Subtotal	**-**	**-**	11.37	0.00	0.19	8.08	19.64
Non-Executive Directors							
Jamshyd Godrej	0.05	0.20	-	-	-	-	0.25
Nadir Godrej	0.06	0.20	-	-	-	-	0.26
Tanya Dubash	0.05	0.20	-	-	-	-	0.25
Pirojsha Godrej	0.05	0.20	-	-	-	-	0.25
Narendra Ambwani	0.07	0.35	-	-	-	-	0.42
Pippa Armerding	0.07	0.35	-	-	-	-	0.42
Omkar Goswami	0.07	0.35	-	-	-	-	0.42
Ndidi Nwuneli	0.07	0.35	-	-	-	-	0.42
Aman Mehta	0.07	0.35	-	-	-	-	0.42
Sumeet Narang	0.00	0.00	-	-	-	-	0.00
Ireena Vittal	0.07	0.35	-	-	-	-	0.42
Subtotal	0.63	2.90	0.00	0.00	0.00	0.00	3.53
Total	0.63	2.90	11.37	0.00	0.19	8.08	23.17

Notes:

- Mr. Adi Godrej and Ms. Nisaba Godrej drew salary for only one month (basic salary and various elements of flexible compensation). The net salary for this month was remitted to PM Cares fund as desired by them. For the rest of the year, Mr. Adi Godrej and Ms. Nisaba Godrej had voluntarily waived the remuneration receivable (including Performance Linked variable remuneration) due to the grave situation in the country caused by the outbreak of the COVID 19 pandemic and the suspension of business activities due to the lockdown imposed by the Government of India and the likely impact of the same on the Company's performance. They drew only the perquisites. In case of Mr. Adi Godrej, the monetary value of perquisites includes maintenance of accommodation, car, electricity expenses, perquisite tax borne by the Company and medical insurance premium paid by the Company. In case of Ms. Nisaba Godrej, the monetary value of perquisites includes reimbursement of medical expenses, accommodation, water and electricity perks, car and perquisite tax borne by the Company.

- Mr Vivek Gambhir was the Managing Director & CEO till June 30, 2020 and Whole-time Director till September 30, 2020. He ceased to be a Director thereafter. The salary includes basic salary various elements of flexible compensation, Gratuity paid. The perquisites received by Mr Vivek Gambhir include the perquisite value of stock grants exercised during the financial year.

- The Board of Directors had reappointed Mr Adi Godrej for a further period of 5 years beginning from April 1, 2019 to March 31, 2024. The same was approved by shareholders by postal ballot on March 20, 2019. The office of Mr Adi Godrej is terminable with a notice period of 3 months by either side.

- Ms. Nisaba Godrej was Whole time director designated as Executive Chairperson till June 30, 2020. The Board at its meeting held on June 9, 2020, appointed her as the Managing Director with effect from July 1, 2020 to Sept 30, 2022 upon remuneration by way of salary and other perquisites as may be determined and agreed to between the Board of Directors and Ms. Nisaba Godrej from time to time. This above appointment was approved by the shareholders at the AGM held on August 4, 2020. The Board of Directors at is meeting held on May 11, 2021 approved the appointment of Mr. Sudhir Sitapati as the Managing Director with effect from October 18, 2021 (appointment subject to approval of the members). Accordingly, Ms. Nisaba Godrej will serve as a Whole time Director for the remainder of her term till Sep 30, 2022. She will also be the Executive Chairperson till March 31, 2022.

- The shareholders have authorised the payment of commissions on profits to Non-Executive Directors at a rate not exceeding 1 per cent of net profits of the Company with authority to the Board to determine the manner and proportion in which the amount is distributed among the Non-Executive Directors. The Board has authorised a base commission of ₹ 20 lakhs per annum to each Non-Executive Director. All the Independent Directors are paid an additional commission linked to their attendance at Audit Committee meetings, Nomination and Remuneration Committee meeting, and Independent Directors' meeting. In addition, all the Non-Executive Directors are paid sitting fees for attending the meetings of the Board or Committees thereof.

- Mr Sumeet Narang has voluntarily waived the remuneration receivable from the Company.

- All the Independent Directors except Ms Ndidi Nwuneli, Ms Pippa Armerding, and Mr Sumeet Narang were originally appointed in terms of the erstwhile Listing Agreement (refer to the table containing other relevant details of the Directors under Para 1 of Board of Directors for the original date of appointment). After the notification of Companies Act, 2013, these Independent Directors have been appointed for a period of 5 years. Upon completion of the first term, Dr. Omkar Goswami and Ms Ireena Vittal have been reappointed for a second term of five years. Mr. Aman Mehta has been reappointed for the period till August 31, 2021 and Mr. Narendra Ambwani has been reappointed for the period till November 14, 2023.

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	126	126	0	0
2.	Non-receipt of shares lodged for transfer/exchange	Nil	24	24	0	0
3.	Non-receipt of the Annual Report	Nil	0	0	0	0
4.	Others	Nil	0	0	0	0
	Total	Nil	150	150	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 30, 2018	3:00 p.m.	Godrej One, 1st Floor Auditorium, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai-400079	NIL
August 1, 2019	1.30 p.m.	Godrej One, 1st Floor Auditorium, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai-400079	Reappointment of Mr Narendra Ambwani, Mr Aman Mehta, Dr. Omkar Goswami, and Ms Ireena Vittal as Independent Directors for a second term of 5 years.
August 4, 2020	04:00 p.m.	Video conferencing	NIL

No postal ballot was conducted during the FY 2020-2021.

5. MEANS OF COMMUNICATION

GCPL sends quarterly newsletters to the registered email addresses of the investors. Moreover, all vital information related to the Company and its performance, including quarterly results, press releases, and performance updates/ corporate presentations, and the information required by the Listing Regulations are posted on the Company's website– www.godrejcp.com. The quarterly, half yearly, and annual results of the Company's performance are generally published in leading English dailies, such as Business Line as well as in the Marathi newspaper Lokmat. The Chairperson holds conference calls/meetings with financial analysts once in a quarter, and their transcripts are posted on the website. The presentations made to financial analysts and institutional investors are shared with the Stock Exchanges and uploaded on the Company's website. The same may be accessed through the link given below[2] The Company files its quarterly results on the electronic filing system of the Bombay Stock Exchange (BSE) Limited and National Stock Exchange of India Limited (NSE). The

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

same are also available on the websites of the BSE Limited and NSE, namely https://www.bseindia.com/ and www.nseindia.com, respectively.

Reminders to Investors

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

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

6. GENERAL SHAREHOLDER INFORMATION

A. Annual General Meeting

Date and Time:	Wednesday, August 4, 2021, 4.00 p.m. (IST)
Venue:	Video Conferencing/ Other audio visual means

B. Financial Calendar

Financial Year:	April 1, 2020 to March 31, 2021

C. The Board did not declare any Interim Dividends during Fiscal Year 2020-21, and also has not recommended any final dividend for the fiscal year.

D. Listing

The Company's shares are listed and traded on the following stock exchanges:

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

The applicable listing fees has been paid to the stock exchanges before the due date.

E. Market Price Data

The monthly high and low prices of GCPL at the BSE Limited and the NSE in Equity series for the year ended March 31, 2021, are as follows:

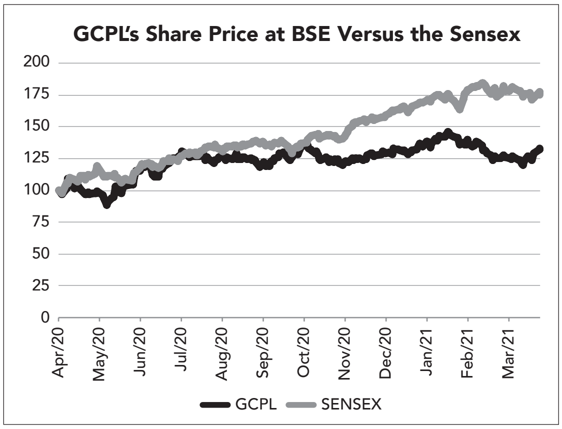
Month	BSE		NSE	
	High Price	Low Price	High Price	Low Price
Apr-20	639.35	515.55	639.80	515.35
May-20	639.90	484.05	639.95	484.05
Jun-20	697.15	592.40	697.70	591.25
Jul-20	720.65	663.00	721.70	663.50
Aug-20	716.40	647.40	716.70	647.00
Sep-20	736.25	641.65	736.95	641.00
Oct-20	761.50	661.40	762.00	661.00
Nov-20	719.40	654.05	719.60	653.60
Dec-20	756.95	683.50	756.90	683.10
Jan-21	808.00	731.60	808.35	731.25
Feb-21	773.70	644.00	773.80	676.00
Mar-21	734.45	646.25	734.65	646.15

Source: Websites of the respective stock exchanges

Note: High and low are in rupees per traded share

F. GCPL's Share Price at BSE Versus the Sensex

GCPL's share performance compared with the BSE Sensex for fiscal year 2020-21 is as follows:



Note:

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

G. Registrar and Share Transfer Agent

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

Note: As per the announcement done on Nov 5, 2020, the Company will be moving to a new Registrar and Share Transfer Agent viz. Link Intime India Private Limited. The transition date has got delayed to restrictions in office attendance due to COVID. The Company will be announcing the transition date as soon as normalcy is restored.

The shareholders are requested to check stock exchange or Company's website for update on RTA transition before sending any communication to Computech Sharecap Limited.

H. Share Transfer

In terms of amendments to Regulation 40 of Listing Regulations w.e.f. 1st April, 2019, transfer of securities in physical form has been stopped by SEBI.

SEBI has given the following clarifications:

1. The above decision does not prohibit the investor from holding the shares in physical form; investor has the option of holding shares in physical form even after April 01, 2019.

2. Any investor who is desirous of transferring shares (which are held in physical form) after April 01, 2019 can do so only after the shares are dematerialized.

The above decision by SEBI is not applicable for demat of shares, transmission (i.e. transfer of title of shares by way of inheritance / succession) and transposition (i.e. re-arrangement / interchanging of the order of name of shareholders) cases.

I. Distribution of Shareholding

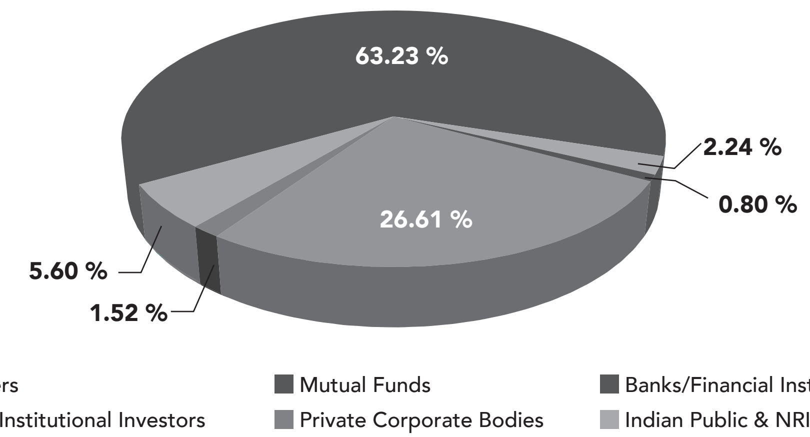
Distribution of shareholding by size class as on March 31, 2021

Number of Shares	Number of Shareholders	Shareholders %	Number of shares held	Shareholding %
1-500	1,63,401	88.03%	1,34,56,758	1.32%
501-1,000	11,427	6.16%	79,85,210	0.78%
1,001-2,000	6,503	3.50%	93,97,498	0.92%
2,001-3,000	1,554	0.84%	37,93,509	0.37%
3,001-4,000	726	0.39%	25,66,893	0.25%
4,001-5,000	371	0.20%	16,62,345	0.16%
5,001-10,000	654	0.35%	44,76,560	0.44%
10,001 and above	994	0.54%	97,91,47,500	95.76%
Total	**1,85,630**	**100.00%**	**1,02,24,86,273**	**100.00%**

Distribution of shareholding by ownership as on March 31, 2021:

Category	Shares Held (Number)	Per Cent of Holding
Promoter's Holding:		
Promoters	64,64,88,267	63.23%
Institutional Investors:		
Mutual Funds	2,29,10,450	2.24%
Banks/Financial Institutions	82,29,003	0.80%
Insurance Companies	0	0.00%
Foreign Institutional Investors	27,21,17,174	26.61%
Others:		
Private Corporate Bodies	1,55,00,367	1.52%
Indian Public	5,31,45,880	5.20%
NRI/OCB's	40,95,132	0.40%
Total	**1,02,24,86,273**	**100.00%**

Shares held (Nos.)



J. Shares Held in Physical and Dematerialised Forms

Breakup of physical and dematerialised shares as on March 31, 2021:

	Number of Shares	Per Cent	Number of Folios	Per Cent
Physical	81,08,356	0.79	16,589	8.94
Demat	1,01,43,77,917	99.21	1,69,041	91.06
Total	**1,02,24,86,273**	**100.00**	**1,85,630**	**100.00**

Shares held in the demateralised mode have more liquidity than those held in the physical mode. Therefore, the Company urges shareholders holding shares in the physical form to convert their shareholdings to the demat mode.

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

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

L. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

GCPL is exposed to commodity risks mainly due to imported palm oil derivatives. We enter into fixed price contracts with overseas suppliers in order to hedge price volatility.

Regarding commodities that are imported at a contracted fixed price, there is a foreign exchange currency risk and the mitigation of the same is managed by the FOREX Committee of the Company. The Committee periodically meets and reviews the overall foreign exchange currency exposure and enters into forward contracts to hedge the currency risk. Details of hedged and unhedged positions for foreign currency exposures are available in the Notes to the Financial Statement of the Annual Report

Details of the exposure of the Company to palm oil derivatives are given below:

Commodity Name	Exposure in ₹ (Purchase orders raised during the year)	Exposure in Qty	% of such exposure hedged through commodity derivatives				
			Domestic market		International Market		Total
			OTC	Exchange	OTC	Exchange	
Palm Oil Derivatives	840.84 crore	1.32 Lac MT	Nil	Nil	Nil	Nil	Nil

M. Plant Locations

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

Names of States /Union Territory	Location of Plants
Jammu & Kashmir	SICOP Industrial Estate-Kathua, Hatli Moth-Kathua, Industrial Area Phase III Lane 2, Bari Brahmana- Distt Sambha
Himachal Pradesh	Thana-Baddi, Katha-Baddi
Sikkim	Mamring, South Sikkim
Assam	Kalapahar-Guwahati, Lalung gaon-lokhra, Brahamputra industrial park-village silla, Sarusajai-lokhra
Meghalaya	Byrnihat, Rebhoi District
Madhya Pradesh	Malanpur Industrial Area, District Bhind
Pondicherry	Kattukuppam-Manpet Post, Nallur Village-Mannadipet Commune, Nedungadu Commune-Karaikal, Thirunallar Commune-Karaikal
Tamil Nadu	Maraimalai nagar-Kanjipuram District

N. Address for Correspondence relating to queries of GCPL shares

Shareholders can contact us at our Registered Office: Godrej Consumer Products Limited, 4th Floor, Godrej One, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai-400079

Tel. No.: 022 25188010/20/30
Fax No.: 022 25188040; Email

ID: investor.relations@
godrejcp.com

Website: www.godrejcp.com

CIN:
L24246MH2000PLC129806

Shareholders are expected to update any change in their residential addresses with our RTA to avoid non-receipt of dividends, annual reports, etc. You can download the form through the link given below[3] and submit it with our RTA.

Since, the Company has announced RTA change but transition is yet to be effected as on the date of this Report. Hence, the shareholders are requested to check stock exchange or Company's website to know the address of RTA for sending any communication to Registrar and Share Transfer Agent.

O. List of Credit Ratings Obtained during the Year

During the year, rating agencies have reaffirmed the following existing credit ratings of the Company.

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

Crisil A1+ for ₹ 750 crore Commercial paper

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

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

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

P. Electronic Credit of Dividend

The Company encourages the shareholders to opt for electronic credit of dividends. The system is administered by the RBI, which ensures faster credit of dividends as dividends are directly credited in the electronic form to the bank accounts of the shareholder. Moreover, by availing this facility, shareholders avoid the risk of loss of dividend warrants in transit or fraudulent encashment. Shareholders holding shares in the physical form and who have not opted for the aforementioned system may download the form from the link given below[4]. Shareholders holding shares in the demat form are requested to provide details to NSDL/ CDSL through their respective depository participants.

It may be noted that if the shareholders holding shares in the demat form provide the details directly to the Company, the Company will not be able to act on the same, and consequently dividends cannot be remitted through electronic credit.

Q. Consolidation of Shares under One Folio

The Company urges shareholders holding shares of GCPL under different folios to consolidate the shares under one folio. This would substantially reduce paperwork and transaction costs and benefit the shareholders and the Company. Shareholders can do so by writing to the registrar with details on folio numbers, order of names, shares held under each folio, and the folio under which all shareholdings should be consolidated. Share certificates need not be sent.

7. OTHER DISCLOSURES

A. Materially Significant Related Party Transactions That May Potentially Conflict with the Company's Interest

During fiscal year 2020-21, there were no materially significant related party transactions; that is, transactions of the Company of material nature with bodies including its subsidiaries, promoters, directors, management, and relatives, which may have potential conflict with the interests of the Company at large.

Attention of members is drawn to disclosures of transactions with related parties, as set out in Notes to Accounts.

B. Details of Non-Compliance

There has not been any non- compliance of mandatory requirements, expected of the Company. No penalties or strictures were imposed on the Company by the stock exchanges, SEBI, or any statutory authority for matters related to capital markets during the last 3 years.

C. Vigil Mechanism/ Whistle Blower Policy

With a view to establish a mechanism for protecting employees reporting unethical behaviour, frauds, or violation of the Company's Code of Conduct, the Board of Directors have adopted a Whistle Blower Policy. No person has been denied access to the Audit Committee.

D. Web Link for Policies

The Whistle Blower Policy, the Policy for determining Material Subsidiaries, and the Policy on dealing with Related Party

[4] https://godrejcp.com/investors/investors-faqs

Transactions are available on the link given below[5]

E. Utilisation of Funds

There were no funds raised through preferential allotment or qualified institutions' placement as specified under Regulation 32 (7A) during this financial year.

F. Unclaimed Suspense Account

In compliance with the Listing Regulations, your Company has transferred the unclaimed shares into a demat account, namely the 'Unclaimed Suspense Account'. As and when an allottee approaches the Company, after proper verification, the shares are credited into the demat account of the allottee.

Particulars	No. of Shareholders	Number of Shares
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year (April 1, 2020)	1,521	871,344
Number of shareholders and aggregate shares transferred to the Unclaimed Suspense Account during the year on account of unclaimed share certificates pertaining to the bonus issue	0	0
Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account during the year and aggregate shares transferred	8	6915
Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year and the aggregate shares transferred	0	0
Number of shareholders to whose shares were transferred from the Unclaimed Suspense Account to the IEPF Account during the year and the aggregate shares transferred	8	6915
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year (March 31, 2021)	1,513	864,429

G. Certificate from Practicing Company Secretary on Director's Eligibility

The Company has received a certificate from a company secretary in practice stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the SEBI, Ministry of Corporate Affairs, or any such other statutory authority. The certificate is enclosed with this section as Annexure A.

H. Details of Total Fees Paid to Statutory Auditors

Details of total fees for all the services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in network firms/ network entity of which the statutory auditor is a part are as follows:

Amount ₹ crore

Type of Services	2020-21	2019-20
Audit Fees	6.75	8.17
Tax Fees	0.20	0.29
Others	0.45	0.23
Total	7.40	8.69

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

I. Disclosures in Relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013:

	Received during Financial year 2020-21	Disposed during Financial year 2020-21	Pending at the end of Financial year 2020-21
Number of Complaints	0	0	0

J. Details of Compliance with Corporate Governance Requirements

The Company has complied with the requirements specified in Regulations 17 to 27 and clause (b) to (i) of sub regulation (2) of Regulation 46 of the Listing Regulations.

K. Recommendation by the Board Committees

There have been no instances of rejection by the Board for any recommendations by the Board Committees during this financial year.

8. PRACTICING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

As stipulated in Para E of Schedule V of the Listing Regulations, the practicing Company Secretary's certificate regarding the compliance of conditions of corporate governance is attached to the Board's Report.

DECLARATION BY THE MANAGING DIRECTOR

I, Nisaba Godrej, Chairperson & Managing Director of Godrej Consumer Products Limited (GCPL), hereby confirm pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, that

The Board of Directors of GCPL has laid down a Code of Conduct for all the Board members and senior management of the Company. The said Code of Conduct has also been posted on the Investors page of the Company website www.godrejcp.com

All the Board Members and senior management personnel have affirmed their compliance with the said Code of Conduct for the year ended March 31, 2021.

For Godrej Consumer Products Ltd.

sd/-
Nisaba Godrej
Chairperson and Managing Director
Mumbai, May 11, 2021

ANNEXURE A:

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Godrej Consumer Products Limited
4th Floor, Godrej One, Pirojshanagar,
Eastern Express Highway, Vikhroli
(East), Mumbai-400079

I/We have examined the relevant registers, records, forms, returns, and disclosures received from the Directors of Godrej Consumer Products Limited having CIN - L24246MH2000PLC129806 and having a registered office at Godrej One, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai-400079 (hereinafter referred to as 'the Company'), produced before us (including soft copies in some cases due to lockdown) by the Company for the purpose of issuing this certificate in accordance with Regulation 34(3) read with Schedule V Para C Subclause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion, to the best of our knowledge, and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other statutory authority.

Sr. No.	Names of Directors	DIN	Date of Appointment in Company
1	Adi Barjorji Godrej	00065964	November 29, 2000
2	Tanya Arvind Dubash	00026028	May 2, 2011
3	Nadir Burjor Godrej	00066195	November 29, 2000
4	Jamshyd Naoroji Godrej	00076250	March 1, 2001
5	Pirojsha Adi Godrej	00432983	April 1, 2017
6	Nisaba Adi Godrej	00591503	May 2, 2011
7	Narendra Kumar Anand Ambwani	00236658	May 2, 2011
8	Sumeet Subhash Narang	01874599	April 1, 2019
9	Aman Mehta	00009364	April 26, 2006
10	Omkar Goswami	00004258	June 18, 2008
11	Ireena Vittal	05195656	April 30, 2013
12	Ndidi Okonkwo Nwuneli	07738574	April 1, 2017
13	Pippa Fametta Tubman Amerding	08054033	January 30, 2018

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For A. N. Ramani & Co.,
Company Secretaries
UNIQUE CODE-P2003MH000900
Mital Pawar
Partner
ACS-57478, COP-23424

Date : 11th May, 2021
Place : Thane

Independent Auditors' Report

To the Members of
Godrej Consumer Products Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Godrej Consumer Products Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2021, 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 (hereinafter referred to as "the standalone financial statements").

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 2021, 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 on the Standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matters:

The key audit matter	How the matter was addressed in our audit
Revenue recognition	Our audit procedures included:
(Refer note 30 to the standalone financial statements) Revenue is measured net of any discounts and rebates. Recognition and measurement of discounts and rebates accruals at year end, involves judgement and estimates. This leads to a risk of revenue being misstated due to inaccurate estimation over discounts and volume rebates.	Assessing the compliance of revenue recognition accounting policies, including those relating to discounts and rebates, with reference to Ind AS 115 Revenue from contracts with customers (applicable accounting standard);

Revenue is recognised when the control of the products being sold has transferred to the customer. There is a risk of revenue being overstated on account of manipulation in the timing of transfer of control, due to the pressure on the Company to achieve performance targets, at the reporting period end. Accordingly, revenue recognition is considered to be a key audit matter.	Testing the design, implementation and operating effectiveness of the Company's key manual application controls and general IT controls and key IT application controls over the Company's systems, with the assistance of our IT specialists. These IT systems enable recording of revenue (including period end cut-off) and computing discounts and volume rebates in the general ledger accounting system; Performing substantive cut-off testing by selecting statistical samples of revenue transactions recorded at year-end and agreeing to the underlying documents, which included sales invoices and shipping documents; Performing a retrospective assessment of discounts and rebate accruals with prior period to evaluate the historical accuracy; Performing substantive testing by agreeing statistical samples of discounts and rebate accruals to underlying documents; Assessing manual journals posted to revenue to identify unusual items.
Intangible Assets -impairment assessment (Refer note 4 to the standalone financial statements). The carrying amount of brands (indefinite life intangible assets) represent 10 % of the Company's total assets. The annual impairment testing of these intangible assets by the Company involves significant estimates and judgment due to the inherent uncertainty involved in forecasting and discounting future cash flows. Accordingly, impairment assessment of intangible assets is considered to be a key audit matter.	Our audit procedures included: Assessing the valuation methodology and challenging the assumptions used, in particular those relating to forecast revenue growth and earnings, weighted average cost of capital and royalty rates, with the assistance of our valuations specialists; Assessing the reliability of the financial projections prepared by the Company by comparing projections for previous financial years with actual results realized and analysis of significant variances, if any; Performing sensitivity analysis on the assumptions noted above; and Evaluating the adequacy of disclosures in respect of the intangible assets in the standalone financial statements.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.

- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (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 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 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 2021 on its financial position in its standalone financial statements - Refer Note 42 to the standalone financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;

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 2021.

(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
UDIN: 21046476AAAADB1901

Mumbai: 11 May 2021

Annexure A to the Independent Auditor's Report - 31 March 2021

(Referred to in our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were physically verified by the management during the year and the discrepancies reported on such verification were not material and have been properly dealt with in the books of account. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets.

(c) According to the information and explanations given to us, the title deeds of immovable properties, as disclosed in Note 3 to the standalone financial statements are held in the name of the Company.

(ii) The inventory, except goods-in-transit, has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. In respect of inventory lying with third parties, these have been substantially confirmed by them. The discrepancies noticed on verification between the physical stocks and the book records were not material.

(iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.

(iv) The Company has complied with the provisions of Section 185 of the Act in respect of loan given to its wholly owned subsidiary company. The Company has complied with the provisions of Section 186 of the Act in respect of loans given, investments made and guarantees provided to the parties covered under Section 186 of the Act. The Company has not provided any security to the parties covered under Section 185 and Section 186 of the Act.

(v) The Company has not accepted deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 of the Act, and the rules framed thereunder apply. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under sub section (1) of Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income-tax, duties of customs, goods and service tax, cess and other material statutory dues, as applicable, with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of customs, goods and service tax, cess, and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

(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 Appendix I to this report.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks and financial institutions. The Company does not have any loans or borrowings from Government, nor has it issued any debentures.

(ix) The Company has not raised any money by way of initial public offer, further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions of paragraph 3(ix) of the Order are not applicable to the Company.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us and based on our examination of the records, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable. The details of such related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(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 **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No:
101248W/W-100022

Vijay Mathur
Partner
Membership No: 046476
UDIN: 21046476AAAADB1901

Mumbai: 11 May 2021

Appendix I

Name of the Statute	Nature of dues	Amount in ₹ crores	Deposit paid under protest (₹ 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)	28.28	12.15	2002 to 2018	Supreme Court
		14.78	4.71	1999 to 2016	High court
		30.06	10.82	2000 to 2018	Tribunal
		2.54	0.70	2007-2010, 2012-13, 2016-17	Joint Commissioner
		0.44	0.19	1998-99, 2005-06, 2014-15, 2019-20	Deputy Commissioner
		12.57	5.16	1996-97 to 2020-21	Assistant Commissioner
The Central Excise Act	Excise duty (including interest and penalty, if applicable)	38.79	-	2007-08 to 2013-14	Commissioner of Central Excise
		3.84	-	2004 to 2011	Commissioner
		59.48	-	2007 to 2017	Customs, Excise and Service Tax Appellate Tribunal of various states
Income tax Act, 1961	Income tax (including interest and penalty, if applicable)	6.41	-	2005-06, to 2007-08, 2008-09	High court
		6.37	-	2005-06 to 2011-12, 2013-14, 2015-16	Income tax Appellate Tribunal

Annexure B to the Independent Auditors' report on the standalone financial statements of Godrej Consumer Products Limited for the year ended 31 March 2021

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 2 (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 2021 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 2021, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial controls with Reference to Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial controls with Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No:
101248W/W-100022

Vijay Mathur
Partner
Membership No: 046476
UDIN: 21046476AAAADB1901

Mumbai: 11 May 2021

Standalone Balance Sheet as at March 31, 2021

₹ Crore

	Note No.	As at March 31, 2021	As at March 31, 2020
I. ASSETS			
1. Non-current assets			
(a) Property, plant and equipment	3	**543.59**	549.35
(b) Capital work-in-progress		**32.96**	35.33
(c) Right-of-use assets	3A	**41.85**	7.45
(d) Goodwill	4	**2.48**	2.48
(e) Other intangible assets	4	**802.21**	805.99
(f) Intangible assets under development		**4.46**	1.37
(g) Financial assets			
(i) Investments in subsidiaries and associates	5	**3,923.76**	2,957.78
(ii) Other Investments*	6	**-**	-
(iii) Loans	7	**18.27**	19.09
(iv) Others	8	**8.12**	15.74
(h) Deferred tax assets (Net)	9	**327.21**	404.08
(i) Other non-current assets	10	**47.10**	44.35
(j) Non-current Tax assets (Net)	11	**40.68**	36.22
Total Non-current assets		**5,792.69**	**4,879.23**
2. Current assets			
(a) Inventories	12	**702.83**	657.72
(b) Financial assets			
(i) Investments	13	**644.42**	635.40
(ii) Trade receivables	14	**247.46**	305.52
(iii) Cash and cash equivalents	15 A	**62.78**	63.76
(iv) Bank balances other than (iii) above	15 B	**20.93**	21.92
(v) Loans	16	**1.22**	0.05
(vi) Others	17	**74.27**	160.70
(c) Other current assets	18	**148.99**	216.29
Total Current assets		**1,902.90**	**2,061.36**
TOTAL ASSETS		**7,695.59**	**6,940.59**
II. EQUITY AND LIABILITIES			
1. EQUITY			
(a) Equity Share capital	19	**102.25**	102.23
(b) Other Equity	20	**6,256.93**	5,025.39
Total Equity		**6,359.18**	**5,127.62**
2. LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
(i) Lease liabilities	21	**31.44**	4.94
(b) Provisions	22	**63.52**	61.86
(c) Other non-current liabilities	23	**14.85**	21.91
Total Non current liabilities		**109.81**	**88.71**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	24	**0.14**	317.33
(ii) Lease liabilities	25	**11.98**	3.48
(iii) Trade payables			
(a) Total outstanding dues of Micro and Small Enterprises	26	**24.86**	27.15
(b) Total outstanding dues of creditors other than Micro and Small Enterprises	26	**924.74**	1,215.99
(iv) Other financial liabilities	27	**158.65**	62.67
(b) Other current liabilities	28	**42.56**	50.34
(c) Provisions	29	**62.71**	46.34
(d) Current tax liabilities (Net)	9	**0.96**	0.96
Total Current liabilities		**1,226.60**	**1,724.26**
TOTAL EQUITY AND LIABILITIES		**7,695.59**	**6,940.59**

* amounts less than ₹ 0.01 crore

The accompanying notes 1 to 53 are an integral part of the Standalone Financial Statements.

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm Registration No. 101248W/W-100022

For and on behalf of the Board

Vijay Mathur
Partner
M. No. 046476

V Srinivasan
Chief Financial Officer
& Company Secretary

Nisaba Godrej
Chairperson & Managing Director
DIN: 00591503

Mumbai: May 11, 2021

Standalone Statement of Profit and Loss for the year ended March 31, 2021

₹ Crore

		Note No.	Year ended March 31, 2021	Year ended March 31, 2020
Revenue				
I	Revenue from Operations	30	**6,254.33**	5,474.45
II	Other Income	31	**64.74**	91.26
III	**Total Income (I + II)**		**6,319.07**	**5,565.71**
IV	**Expenses**			
	Cost of Materials Consumed	32	**2,394.30**	2,042.68
	Purchases of Stock-in-Trade		**356.31**	280.19
	Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	33	**(41.20)**	(76.90)
	Employee Benefits Expense	34	**417.09**	319.22
	Finance Costs	35	**24.81**	57.97
	Depreciation and Amortization Expense	36	**83.38**	81.37
	Other Expenses	37	**1,475.08**	1,461.55
	Total Expenses		**4,709.77**	**4,166.08**
V	**Profit Before Exceptional Items and Tax (III-IV)**		**1,609.30**	**1399.63**
VI	**Exceptional Items**	38	**15.38**	-
VII	**Profit Before Tax (V-VI)**		**1,593.92**	**1399.63**
VIII	**Tax Expense**			
	(1) Current Tax (Refer Note 9)		**293.31**	248.20
	(2) Deferred Tax (Refer Note 9)		**76.27**	(28.46)
	Total Tax Expense		**369.58**	**219.74**
IX	**Profit for the Year (VII-VIII)**		**1,224.34**	**1,179.89**
X	**Other Comprehensive Income**			
A	**(i) Items that will not be reclassified to profit or loss**			
	Remeasurements of defined benefit plans		**1.71**	(2.04)
	(ii) Income tax relating to items that will not be reclassified to profit or loss			
	Remeasurements of defined benefit plans		**(0.60)**	1.07
	Other Comprehensive Income for the year		**1.11**	**(0.97)**
	Total Comprehensive Income for the year (IX+X)		**1,225.45**	**1,178.92**
IX	**Earnings per Equity Share (Face Value ₹ 1)**	39		
	(1) Basic (₹)		**11.97**	11.54
	(2) Diluted (₹)		**11.97**	11.54

The accompanying notes 1 to 53 are an integral part of the Standalone Financial Statements.

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm Registration No. 101248W/W-100022

For and on behalf of the Board

Vijay Mathur
Partner
M. No. 046476

V Srinivasan
Chief Financial Officer
& Company Secretary

Nisaba Godrej
Chairperson & Managing Director
DIN: 00591503

Mumbai: May 11, 2021

Standalone Statement of Cash Flows for the year ended March 31, 2021

₹ Crore

		Year ended March 31, 2021	Year ended March 31, 2020
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit Before Tax	**1,593.92**	**1,399.63**
	Adjustment for:		
	Non-Cash Items		
	Depreciation and amortisation	**83.38**	81.37
	Unrealised Foreign Exchange (Gain) / Loss	**(5.57)**	0.98
	Bad Debts Written off	**-**	0.08
	Provision / (Write-back) for Doubtful Debts / Advances	**10.32**	(1.37)
	Provision for Non Moving Inventory	**19.84**	3.97
	Write off/ (Write back) of Old Balances	**(0.72)**	0.79
	Expenses on Employee Stock Grant Scheme (ESGS)	**6.09**	9.66
	Provision for diminution in the value of investments	**15.38**	-
	Finance Costs	**24.81**	57.97
	(Profit) / Loss on Fixed Assets Sold / Discarded (Net)	**9.09**	5.78
	(Profit) / Loss on Sale of Investments (Net)	**(14.02)**	(4.53)
	Fair value (Gain)/ Loss on financial assets measured at FVTPL	**(0.53)**	-
	Corporate Guarantee Commission	**(2.82)**	(5.12)
	Interest income	**(21.99)**	(58.09)
	Dividend income	**-**	(0.68)
		123.26	90.81
	Operating Cash Flows Before Working Capital Changes	**1,717.18**	1,490.44
	Adjustments for:		
	Increase in inventories	**(64.95)**	(46.57)
	Decrease in trade receivables	**43.46**	55.28
	Increase in loans	**(0.35)**	(2.01)
	Decrease in / (Increase) in other financial assets	**94.05**	(6.54)
	Decrease/ (Increase) in other non-financial assets	**66.04**	(69.07)
	Decrease in trade payable and other financial liabilities	**(192.08)**	(258.94)
	Increase in non - financial liabilities and provisions	**8.44**	19.29
		(45.39)	(308.56)
	Cash Generated from Operating Activities	**1,671.79**	1,181.88
	Adjustment for:		
	Income taxes paid (Net)	**(297.77)**	(261.90)
	Net Cash Flow from Operating Activities (A)	**1,374.02**	**919.98**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Property, Plant & Equipment and Intangible assets (Net)	**(65.91)**	(85.25)
	Sale of Property, Plant & Equipment and Intangibles	**0.79**	0.18
	(Investments)/ Redemption in Mutual Funds (Net)	**(125.11)**	17.54
	Redemption/ (Investments) in Deposits with NBFCs (Net)	**72.26**	(400.10)
	Proceeds from sale of non Convertible Debentures with NBFCs (Net)	**34.95**	249.21
	Investments in Fixed Deposits having maturities greater than 3 months (Net)	**(0.13)**	(1.21)
	Investments in Subsidiaries	**(981.36)**	(10.32)
	Dividend Received	**-**	0.68
	Interest Received	**45.41**	37.91
	Net Cash Flow from/ (used in) Investing Activities (B)	**(1,019.10)**	**(191.36)**

Standalone Statement of Cash Flows for the year ended March 31, 2021

₹ Crore

		Year ended March 31, 2021	Year ended March 31, 2020
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from Allotment of Equity Shares under ESGS	**0.02**	0.01
	Proceeds/ (Repayments) from Commercial Paper	**(247.33)**	247.33
	Proceeds from Short-term loans	**-**	95.00
	Repayment of Short-term loans	**(69.86)**	(25.00)
	Loan given to subsidiaries	**(29.42)**	-
	Loan repaid by subsidiaries	**29.42**	-
	Finance costs paid	**(24.72)**	(63.81)
	Dividend Paid	**-**	(817.82)
	Dividend Distribution Tax Paid	**-**	(168.11)
	Principal payment of Lease liabilities	**(11.18)**	(10.98)
	Finance cost paid towards Lease liabilities	**(2.79)**	(1.17)
	Net Cash Flow used in Financing Activities (C)	**(355.86)**	**(744.55)**
NET (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		**(0.94)**	**(15.93)**
	CASH AND CASH EQUIVALENTS:		
	As at the beginning of the year (Refer Note 15 A)	**63.76**	79.69
	Unrealised Foreign Exchange Restatement in Cash and Cash Equivalents *	**(0.04)**	-
	As at the end of the year (Refer Note 15 A)	**62.78**	**63.76**
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(0.94)**	**(15.93)**

* amounts less than ₹ 0.01 crore

Movement of borrowings:	Year ended March 31, 2021	Year ended March 31, 2020
Opening balance	**317.33**	-
Cashflows (net)	**(317.19)**	317.33
Closing balance	**0.14**	317.33

Notes:

1 The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in IND AS 7, 'Statement of Cash Flows.'

2 The accompanying notes 1 to 53 are an integral part of the standalone financial statements

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm Registration No. 101248W/W-100022

For and on behalf of the Board

Vijay Mathur
Partner
M. No. 046476

V Srinivasan
Chief Financial Officer
& Company Secretary

Nisaba Godrej
Chairperson & Managing Director
DIN: 00591503

Mumbai: May 11, 2021

Standalone Statement of Changes in Equity for the year ended March 31, 2021

(a) Equity share capital ₹ Crore

	Note No.	
As at April 1, 2019		102.22
Changes in equity share capital during the year		0.01
As at March 31, 2020		**102.23**
Changes in equity share capital during the year	19	0.02
As at March 31, 2021		**102.25**

(b) Other equity (Refer Note 20) ₹ Crore

	Reserves & Surplus				Other Comprehensive Income	Total
	Securities Premium	General Reserve	Other reserves	Retained Earnings	Effective portion of Cash Flow Hedges	
Balance at April 1, 2020	**1,407.36**	**154.05**	**14.30**	**3,450.43**	**(0.75)**	**5,025.39**
Profit for the year	-	-	-	1,224.34	-	1,224.34
Remeasurements of defined benefit plans (net of tax)	-	-	-	1.11	-	1.11
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**1,225.45**	**-**	**1,225.45**
Premium Received on Allotment of Shares / Exercise of Share options	11.25	-	(11.25)	-	-	-
Deferred employee compensation expense	-	-	6.09	-	-	6.09
Balance at March 31, 2021	**1,418.61**	**154.05**	**9.14**	**4,675.88**	**(0.75)**	**6,256.93**

	Reserves & Surplus				Other Comprehensive Income	Total
	Securities Premium	General Reserve	Other reserves	Retained Earnings	Effective portion of Cash Flow Hedges	
Balance at April 1, 2019	**1,398.03**	**154.05**	**13.97**	**3,258.64**	**(0.75)**	**4,823.94**
Transition Impact of Lease as per IND AS 116 (net of tax) (Refer note 3A)	-	-	-	(1.20)	-	(1.20)
Restated balance at April 1, 2019	**1,398.03**	**154.05**	**13.97**	**3,257.44**	**(0.75)**	**4,822.74**
Profit for the year	-	-	-	1,179.89	-	1,179.89
Remeasurements of defined benefit plans (net of tax)	-	-	-	(0.97)	-	(0.97)
Total comprehensive income for the year	**-**	**-**	**-**	**1,178.92**	**-**	**1,178.92**
Dividends	-	-	-	(817.82)	-	(817.82)
Dividend Distribution Tax (DDT)	-	-	-	(168.11)	-	(168.11)
Premium Received on Allotment of Shares / Exercise of Share options	9.33	-	(9.33)	-	-	-
Deferred employee compensation expense	-	-	9.66	-	-	9.66
Balance at March 31, 2020	**1,407.36**	**154.05**	**14.30**	**3,450.43**	**(0.75)**	**5,025.39**

The accompanying notes 1 to 53 are an integral part of the Standalone Financial Statements.

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm Registration No. 101248W/W-100022

For and on behalf of the Board

Vijay Mathur
Partner
M. No. 046476

V Srinivasan
Chief Financial Officer
& Company Secretary

Nisaba Godrej
Chairperson & Managing Director
DIN: 00591503

Mumbai: May 11, 2021

1. Corporate Information

Godrej Consumer Products Limited (the Company) was incorporated on November 29, 2000, to take over the consumer products business of Godrej Soaps Limited (subsequently renamed as Godrej Industries Limited), pursuant to a Scheme of Arrangement as approved by the High Court, Mumbai. The Company is a fast moving consumer goods Company, manufacturing and marketing Household and Personal Care products. The Company is a public Company limited by shares, incorporated and domiciled in India and is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The Company's registered office is at 4th Floor, Godrej One, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai – 400 079.

2. **Basis of preparation, Measurement and Significant Accounting Policies**

2.1 Basis of Preparation and measurement

a) Basis of Preparation

The standalone financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act.

The standalone financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the standalone financial statements.

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 standalone financial statements of the Company for the year ended March 31, 2021 were approved for issue in accordance with the resolution of the Board of Directors on May 11, 2021.

b) Basis of Measurement

These standalone financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities (including derivative instruments) measured at fair value (refer accounting policy regarding financial instruments -2.4.f),
- Defined benefit plans – plan assets/(liability) and share-based payments measured at fair value (Note 45 & 46)

2.2 Key judgements, estimates and assumptions

In preparing these standalone financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The areas involving critical estimates or judgements are:

i. Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalized; (Note 2.4 (a))

ii. Determination of the estimated useful lives of intangible assets and determining intangible assets having an indefinite useful life; (Note 2.4 (b))

iii. Recognition and measurement of defined benefit obligations, key actuarial assumptions; (Note 45)

iv. Recognition and measurement of provisions and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources; (Note 2.4 (j))

v. Fair valuation of employee share options, Key assumptions made with respect to expected volatility; (Note 2.4 (l)(ii)) and note 46

vi. Fair values of financial instruments (Note 2.3)

vii. Impairment of financial and Non- Financial assets (Note 2.4.(d) and (f))

viii. Recognition of deferred tax assets – availability of future taxable profits against which deferred tax assets (e.g. MAT) can be used (Note 9)

2.3 Measurement of fair values

The Company's accounting policies and disclosures require financial instruments to be measured at fair values.

The Company has an established control framework with respect to the measurement of fair values. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair value is included in the Note 2.4.(f).

2.4 Significant Accounting Policies

a) Property, Plant and Equipment

Recognition and measurement

Items of property, plant and equipment, other than Freehold Land, are measured at cost less accumulated depreciation and any accumulated impairment losses. Freehold land is carried at cost and is not depreciated.

The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable costs of bringing the asset to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the item and restoring the site on which it is located. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on derecognition of an item of property, plant and equipment is included in the statement of profit and loss when the item is derecognised.

Subsequent expenditure

Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate only if it is probable that the future economic benefits associated with the item will flow to the Company and that the cost of the item can be reliably measured. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred.

Depreciation

Depreciation is provided, under the Straight Line Method, pro rata to the period of use, based on useful lives specified in Schedule II to the Companies Act, 2013 except for the following items where useful lives estimated by the management based on internal technical assessment, past trends and expected operational lives differ from those provided in Schedule II of the Companies Act 2013:

- Leasehold land is amortised equally over the lease period.
- Leasehold Improvements are depreciated over the shorter of the unexpired period of the lease and the estimated useful life of the assets.
- Office Equipments are depreciated over 5 to 10 years.
- Tools (Die sets) are depreciated over a period of 9 years, and moulds over 3 years.
- Vehicles are depreciated over a period ranging from 5 years to 8 years depending on the use of vehicles.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

b) Goodwill and other Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any amortisation and accumulated impairment losses. Internally generated intangibles, excluding eligible development costs are not capitalized and the related expenditure is reflected in the statement of profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Goodwill

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that the asset may be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Other intangible assets

Intangible assets with finite

lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization method and period are reviewed at least at the end of each reporting period. Changes in the expected useful life or expected pattern of consumption of future economic benefits embodied in the assets are considered to modify amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually and whenever there is an indication that the intangible asset may be impaired. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is recognised in Statement of profit and loss.

The estimated useful lives for current and comparative periods are as follows:

Software licences	6 years
Trademarks	10 years
Technical knowhow	10 years
Product registrations	5 years

Goodknight and Hit (Brands) are assessed as intangibles having indefinite useful life and are not amortised in the standalone financial statements. Residual value, is estimated to be immaterial by management and hence has been considered at ₹ 1.

c) Borrowing Costs

Interest and other borrowing costs attributable to qualifying assets are capitalized. Other interest and borrowing costs are recognised as an expense in the period in which they are incurred.

d) Impairment of non-financial assets

An impairment loss is recognised whenever the carrying value of an asset or a cash-generating unit exceeds its recoverable amount. Recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. An impairment loss, if any, is recognised in the Statement of Profit and Loss in the period in which the impairment takes place. The impairment loss is allocated first to reduce the carrying amount of any goodwill (if any) allocated to the cash generating unit and then to the other assets of the unit, pro rata based on the carrying amount of each asset in the unit.

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events and changes in circumstances indicate the carrying amount may not be recoverable. An impairment loss recognized for goodwill is not reversed in a subsequent period.

e) Assets held for sale

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' if it is highly probable that they will be recovered primarily through sales rather than through continuing use.

Subsequently, such non-current assets and disposal groups classified as held for sale are measured at lower of its carrying value and fair value less costs to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in profit and loss. Non-current assets held for sale are not depreciated or amortised.

f) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts, futures and currency options.

(i) Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost,
- Financial assets at fair value through other comprehensive income (FVTOCI)
- Financial assets at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

On the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Financial assets at amortised cost

- A financial asset is measured at the amortised cost if both the following conditions are met: The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables. For more information on receivables, refer to Note 49 (B).

Financial assets at fair value through profit or loss (FVTPL)
Any financial asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may, at initial recognition, irrevocably designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss. This includes all derivative financial assets.

Equity investments
All equity investments within the scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the Other Comprehensive Income (OCI). There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Investments in Subsidiaries and Associates:
Investments in subsidiaries and associates are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and associates, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The contractual rights to receive cash flows from the financial asset have expired, or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

  Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets
The Company assesses on a forward looking basis the Expected Credit Losses (ECL) associated with its financial assets that are debt instruments and are carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Company applies a simplified approach. It recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits, security deposit collected etc. and expectations about future cash flows.

(ii) Financial liabilities
Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortised cost. A financial liability is classified at FVTPL if it is classified as held for trading or as derivatives designated as hedging instruments in an effective hedge, as appropriate. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value and net gains and losses including any interest expenses are recognised in the statement of profit or loss.

In the case of loans and borrowings and payables, these are measured at amortised cost and recorded, net of directly attributable and incremental transaction cost. Gains and losses are recognised in

Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Financial guarantee contracts
Financial guarantee contracts issued by the Company are those contracts that require specified payments to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

Where guarantees to subsidiaries in relation to loans or other payables are provided for, at no compensation, the fair values are accounted for as contributions and recognised as fees receivable under "other financial assets" or as a part of the cost of the investment, depending on the contractual terms.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to to realise the assets and settle the liabilities simultaneously.

g) Derivative financial instruments and hedge accounting
The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Any changes therein are generally recognised in the statement of profit and loss account. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking the hedge, the hedging economic relationship between the hedged item or transaction and the nature of the risk being hedged, hedge rationale and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they are designated.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the statement of profit and loss.

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for a cash flow hedge is discontinued, the amount that has been accumulated in other equity remains there until it is reclassified to the statement of profit and loss account in the same period or periods as the hedged expected future cash flows affect the statement of profit and loss. If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately re-classified to the statement of profit and loss.

h) Inventories

Inventories are valued at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Costs are computed on the weighted average basis and are net of GST credits.

Raw materials, packing materials and stores: Costs includes cost of purchase and other costs incurred in bringing each product to its present location and condition.

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 standalone financial statements where an inflow of economic benefits is probable.

k) Revenue Recognition

Revenue is recognized upon transfer of control of promised goods to customers for an amount that reflects the consideration expected to be received in exchange for those goods. Revenue excludes taxes or duties collected on behalf of the government.

Sale of goods

Revenue from sale of goods is recognized when control of goods are transferred to the buyer which is generally on delivery for domestic sales and on dispatch/delivery for export sales

The Company recognizes revenues on the sale of products, net of returns, discounts (sales incentives/ rebates), amounts collected on behalf of third parties (such as GST) and payments or other consideration given to the customer that has impacted the pricing of the transaction. Accumulated experience is used to estimate and accrue for the discounts (using the most likely method) and returns considering the terms of the underlying schemes and agreements with the customers. No element of financing is deemed present as the sales are made with normal credit days consistent with market practice. A liability is recognised where payments are received from customers before transferring control of the goods being sold.

Royalty & Technical Fees

Royalty and Technical fees are recognized on accrual basis in accordance with the substance of their relevant agreements.

Interest income

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate which exactly discounts the estimated future cash receipts over the expected life of the financial instrument to the gross carrying amount of the financial asset. When calculating the EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayments, extensions, call and similar options). The expected credit losses are considered if the credit risk on that financial instrument has increased significantly since initial recognition.

Dividend income

Dividends are recognised in the statement of profit and loss on the date on which the Company's right to receive payment is established

l) Employee Benefits

i) Short-term Employee benefits

Liabilities for wages and salaries including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are classified as short term employee benefits and are recognized as an expense in the Statement of Profit and Loss as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii) Share-based payments

The cost of equity settled transactions is determined by the fair value at the grant date and the fair value of the employee share options is based on the Black Scholes model.

The grant-date fair value of equity-settled share-based payment granted to employees is recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

iii) Post-Employment Benefits

Defined Contribution Plans

Payments made to a defined contribution plan such as Provident Fund maintained with Regional Provident Fund Office and Superannuation Fund are charged as an expense in the Statement of Profit and Loss as they fall due.

Defined Benefit Plans

Gratuity Fund

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. Gratuity is payable to all eligible employees on death or on separation/ termination in terms of the provisions of the payment of the Gratuity (Amendment) Act, 1997 or as per the Company's scheme whichever is more beneficial to the employees.

Provident Fund

Provident Fund Contributions which are made to a Trust administered by the Company are considered as Defined Benefit Plans. The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. The Company's liability towards interest shortfall, if any, is actuarially determined at the year end.

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed at each reporting period by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods.

Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in the statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv) Other Long Term Employee Benefits

The liabilities for earned leaves are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by the employees upto the end of the reporting period using the projected unit credit method based on actuarial valuation.

Re-measurements are recognised in the statement of profit and loss in the period in which they arise including actuarial gains and losses.

m) Leases

At the inception it is assessed, whether a contract is a lease or contains a lease. A contract is a lease or contains a lease if it conveys the right to control the use of an identified asset, for a period of time, in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, company assesses whether the contract involves the use of an identified asset. Use may be specified explicitly or implicitly.

- Use should be physically distinct or represent substantially all of the capacity of a physically distinct asset.

- If the supplier has a substantive substitution right, then the asset is not identified.

- Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use

- Company has the right to direct the use of the asset.

- In cases where the usage of the asset is predetermined the right to direct the use of the asset is determined when the company has the right to use the asset or the company designed the asset in a way that predetermines how and for what purpose it will be used.

At the commencement or modification of a contract, that contains a lease component, company allocates the consideration in the contract, to each lease component, on the basis of its relative standalone prices. For leases of property, it is elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

As a Lessee:

GCPL recognizes a right-of-use asset and a lease liability at the lease commencement date.

Right-of-use asset (ROU):

The right-of-use asset is initially measured at cost. Cost comprises of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, any initial direct costs incurred by the lessee, an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located less any lease incentives received.

After the commencement date, a lessee shall measure the right-of-use asset applying cost model, which is Cost less any accumulated depreciation and any accumulated impairment losses and also adjusted for certain re-measurements of the lease liability.

Right-of-use asset is depreciated using straight-line method from the commencement date to the end of the lease term. If the lease transfers the ownership of the underlying asset to the company at the end of the lease term or the cost of the right-of-use asset reflects company will exercise the purchase option, ROU will be depreciated over the useful life of the underlying asset, which is determined based on the same basis as property, plant and equipment.

Lease liability:

Lease liability is initially measured at the present value of lease payments that are not paid at the commencement date. Discounting is done using the implicit interest rate in the lease, if that rate cannot be readily determined, then using company's incremental borrowing rate. Incremental borrowing rate is determined based on entity's borrowing rate adjusted for terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprises of fixed payments (including in substance fixed payments), variable lease payments that depends on an index or a rate, initially measured using the index or rate at the commencement date, amount expected to be payable under a residual value guarantee, the exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early

Lease liability is measured at amortised cost using the effective interest method. Lease liability is re-measured when there is a change in the lease term, a change in its assessment of whether it will exercise a purchase, extension or termination option or a revised in-substance fixed lease payment, a change in the amounts expected to be payable under a residual value guarantee and a change in future lease payments arising from change in an index or rate.

When the lease liability is re-measured corresponding adjustment is made to the carrying amount of the right-of-use asset. If the carrying amount of the right-of-use asset has been reduced to zero it will be recorded in statement of profit and loss.

Right-of-use asset is presented under "Property, plant and equipment" and lease liabilities under "Financial liabilities" in the balance sheet

Company has elected not to recognise right-of-use assets and lease liabilities for short term leases. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Lessor

At the commencement or modification of a contract, that contains a lease component, company allocates the consideration in the contract, to each lease component, on the basis of its relative standalone prices.

At the inception of the lease, it is determined whether it is a finance lease or an operating lease. If the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset, then it is a financial lease, otherwise it is an operating lease.

If the lease arrangement contains lease and non-lease components, then the consideration in the contract is allocated using the principles of IND AS 115. The company tests for the impairment losses at the year end. Payment received under operating lease is recognised as income on straight line basis, over the lease term.

n) Income Tax

Income tax expense/ income comprises current tax expense /income and deferred tax/ expense income. It is recognised in the statement of profit and loss except to the extent that it relates to items recognised directly in equity or in Other comprehensive income, in which case, the tax is also recognized directly in equity or other comprehensive income, respectively.

Current Tax

Current tax comprises the expected tax payable or recoverable on the taxable profit or loss for the year and any adjustment to the tax payable or recoverable in respect of previous years. It is measured using tax rates enacted or substantively enacted by the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretations and establishes provisions where appropriate.

- Current tax assets and liabilities are offset only if, the Company has a legally enforceable right to set off the recognised amounts; and
- Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred Tax

Deferred Income tax is recognised in respect of temporary difference between the carrying amount of assets and liabilities for financial reporting purpose and the amount considered for tax purpose.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised such reductions are reversed when it becomes probable that sufficient taxable profits will be available.

Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be recovered.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

i. the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

ii. the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Deferred tax asset / liabilities in respect of temporary differences which originate and reverse during the tax holiday period are not recognised. Deferred tax assets / liabilities in respect of temporary differences that originate during the tax holiday period but reverse after the tax holiday period are recognised.

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is a convincing evidence that the Company will pay normal tax during specified period.

o) Foreign Currency Transactions

i) Functional and Presentation currency

The Company's standalone financial statements are prepared in Indian Rupees (INR "₹") which is also the Company's functional currency.

ii) Transactions and balances

Foreign currency transactions are recorded on initial recognition in the functional currency using the exchange rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate at the date the fair value is determined.

Exchange differences arising on the settlement or translation of monetary items are recognized in the statement of profit and loss in the year in which they arise except for the qualifying cash flow hedge, which are recognised in OCI to the extent that the hedges are effective.

p) Government grants

Government grants, including non-monetary grants at fair value are recognised when there is reasonable assurance that the grants will be received and the Company will comply with all the attached conditions.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods necessary to match them with the costs that they are intended to compensate.

Government grants relating to purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to the the statement of profit and loss on a straight line basis over the expected lives of the related assets.

q) Dividend

The Company recognises a liability for any dividend declared but not distributed at the end of the reporting period, when the distribution is authorised and the distribution is no longer at the discretion of the Company on or before the end of the reporting period. As per Corporate laws in India, a distribution in the nature of final dividend is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

r) Earnings Per Share

Basic earnings per share is calculated by dividing the profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

- Weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

s) Segment Reporting

As per Ind AS-108 'Operating Segments', if a financial report contains both the consolidated financial statements of a parent that is within the scope of Ind AS-108 as well as the parent's separate financial statements, segment information is required only in the consolidated financial statements. Accordingly, information required to be presented under Ind AS-108 Operating Segments has been given in the consolidated financial statements.

t) Business Combination

Business combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Company. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. The Company recognises any non-controlling interest in the acquired entity on an acquisition-by acquisition basis either at fair value or at the noncontrolling interest's proportionate share of the acquired entity's net identifiable assets.

Consideration transferred does not include amounts related to settlement of preexisting relationships. Such amounts are recognised in the Statement of Profit and Loss. Transaction costs are expensed as incurred, other than those incurred in relation to the issue of debt or equity securities. Any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration are recognised in the Statement of Profit and Loss.

u) Recent accounting pronouncements which are not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April, 2021.

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, 2021											
Gross Carrying Amount											
Opening Gross Carrying Amount	0.51	14.42	185.55	31.54	407.97	14.27	11.90	16.89	30.68	90.26	803.99
Additions	-	-	2.15	3.12	56.00	0.28	1.28	2.21	3.94	-	68.98
(Disposals)	-	-	-	-	(1.08)	-	(1.66)	(0.01)	(2.09)	-	(4.84)
Other adjustments	-	-	-	-	-	-	-	-	-	-	-
Closing Gross Carrying Amount	**0.51**	**14.42**	**187.70**	**34.66**	**462.89**	**14.55**	**11.52**	**19.09**	**32.53**	**90.26**	**868.13**
Accumulated Depreciation											
Opening Accumulated Depreciation	-	3.63	19.39	17.06	166.20	5.89	5.83	7.84	21.45	7.35	254.64
Depreciation charge during the year	-	0.16	5.07	3.93	43.58	1.40	1.98	2.31	5.56	1.50	65.49
(Disposals)	-	-	-	-	(0.84)	-	(1.15)	-	(1.91)	-	(3.90)
Other adjustments	-	-	1.09	(0.02)	7.40	(0.11)	-	(0.05)	-	-	8.31
Closing Accumulated Depreciation	**-**	**3.79**	**25.55**	**20.97**	**216.34**	**7.18**	**6.66**	**10.10**	**25.10**	**8.85**	**324.54**
Net Carrying Amount	**0.51**	**10.63**	**162.15**	**13.69**	**246.55**	**7.37**	**4.86**	**8.99**	**7.43**	**81.41**	**543.59**
Year ended March 31, 2020											
Gross Carrying Amount											
Opening Gross Carrying Amount	0.51	14.42	166.33	30.81	348.65	13.99	11.20	15.74	30.63	90.26	722.54
Additions	-	-	19.22	0.73	60.92	0.29	2.30	1.17	3.12	-	87.75
(Disposals)	-	-	-	-	(1.60)	(0.01)	(1.60)	(0.02)	(3.07)	-	(6.30)
Other adjustments	-	-	-	-	-	-	-	-	-	-	-
Closing Gross Carrying Amount	**0.51**	**14.42**	**185.55**	**31.54**	**407.97**	**14.27**	**11.90**	**16.89**	**30.68**	**90.26**	**803.99**
Accumulated Depreciation											
Opening Accumulated Depreciation	-	3.47	14.41	12.94	126.36	4.52	4.69	5.70	18.41	5.84	196.34
Depreciation charge during the year	-	0.16	4.97	4.11	40.86	1.38	1.99	2.32	6.09	1.50	63.38
(Disposals)	-	-	-	-	(1.02)	(0.01)	(1.10)	-	(3.08)	-	(5.21)
Other adjustments	-	-	0.01	0.01	-	-	0.25	(0.18)	0.03	0.01	0.13
Closing Accumulated Depreciation	**-**	**3.63**	**19.39**	**17.06**	**166.20**	**5.89**	**5.83**	**7.84**	**21.45**	**7.35**	**254.64**
Net Carrying Amount	**0.51**	**10.79**	**166.16**	**14.48**	**241.77**	**8.38**	**6.07**	**9.05**	**9.23**	**82.91**	**549.35**

Note 3A : Leases

Leases in which the company is a Lessee

Office Building

The Company has leasing arrangements for its head office and other office buildings. Non-cancellable period for those lease arrangements vary. The Company pays lease charges as fixed amount as per the respective lease agreements. Right-of-use asset is measured, on a lease by lease basis, at carrying amount. Discounting to arrive the value of asset is done based on the incremental borrowing rate at the date of initial application.

Factories, Godowns and office buildings

The Company has leasing arrangements for its various factories, godowns and office buildings (other than mentioned above). Non-cancellable period for those leasing arrangements are less than 12 months and the Company elected to apply the recognition exemption for short term leases to these leases. The lease amount is charged as rent. The Total lease payments accounted for the year ended March 31, 2021 is ₹ 43.33 crore (previous year ₹ 43.25 crore).

Leases in which the company is a Lessor:

The Company has entered into an agreement to give one of its office building on operating lease effective May 2020. The Company has also taken office building on operating lease for similar premises in the same building.

A] As a lessee:

(a) Right of use assets - Buildings

₹ Crore

	As at March 31, 2021	As at March 31, 2020
Gross carrying amount		
Opening Gross carrying amount	**17.54**	17.54
Additions	**46.18**	-
(Disposals)	**(8.40)**	-
Closing Gross carrying amount	**55.32**	**17.54**
Accumulated Depreciation		
Opening Accumulated Depreciation	**10.09**	-
Depreciation charge during the year	**11.78**	10.09
(Disposals)	**(8.40)**	-
Closing Accumulated Depreciation	**13.47**	**10.09**
Net Carrying Amount	**41.85**	**7.45**

(b) Lease liabilities

₹ Crore

	As at March 31, 2021	As at March 31, 2020
Less than one year	**14.34**	4.01
One to three years	**34.34**	5.22
Three years to five years	**0.91**	0.01
More than five years	**0.24**	0.76
Total undiscounted lease liabilities as at 31 March	**49.83**	**10.01**

₹ Crore

Lease liabilities (discounted)	As at March 31, 2021	As at March 31, 2020
Non-current	**31.44**	4.94
Current	**11.98**	3.48
TOTAL	**43.42**	**8.42**

(c) **Amounts recognized in statement of profit and loss**

₹ Crore

Short-term leases	Year ended March 31, 2021	Year ended March 31, 2020
Expenses relating to short-term leases	**43.33**	43.25
TOTAL	**43.33**	**43.25**

(d) **Cash outflow for leases**

₹ Crore

	Year ended March 31, 2021	Year ended March 31, 2020
Total cash outflow for leases	**13.97**	12.15
TOTAL	**13.97**	**12.15**

B] **As a lessor:**

(a) **Amounts recognized in statement of profit and loss**

₹ Crore

	Year ended March 31, 2021	Year ended March 31, 2020
Operating lease income	**10.77**	9.13

(b) **Undiscounted lease payments to be received after 31st March 2021**

₹ Crore

Less than one year	**10.86**	1.13
One to three years	**32.59**	-
Three years to five years	**0.91**	-
Total undiscounted lease payments	**44.36**	**1.13**

C] **Changes in accounting policy**

Transition impact on 1st April 2019

Right-of-use assets – Property, plant and equipment	₹ Crore
Right-of-use assets	**17.54**
Deferred tax asset	**0.67**
Lease liabilities	**19.41**
Retained earnings	**1.20**
Incremental borrowing rate	**8.5%**

The Weighted average incremental borrowing rate of 8.5% p.a has been applied for measuring the lease liability at the date of initial application.

Reconciliation:	₹ Crore
Operating lease commitments as at 31st March 2019 as disclosed under IND AS 17	**21.69**
Discounted using the incremental borrowing rate at 1st April 2019	**19.41**
Lease liabilities recognised in the balance sheet at the date of initial application	**19.41**
Difference	**0.0**

Note 4 : Intangible Assets

₹ Crore

	Goodwill	Other Intangible assets				
		Trademarks and Brands *	Computer Software	Technical Knowhow	Product registrations	Total Other Intangible assets
Year ended March 31, 2021						
Gross Carrying Amount						
Opening Gross Carrying Amount	2.48	791.56	55.62	0.10	-	847.28
Additions	-	-	2.00	-	0.33	2.33
Disposals	-	-	-	-	-	-
Closing Gross Carrying Amount	**2.48**	**791.56**	**57.62**	**0.10**	**0.33**	**849.61**
Opening Accumulated Amortisation	-	0.29	40.90	0.10	-	41.29
Amortisation recognised for the year	-	0.01	6.05	-	0.05	6.11
Disposals	-	-	-	-	-	-
Closing Accumulated Amortisation	**-**	**0.30**	**46.95**	**0.10**	**0.05**	**47.40**
Closing Net Carrying Amount	**2.48**	**791.26**	**10.67**	**-**	**0.28**	**802.21**
Year ended March 31, 2020						
Gross Carrying Amount						
Opening Gross Carrying Amount	2.48	791.56	54.20	0.10	-	845.86
Additions	-	-	1.42	-	-	1.42
Disposals	-	-	-	-	-	-
Closing Gross Carrying Amount	**2.48**	**791.56**	**55.62**	**0.10**	**-**	**847.28**
Accumulated Amortisation						
Opening Accumulated Amortisation	-	0.28	30.65	0.10	-	31.03
Amortisation recognised for the year	-	0.03	7.87	-	-	7.90
Disposals	-	(0.02)	2.38	-	-	2.36
Closing Accumulated Amortisation	**-**	**0.29**	**40.90**	**0.10**	**-**	**41.29**
Closing Net Carrying Amount	**2.48**	**791.27**	**14.72**	**-**	**-**	**805.99**

Note :

* Includes brands amounting to ₹ 791.25 crore (31-Mar-20 ₹ 791.25 crore) that have an indefinite life and are tested for impairment at every year end. Based on analysis of all relevant factors (brand establishment, stability, types of obsolescence etc.), there is no foreseeable limit to the period over which the assets are expected to generate net cash inflows for the Company.

The recoverable amount of the brands are based on its value in use. The value in use is estimated using discounted cash flows over a period of 5 years. The measurement using discounted cash flow is level 3 fair value based on inputs to the valuation technique used. Cash flows beyond 5 years is estimated by capitalising the future maintainable cash flows by an appropriate capitalisation rate and then discounted using pre tax discount rate.

Operating margins and growth rates for the five years cash flow projections have been estimated based on past experience and after considering the financial budgets/ forecasts approved by management. Other key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

Following key assumptions were considered while performing Impairment testing:

	As at January 31, 2021	**As at January 31, 2020**
Annual growth rate	**6-9%**	5-10%
Terminal Growth Rate	**5%**	5%
Royalty relief rate	**12%**	12%
Pre- tax discount rate	**11.00%**	11.20%

The pre-tax discount rate is based on risk free rate, beta variant adjusted for market premium and company specific risk factors.

According to Ind AS 36 "Impairment of Assets", the annual impairment test for intangible assets with indefinite useful life may be performed at any time during an annual period, provided the test is performed at the same time every year. From the year ended March 31, 2019, the Company has decided to perform impairment test for goodwill and other intangible assets with indefinite useful life at January 31 and same is being followed for future years.

With regard to the assessment of value in use, no reasonably possible change in any of the above key assumptions would cause the carrying amount of the Brands to exceed their recoverable amount.

No impairment has been charged to the Statement of Profit and Loss account during the financial year 31 March 2021 (31 March 2020: Nil)

Note 5 : Investments In Subsidiaries And Associates

₹ Crore

	Face Value	Numbers		Amounts	
		As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Unquoted, fully paid up:					
Carried at cost					
(a) Investments in Equity Instruments					
(i) Subsidiary Companies					
Godrej Netherlands B.V.	EUR 100	200	200	140.93	140.93
Godrej South Africa (Pty) Ltd.	ZAR 1	1,80,50,000	1,80,50,000	12.67	12.67
Godrej Consumer Products Holding (Mauritius) Ltd.	USD 1	18,59,44,409	18,59,44,409	982.14	982.14
Godrej Household Products Lanka (Pvt) Ltd.	LKR 10	7,02,58,457	7,02,58,457	47.65	47.65
Godrej Consumer Products (Bangladesh) Ltd.	BDT 100	4,999	4,999	0.04	0.04
Godrej Mauritius Africa Holdings Ltd.	USD 1	13,62,40,553	13,62,40,553	865.50	865.50
Godrej East Africa Holdings Ltd.	USD 1	10,94,50,001	3,54,50,001	808.25	250.80
Godrej Tanzania Holdings Ltd.	USD 1	1,78,50,001	1,78,50,001	121.29	121.29
Godrej SON Holdings INC.	USD 1	13,56,00,000	7,76,00,000	928.63	504.72
(ii) Associate Company					
Bhabhani Blunt Hairdressing Pvt Ltd. (Refer Note 38)	₹ 10	4,967	4,967	20.04	20.04
Less : Provision for Diminution in the Value of Investments				(9.61)	
				3,917.53	**2,945.78**
(b) Investments in Compulsorily Convertible Debentures of Associate Company					
Bhabhani Blunt Hairdressing Pvt Ltd.	₹ 10	3,060	3,060	12.00	12.00
Less : Provision for Diminution in the Value of Investments				(5.77)	
			TOTAL	**3,923.76**	**2,957.78**
Aggregate Amount of Unquoted Investments				3,923.76	2,957.78
Aggregate Provision for Impairment in the Value of Investments				(15.38)	-

Refer note 43 for percentage holding of the Company in subsidiaries and associates

Note:

As per the Company's policy, investments include the fair value of financial guarantees issued as security for loans taken by subsidiaries. The details of such fair values included in the investments above is as shown below:

₹ Crore

	As at March 31, 2021	As at March 31, 2020
Godrej Netherlands B.V.	**4.52**	4.52
Godrej Consumer Products Holding (Mauritius) Ltd.	**11.95**	11.95
Godrej Mauritius Africa Holdings Ltd.	**29.02**	29.02
Godrej East Africa Holdings Ltd.	**19.62**	19.62
Godrej Tanzania Holdings Ltd.	**3.07**	3.07
TOTAL	**68.18**	**68.18**

Note 6 : Other Investments (Non-Current)

₹ Crore

	As at March 31, 2021	As at March 31, 2020
Unquoted, fully paid up		
At Fair Value through Profit or Loss		
Investment in Equity Instruments*	-	-
Godrej One Premises Management Pvt Ltd.* (1400 equity shares of ₹10 each)	-	-
TOTAL	**-**	**-**
Aggregate Amount of Unquoted Investments	-	-
Aggregate Provision for Impairment in the Value of Investments	-	-

* amounts less than ₹ 0.01 crore

Note 7 : Non-Current Loans

₹ Crore

	As at March 31, 2021	As at March 31, 2020
Unsecured, Considered Good, Unless Otherwise Stated		
Loans to Employees	**0.04**	0.05
Security Deposits	**18.23**	19.04
TOTAL	**18.27**	**19.09**

Note 8 : Other Non-Current Financial Assets

₹ Crore

	As at March 31, 2021	As at March 31, 2020
Financial Guarantee Fee Receivables	**8.12**	15.74
TOTAL	**8.12**	**15.74**

Note 9 : Tax Reconciliations

Tax expense recognised in the Statement of Profit and Loss

₹ Crore

	Year ended March 31, 2021	Year ended March 31, 2020
Current Tax		
Current tax on profits for the year	**293.31**	248.20
Deferred tax (Net) - Refer note below 9(e) and 9(f)	**(14.88)**	(72.31)
MAT credit utilised	**91.15**	43.85
Total income tax expense	**369.58**	**219.74**

Deferred tax is in respect of origination and reversal of temporary differences.

Current Tax and Deferred Tax related to items recognised in Other Comprehensive Income during in the year :

₹ Crore

	Year ended March 31, 2021	Year ended March 31, 2020
On remeasurements of defined benefit plans		
Current tax	**-**	0.35
Deferred tax	**(0.60)**	0.72
Total	**(0.60)**	**1.07**

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, 2021	Year ended March 31, 2020
Profit before income taxes	**1,593.92**	1,399.63
Indian statutory income tax rate	**34.94%**	34.94%
Expected income tax expense	**556.98**	489.09
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Deduction under Sec 80IC and 80IE	**(200.51)**	(205.82)
Effect of other tax offsets	**4.36**	3.19
Tax effects of amounts which are not deductible for taxable income	**11.23**	4.92
Reversal of DTL due to rate change [refer note (f) below]	**0.42**	(78.14)
Adjustments for current tax of prior periods (Excess MAT utilised)	**(2.90)**	6.50
Total income tax expense	**369.58**	**219.74**

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, 2021	As at March 31, 2020
Property, Plant and Equipment	**(22.41)**	(24.24)
Intangible assets	**(189.38)**	(184.19)
Total deferred tax liabilities	**(211.79)**	**(208.43)**

Deferred Tax Assets:

₹ Crore

	As at March 31, 2021	As at March 31, 2020
Defined benefit obligations	**20.72**	20.76
Provisions	**41.68**	24.20
Others	**1.73**	1.53
MAT credit	**474.87**	566.02
Total deferred tax assets	**539.00**	**612.51**
Net Deferred tax (Liabilities) / Assets	**327.21**	**404.08**

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 2019	(34.12)	(248.81)	23.81	21.69	1.79	609.87	374.23
(Charged)/Credited :							
- to profit or loss	9.88	64.62	(4.44)	2.51	(0.26)	(43.85)	28.46
- to other comprehensive income	-	-	0.72	-	-	-	0.72
- to reserves (Ind AS 116 transition impact)	-	-	0.67	-	-	-	0.67
At 1st April 2020	**(24.24)**	**(184.19)**	**20.76**	**24.20**	**1.53**	**566.02**	**404.08**
(Charged)/Credited :							
- to profit or loss	1.83	(5.19)	0.56	17.48	0.20	(91.15)	(76.27)
- to other comprehensive income	-	-	(0.60)	-	-	-	(0.60)
As at 31st March 2021	**(22.41)**	**(189.38)**	**20.72**	**41.68**	**1.73**	**474.87**	**327.21**

Liabilities for Current Tax (Net)

₹ Crore

	As at March 31, 2021	As at March 31, 2020
Liabilities for Current Tax (Net)	**0.96**	0.96
[Net of advance tax of ₹ 128.87 crore (31-Mar-20 ₹ 128.87 crore)]		
TOTAL	**0.96**	**0.96**

(a) The Company offsets deferred tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

(b) Significant management judgment is required in determining provision for income tax, deferred income tax assets (including MAT credit) and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered.

(c) As on March 31, 2021 the tax liability with respect to the dividends proposed is Nil (31-Mar-20 : Nil)

(d) MAT paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted. During the year, the Company has utilised MAT credit of ₹ 91.15 crores (2020 - ₹ 43.85 crores). The Company had re-assessed, in the previous year, its utilization of MAT credit considering business projections, benefits available from tax holiday, remaining period for such benefits etc. based on which there is reasonable certainty of utilizing the balance credit of ₹ 474.87 crores (2020 - ₹ 566.02 crores) in future years against the normal tax expected to be paid in those years.

(e) Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 with effect from fiscal year 2019-20, allows any domestic company to pay availing income tax at the rate of 25.17% subject to condition they will not avail any incentive or exemptions. The lower rate is an option and companies can continue to account based on the old rates. The Company has plants located in North-east region availing income tax exemption, and the effective rate based on the tax exemption plants is lower than 25.17%, so company decided to not opt for lower rate in FY 2020-21.

(f) Based on internal projections the Company plans to opt for the lower tax rate in FY 2024-25 and remeasured the deferred taxes at the lower tax rate expected to be availed in the future. Accordingly, the Company has reversed deferred tax assets/liabilities recognised in earlier years at the tax rates enacted during those years, to the extent they are likely to reverse after 31st March 2024. The impact of such reversal during the year was ₹ 0.42 crore (2020-₹ (78.14) crore)

Note 10 : Other Non-Current Assets

₹ Crore

	As at March 31, 2021	As at March 31, 2020
Capital Advances (Refer Note below)		
Considered Good	**8.66**	5.83
Considered Doubtful	**1.00**	-
Less: Provision for Doubtful Advances	**(1.00)**	-
Balances with Government Authorities (deposits paid under protest)	**37.90**	37.70
Other non-current assets (includes prepaid expenses)		
Considered Good	**0.54**	0.82
TOTAL	**47.10**	**44.35**

Note:

Capital Advances include ₹ 0.05 crore (31-Mar-2020 ₹ 0.05 crore) paid to Related Parties.

Note 11 : Non-Current Tax Assets (Net)

₹ Crore

	As at March 31, 2021	As at March 31, 2020
Advance Tax	**40.68**	36.22
[Net of Provision for taxation - ₹ 2278.21 crore (31-Mar-20 ₹ 1982.69 crore)]		
TOTAL	**40.68**	**36.22**

(Refer Note 9 for tax reconciliations)

Note 12 : Inventories

₹ Crore

	As at March 31, 2021	As at March 31, 2020
(Valued at lower of cost and net realizable value)		
Raw Materials (Including Packing Materials)	**263.47**	279.04
Goods-in Transit	**24.48**	5.93
	287.95	284.97
Work-in-Progress	**49.34**	55.55
Finished Goods	**292.49**	273.06
Stock-in-Trade	**61.80**	33.82
Stores and Spares	**11.25**	10.32
TOTAL	**702.83**	**657.72**

NOTE :

During the year ended March 31, 2021 an amount of ₹ 22.40 crore (31-Mar-20 ₹ 19.41 crore) was charged to the statement of Profit and Loss on account of write-down of inventories including damaged and slow moving inventory. The reversal on account of above during the year is Nil (31-Mar-20 Nil)

Note 13 : Investments (Current)

₹ Crore

	As at March 31, 2021	As at March 31, 2020
Unquoted, fully paid up		
At Fair Value through Profit or Loss		
Investments in Mutual Funds	**129.47**	-
At amortised cost		
Investments in Deposits with Non-Banking Financial Companies	**459.65**	555.34
Quoted, fully paid up		
At Fair Value through Profit or Loss		
Investments in Non-convertible Debentures with Non-Banking Financial Companies	**55.30**	-
At amortised cost		
Investments in Non-convertible Debentures with Non-Banking Financial Companies	**-**	80.06
	644.42	**635.40**
Aggregate Amount of Unquoted Investments	**589.12**	555.34
Aggregate Amount of Quoted Investments	**55.30**	80.06
Aggregate Market Value of Quoted Investments	**55.30**	80.10

Note 14 : Trade Receivables

₹ Crore

	As at March 31, 2021	As at March 31, 2020
Secured		
Considered Good - Secured	**0.65**	0.80
	0.65	0.80
Unsecured		
Considered Good - Unsecured	**246.81**	304.72
Trade Receivables - Credit impaired	**14.46**	5.49
Less: Provision for Doubtful Debts	**(14.46)**	(5.49)
TOTAL	**247.46**	**305.52**

Refer note 43 & 49B

Note :

There are no outstanding trade receivables which resulted into significant increase in credit risk apart from receivables which are impaired and provided.

Note 15 A : Cash and Cash Equivalents

₹ Crore

	As at March 31, 2021	As at March 31, 2020
Balances with Banks		
- In Current Accounts	**18.46**	63.52
- Deposits with less than 3 months original maturity	**42.02**	-
	60.48	63.52
Cheques, Drafts on Hand	**2.21**	0.04
Cash on Hand	**0.09**	0.20
TOTAL	**62.78**	**63.76**

Note 15 B : Other Bank Balances

₹ Crore

	As at March 31, 2021	As at March 31, 2020
Deposits with maturities more than 3 months but less than 12 months (Refer Note below)	**4.41**	4.27
In Unpaid Dividend Accounts	**16.52**	17.65
TOTAL	**20.93**	**21.92**

Notes:

(a) The fixed deposits include deposits under lien against bank guarantees ₹ 4.22 crore (31-Mar-20 ₹ 4.24 crore).

(b) The disclosures regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2021.

Note 16 : Current Loans

₹ Crore

	As at March 31, 2021	As at March 31, 2020
Unsecured, Considered Good, Unless Otherwise Stated		
Loans to Employees	**0.06**	0.05
Security Deposits	**1.16**	-
TOTAL	**1.22**	**0.05**

Note 17 : Other Current Financial Assets

₹ Crore

	As at March 31, 2021	As at March 31, 2020
Financial guarantee fee receivable	**8.33**	10.74
Refunds/Incentives receivables from Govt. Authorities (Excise duty/GST)		
Considered Good	**55.50**	133.13
Considered Doubtful	**20.07**	15.62
Less: Provision for Doubtful Advances	**(20.07)**	(15.62)
	55.50	133.13
Derivative assets - forward exchange contracts	**0.27**	4.79
Others (includes receivables of insurance claims, exports incentives)	**10.17**	12.04
TOTAL	**74.27**	**160.70**

Note 18 : Other Current Assets

₹ Crore

	As at March 31, 2021	As at March 31, 2020
Balances with Government Authorities (GST)	**115.81**	144.28
Contract assets (Right to receive inventory)	**7.37**	6.71
Other Advances (includes prepaid expenses, vendor advances)		
Considered Good	**25.81**	65.30
Considered Doubtful	**0.65**	0.31
Less: Provision for Doubtful Advances	**(0.65)**	(0.31)
TOTAL	**148.99**	**216.29**

Note 19 : Equity Share Capital

₹ Crore

	As at March 31, 2021	As at March 31, 2020
Authorised		
1,030,000,000 Equity Shares (31-Mar-20: 1030,000,000) of ₹ 1 each	**103.00**	103.00
10,000,000 Preference Shares (31-Mar-20: 10,000,000) of ₹ 1 each	**1.00**	1.00
Issued		
1,022,517,397 Equity Shares (31-Mar-20: 1,022,347,476) of ₹ 1 each	**102.25**	102.23
Subscribed and Fully Paid up		
1,022,486,273 Equity Shares (31-Mar-20: 1,022,316,352) of ₹ 1 each fully paid up	**102.25**	102.23
TOTAL	**102.25**	**102.23**

Notes:

a) During the year, the Company has issued 1,69,921 equity shares (31-Mar-20: 1,50,256) under the Employee Stock Grant Scheme.

b) 31,124 Rights Issue equity shares (31-Mar-20 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, 2021		As at March 31, 2020	
	No. of Shares	₹ Crore	No. of Shares	₹ Crore
Shares outstanding at the beginning of the year	**1,02,23,16,352**	**102.23**	1,02,21,66,096	102.22
Add : Shares Issued on exercise of employee stock grant scheme	**1,69,921**	**0.02**	1,50,256	0.01
Shares outstanding at the end of the year	**1,02,24,86,273**	**102.25**	**1,02,23,16,352**	**102.23**

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, 2021 the amount of per share dividend recognised as distribution to equity shareholders was Nil (31-Mar-20 ₹ 8).

e) Details of shareholders holding more than 5% shares in the Company:

Name of the Shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	% held	No. of Shares	% held
Godrej & Boyce Manufacturing Co Ltd	**7,50,11,445**	**7.34%**	7,50,11,445	7.34%
Godrej Industries Limited	**24,28,12,860**	**23.75%**	24,28,12,860	23.75%
Godrej Seeds & Genetics Limited	**28,05,00,000**	**27.43%**	28,05,00,000	27.44%

f) **Shares Reserved for issue under options**

The Company has 1,87,421 (31-Mar-20 year 290,133) equity shares reserved for issue under Employee Stock Grant Scheme as at March 31, 2021. (As detailed in Note 46)

g) Information regarding aggregate number of equity shares issued during the five years immediately preceding the date of Balance Sheet:

During the year 2018-19, pursuant to the approval of Shareholders, Company has allotted 340,722,032 number of fully paid Bonus shares on Sep 17,2018 in the ratio of one equity share of ₹1 each fully paid up for every two existing equity shares of ₹1 each fully paid up.

During the year 2017-18, pursuant to the approval of Shareholders, Company has allotted 340,600,816 number of fully paid Bonus shares on June 27,2017 in the ratio of one equity share of ₹1 each fully paid up for every one existing equity shares of ₹1 each fully paid up.

The Company has not issued shares for consideration other than cash and has not bought back any shares during the past five years other than as reported above.

The Company has not allotted any shares pursuant to contract without payment being received in cash.

h) There are no calls unpaid on equity shares, other than shares kept in abeyance as mentioned in Note (b) above.

i) No equity shares have been forfeited.

j) **Capital Management**

The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios to support its business and maximize shareholder value. The Company makes adjustments to its capital structure based on economic conditions or its business requirements. To maintain / adjust the capital structure the Company may make adjustments to dividend paid to its shareholders or issue new shares.

The Company monitors capital using the metric of Net Debt to Equity. Net Debt is defined as borrowings less cash and cash equivalents, fixed deposits and readily redeemable investments. As on balance sheet date there are no net debt.

Note 20 : Other Equity

₹ Crore

	As at March 31, 2021	As at March 31, 2020
Securities Premium	**1,418.61**	1,407.36
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	**7.53**	12.69
	9.14	14.30
Retained Earnings	**4,675.88**	3,450.43
Other Comprehensive Income (Effective portion of cash flow hedges)	**(0.75)**	(0.75)
TOTAL	**6,256.93**	**5,025.39**

Other Reserves Movement

₹ Crore

	As at March 31, 2021	As at March 31, 2020
Capital Investment Subsidy Reserve		
Balance as per last financial statements	**0.15**	0.15
Closing Balance	**0.15**	**0.15**
Capital Redemption Reserve		
Balance as per last financial statements	**1.46**	1.46
Closing Balance	**1.46**	**1.46**
Employee Stock Options Outstanding		
Gross Employee Compensation for Options granted	**12.69**	12.36
(-) Exercise of Share options	**(11.25)**	(9.33)
(+) Deferred Employee Compensation Expense (Refer Note 34)	**6.09**	9.66
Closing Balance	**7.53**	**12.69**
TOTAL	**9.14**	**14.30**

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 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 accummulated under the heading of cash flow reserve will be reclassified to Statement of Profit and Loss only when the hedged transaction affects the profit or loss or included as a basis adjustment to the non financial hedged item.

Note 21 : Non-Current Financial Liabilities

₹ Crore

	As at March 31, 2021	As at March 31, 2020
Lease liabilities (refer note 3A)	**31.44**	4.94
TOTAL	**31.44**	**4.94**

Note 22 : Provisions (Non-Current)

₹ Crore

	As at March 31, 2021	As at March 31, 2020
Provision for Employee Benefits		
Gratuity (Refer Note 45)	**57.42**	56.63
Compensated Absences	**6.10**	5.23
TOTAL	**63.52**	**61.86**

Note 23 : Other Non-Current Liabilities

₹ Crore

	As at March 31, 2021	As at March 31, 2020
Unearned premium on guarantees given to subsidiaries	**7.96**	14.74
Others (includes deferred grants, sundry deposits)	**6.89**	7.17
TOTAL	**14.85**	**21.91**

Note 24 : Borrowings

₹ Crore

	As at March 31, 2021	As at March 31, 2020
Unsecured, Working Capital Loan Repayable on Maturity		
From Banks (Refer Note (a) below)	**0.14**	70.00
Other Loans		
Commercial Papers (Refer Note (b) below)	**-**	247.33
TOTAL	**0.14**	**317.33**

Notes:

a) Short term working capital loan from Bank carries an interest rate of 7.5% (Mar-20: 6.6%) and are repayable in April 2021 (Mar-20: July 2020).

b) Commercial Paper are listed on the Stock exchange and carries an average interest rate of 5.4% and are repayable at maturity dates in June 20.

Note 25 : Current - Lease Liabilities

₹ Crore

	As at March 31, 2021	As at March 31, 2020
Lease liabilities (refer note 3A)	**11.98**	3.48
TOTAL	**11.98**	**3.48**

Note 26 : Trade Payables

₹ Crore

	As at March 31, 2021	As at March 31, 2020
Total oustanding dues of micro enterprises and small enterprises	**24.86**	27.15
Total oustanding dues of creditors other than micro enterprises and small enterprises (Refer Note 43)	**924.74**	1,215.99
TOTAL	**949.60**	**1,243.14**

* Trade Payables includes invoices discounted by Vendors with banks.

(Refer Note 49C)

Disclsoures pursuant to Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") are as follows:

		As at March 31, 2021	As at March 31, 2020
I	The principal amount remaining unpaid to any supplier at the end of the accounting year included in trade payables	**24.86**	27.13
II	Interest due thereon	**-**	0.02
Trade payable dues to Micro and small enterprises		**24.86**	**27.15**
(a)	The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	**-**	-
(b)	The amount of interest due and payable for the period (where the principal has been unpaid but interest under the MSMED Act, 2006 not paid)	**-**	0.02
(c)	The amount of interest accrued and remaining unpaid at the end of the accounting year	**-**	-
(d)	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	**-**	-

Note 27 : Other Current Financial Liabilities

₹ Crore

	As at March 31, 2021	As at March 31, 2020
Interest Accrued but not Due on Borrowings	-	0.07
Security Deposit Received	**4.06**	2.60
Employee Benefits Payable	**127.82**	29.89
Unclaimed Dividends (Refer Note below)	**16.52**	17.65
Capital creditors and other payables	**10.25**	12.46
TOTAL	**158.65**	**62.67**

(Refer Note 49C)

Note:

There are no amounts due to be credited to Investor Education and Protection Fund in accordance with Section 125 of the Companies Act, 2013 as at the year end.

Note 28 : Other Current Liabilities

₹ Crore

	As at March 31, 2021	As at March 31, 2020
Statutory Dues (TDS, Octroi etc)	**8.33**	8.60
Contract Liabilities (Advance received from Customers)	**23.10**	20.59
Unearned premium on guarantees given to subsidiaries	**8.12**	12.61
Others (includes PF, deferred revenue)	**3.01**	8.54
TOTAL	**42.56**	**50.34**

Note 29 : Provisions (Current)

₹ Crore

	As at March 31, 2021	As at March 31, 2020
Provision for Employee Benefits		
Gratuity (Refer Note 45)	**8.28**	8.76
Compensated Absences	**3.25**	3.15
Other provisions		
Provision for Sales Returns	**32.36**	21.85
Provision towards Litigations	**18.82**	12.58
TOTAL	**62.71**	**46.34**

Movements in each class of other provisions during the financial year are set out below:

₹ Crore

	Sales Returns	Provision towards Litigation
As at April 1, 2019	**14.33**	**12.77**
Provisions made during the year	7.52	-
Provisions reversed during the year	-	(0.19)
As at April 1, 2020	21.85	12.58
Provisions made during the year	10.51	6.24
As at March 31, 2021	**32.36**	**18.82**

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 30 : Revenue From Operations

₹ Crore

	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from contracts with customers		
Sale of Products	**6,133.44**	5,361.27
Other Operating Revenues		
a) Royalty & Technical Fees	**20.10**	18.58
b) Miscellaneous Income (includes Refunds/Incentives from Govt. Authorities)	**100.79**	94.60
TOTAL	**6,254.33**	**5,474.45**

Notes :

a) Revenue Information

₹ Crore

	Year ended March 31, 2021	Year ended March 31, 2020
Revenue by product categories		
Home care	**3,141.61**	2,826.92
Personal care	**2,310.22**	1,890.17
Hair care	**681.61**	644.18
TOTAL	**6,133.44**	**5,361.27**

b) Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price

₹ Crore

	Year ended March 31, 2021	Year ended March 31, 2020
Revenue as per contracted price	**6,415.03**	5,675.39
Sales returns	**(10.51)**	(7.52)
Rebates/Discounts	**(271.08)**	(306.60)
Revenue from contract with customers	**6,133.44**	**5,361.27**

c) Contract Balances

₹ Crore

	March 31, 2021	March 31, 2020
Trade receivables (Note 14)	**247.46**	305.52
Contract assets (Note 18)	**7.37**	6.71
Contract liabilities (Note 28)	**23.10**	20.59

Note:

Contract assets represents right to receive the inventory (on estimated sales returns) and contract liabilities represents advances received from customers for sale of goods at the reporting date.

d) Significant changes in contract assets and liabilities during the period

₹ Crore

	Year ended March 31, 2021	Year ended March 31, 2020
Revenue recognised that was included in the contract liability balance at the beginning of the period	**20.59**	13.13

Note 31 : Other Income

₹ Crore

	Year ended March 31, 2021	Year ended March 31, 2020
Interest Income on:		
Fixed deposits with Non-Banking Financial Companies at amortised cost	**19.43**	56.70
Deposits with banks	**2.12**	0.88
On Others	**0.44**	0.51
Dividend Income		
From Subsidiaries / Associates	**-**	0.68
Net Gain on Sale of Investments (Mutual Funds/ Non-convertible debentures)	**14.02**	4.53
Fair Value Gain/(Loss) on financial assets measured at fair value through profit or loss	**0.53**	0.00
Other Non-Operating Income		
Guarantee Commission income	**17.32**	15.83
Miscellaneous Non-operating Income	**10.88**	12.13
TOTAL	**64.74**	**91.26**

Note 32 : Cost Of Materials Consumed

₹ Crore

		Year ended March 31, 2021	Year ended March 31, 2020
Raw material and packing material			
Opening Inventory		**284.97**	319.65
Add : Purchases (Net)		**2,397.28**	2,008.00
		2,682.25	2,327.65
Less: Closing Inventory		**(287.95)**	(284.97)
Cost of Materials Consumed	**TOTAL**	**2,394.30**	**2,042.68**

Note 33 : Changes in Inventories of Finished Goods, Stock-In-Trade and Work-in-Progress

₹ Crore

		Year ended March 31, 2021	Year ended March 31, 2020
Opening Inventory			
Finished Goods		**273.06**	210.74
Stock-in-Trade		**33.82**	34.59
Work-in-Progress		**55.55**	40.20
		362.43	**285.53**
Less: Closing Inventory			
Finished Goods		**292.49**	273.06
Stock-in-Trade		**61.80**	33.82
Work-in-Progress		**49.34**	55.55
		403.63	**362.43**
(Increase)/Decrease in Inventories	**TOTAL**	**(41.20)**	**(76.90)**

Note 34 : Employee Benefits Expense

₹ Crore

	Year ended March 31, 2021	Year ended March 31, 2020
Salaries and Wages	**382.11**	277.72
Contribution to Provident and Other Funds (Refer Note 45)	**22.45**	24.28
Share based payments to Employees (Employee Stock Grant Scheme) (Refer Note 46)	**6.09**	9.66
Staff Welfare Expenses	**6.44**	7.56
TOTAL	**417.09**	**319.22**

Note 35 : Finance Costs

₹ Crore

	Year ended March 31, 2021	Year ended March 31, 2020
Interest Expense		
Unwinding of interest on liabilities	**2.29**	7.40
Interest on lease liabilities	**2.79**	1.17
Others (mainly includes interest on Short-term borrowings)	**9.86**	20.00
Other borrowing costs		
Bill discounting Charges	**9.87**	29.40
TOTAL	**24.81**	**57.97**

Note 36 : Depreciation and Amortisation Expenses

₹ Crore

	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation on property, plant and equipment	**65.49**	63.38
Depreciation on Right of use assets - buildings	**11.78**	10.09
Amortisation on intangible assets	**6.11**	7.90
TOTAL	**83.38**	**81.37**

Note 37 : Other Expenses

₹ Crore

	Year ended March 31, 2021	Year ended March 31, 2020
Consumption of Stores and Spare Parts	**15.24**	15.28
Power and Fuel	**80.47**	94.18
Rent (Net) (Refer Note 3A)	**43.33**	43.25
Repairs and Maintenance		
Plant and Equipment	**5.36**	6.06
Buildings	**4.87**	5.86
Others (Net)	**29.28**	33.93
	39.51	45.85
Insurance	**6.44**	4.81
Rates and Taxes	**13.96**	7.57
Processing and Other Manufacturing Charges	**179.62**	170.59
Travelling and Conveyance	**15.07**	32.00
Auditors' Remuneration		
As Statutory Auditor	**1.80**	1.70
For Other audit related services	**0.19**	0.29
Reimbursement of Expenses	**0.01**	0.02
	2.00	2.01
Legal and Professional Charges	**35.19**	30.37
Donations	**1.52**	1.59
Sales Promotion	**55.58**	64.57
Advertising and Publicity	**543.52**	556.59
Selling and Distribution Expenses	**76.58**	79.20
Freight	**261.48**	214.29
Net Loss on Sale/ write off of Fixed Assets	**9.09**	5.78
Net Loss on Foreign Currency Transactions and Translations	**1.57**	7.82
Bad Debts Written Off	**-**	0.08
Provision for Doubtful Debts / Advances	**10.32**	-
Miscellaneous Expenses (Net) (Refer Note below)	**84.59**	85.72
TOTAL	**1,475.08**	**1,461.55**

Note :

Miscellaneous Expenses include the Company's share of various expenses incurred by group companies for sharing of services and use of common facilities.

Note 38 : Exceptional Items

₹ Crore

	Year ended March 31, 2021	Year ended March 31, 2020
Impairment provision	15.38	-
TOTAL	**15.38**	**-**

Note :

As per IND AS 36, the company made an impairment testing of investments with Bhabhani Blunt Hairdressing Pvt Ltd, due to change in the economic scenario led by Covid. An impairment of ₹ 15.38 crore (previous year - Nil) is recognised as an exceptional item, considering the indicators of impairment.

Following key assumptions were considered while performing Impairment testing: As at		31st January 2021
(a)	Average sales growth rate	22-30%
(b)	Terminal growth rate	5%
(c)	Pre-discount rate	17-21%

Note 39 : Earnings Per Share

	Year ended March 31, 2021	Year ended March 31, 2020
Net Profit After Tax (₹ Crore)	**1,224.34**	**1,179.89**
Number of Shares outstanding at the beginning of the year	1,02,23,16,352	1,02,21,66,096
Add : Shares Issued during the year	1,69,921	1,50,256
Number of Shares outstanding at the end of the year	1,02,24,86,273	1,02,23,16,352
Weighted Average Number of Equity Shares		
For calculating Basic EPS	1,02,24,35,634	1,02,22,65,738
Effect of dilution:		
Shared based payments	1,17,084	1,91,505
For calculating Diluted EPS	1,02,25,52,718	1,02,24,57,243
Earnings Per Share		
(Face Value ₹ 1)		
Basic (₹)	11.97	11.54
Diluted (₹)	11.97	11.54

Note 40 : Commitments

Estimated value of contracts remaining to be executed on capital account to the extent not provided for : ₹ 45.66 crore (31-Mar-20 ₹ 34.99 crore), net of advances there against of ₹ 8.66 crore (31-Mar-20 ₹ 5.83crore).

Note 41 : Dividend

During the year 2020-21, no interim dividend has been paid.

Note 42 : Contingent Liabilities

₹ Crore

			As at March 31, 2021	As at March 31, 2020
a)	**CLAIMS FOR EXCISE DUTIES, TAXES AND OTHER MATTERS**			
	i)	Excise duty and service tax matters	**51.06**	51.06
	ii)	Sales tax and VAT matters	**62.28**	64.60
	iii)	Income-tax matters	**12.78**	14.37
	iv)	Other matters	**3.00**	3.00
b)	**GUARANTEES GIVEN ON BEHALF OF SUBSIDIARIES**			
	i)	Guarantee amounting to USD 14 million (31-Mar-20 USD 58 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.	**104.55**	441.13
	ii)	Guarantee amounting to USD 40 million (31-Mar-20 USD 80 million) given by the Company to Bank of Tokyo Mitsubishi UFJ Ltd (London) against loan provided to Godrej SON Holdings, Inc.	**289.45**	607.56
	iii)	Guarantee amounting to Nil (31-Mar-20 USD 18 million) given by the Company to Hongkong and Shanghai Banking Corporation Limited, Mauritius, against loan provided to Godrej East Africa Holdings Ltd.	**-**	135.25
	iv)	Guarantee amounting to USD 51 million (31-Mar-20 USD 28 million) given by the Company to Standard Chartered Bank Mauritius towards SBLC line given to Godrej Tanzania Holdings Limited	**369.21**	208.08
	v)	Guarantee amounting to Nil (31-Mar-20 USD 44 million) given by the Company to CITI US towards loan provided to Godrej Mauritius Africa Holdings Ltd.	**-**	332.93
	vi)	Guarantee amounting to Nil (31-Mar-20 USD 2 million) given by the Company to DBS Bank Limited towards IRS taken by Godrej Mauritius Africa Holdings Ltd.	**-**	15.13
	vii)	Guarantee amounting to USD 1.20 million (31-Mar-20 USD 1.20 million) given by the Company to DBS Bank Limited towards IRS taken by Godrej Consumer Products Holdings Mauritius Ltd.	**8.77**	9.08
	viii)	Guarantee amounting to USD 64.35 million (31-Mar-20 USD 64.35 million) given by the Company to DBS Bank Ltd (Singapore) & Sumitomo Mitsui Banking Corporation (Singapore) against loan provided to Godrej SON Holding, INC	**-**	486.90
	ix)	Guarantee amounting to USD 148.72 million (31-Mar-20 USD 148.72 million) given by the Company to DBS Bank Ltd (Singapore) & Sumitomo Mitsui Banking Corporation (Singapore) against loan provided to Godrej Mauritius Africa Holdings Ltd.	**1,087.29**	1,125.29
	x)	Guarantee amounting to USD 3.5 million (31-Mar-20 3.5 million) given by the Company to DBS Bank Limited towards IRS taken by Godrej Mauritius Africa Holdings Ltd.	**25.59**	26.48
	xi)	Guarantee amounting to USD Nil (31-Mar-20 USD 1.0 million) given by the Company to Sumitomo Mitsui Banking Corporation (Singapore) towards IRS taken by Godrej Consumer Products Holdings Mauritius Ltd.	**-**	7.57

₹ Crore

		As at March 31, 2021	As at March 31, 2020
xii)	Guarantee amounting to USD 24 million (31-Mar-20 USD 24 million) given by the Company to Sumitomo Mitsui Banking Corporation (Singapore) towards Banking facility taken by Godrej Mauritius Africa Holdings Ltd.	**176.93**	183.11
xiii)	Guarantee amounting to USD 1 million (31-Mar-20 Nil) given by the Company to Sumitomo Mitsui Banking Corporation (Singapore) towards IRS taken by Godrej Mauritius Africa Holdings Ltd.	**5.48**	-
		2,067.27	**3,578.51**
c)	**OTHER GUARANTEES**		
i)	Guarantees issued by banks [secured by bank deposits under lien with the bank ₹ 4.22 crore]	**13.39**	14.19
ii)	Guarantee given by the Company to Yes Bank for credit facilities extended to M/s. Broadcast Audience Research Council	**0.80**	0.80
iii)	Guarantee given by the Company to Kotak Mahindra Bank for credit facilities extended to M/s. Broadcast Audience Research Council	**0.30**	0.30
		14.49	**15.29**
d)	**CLAIMS AGAINST THE COMPANY NOT ACKNOWLEDGED AS DEBT:**		
i)	Claims by various parties on account of unauthorized, illegal and fraudulent acts by an employee.	**32.22**	32.22
ii)	Others	**0.06**	0.06

e) OTHER MATTERS

The proposed Social Security Code, 2019, when promulgated, would subsume labour laws including Employees' Provident Funds and Miscellaneous Provisions Act and amend the definition of wages on which the organisation and its employees are to contribute towards Provident Fund. The Company believes that there will be no significant impact on its contributions to Provident Fund due to the proposed amendments. Additionally, there is uncertainty and ambiguity in interpreting and giving effect to the guidelines of Hon. Supreme Court vide its ruling in February 2019, in relation to the scope of compensation on which the organisation and its employees are to contribute towards Provident Fund. The Company will evaluate its position and act, as clarity emerges.

Note 43 : 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, 2021	% Holding as at March 31, 2020
Belaza Mozambique LDA	Mozambique	**100%**	100%
Canon Chemicals Limited	Kenya	**100%**	75%
Charm Industries Limited	Kenya	**100%**	100%
Consell (under voluntary Liquidation)	Argentina	**100%**	100%
Cosmetica National	Chile	**100%**	100%
Darling Trading Company Mauritius Limited	Mauritius	**95%**	95%
Deciral S.A.	Uruguay	**100%**	100%

Name of the Subsidiary	Country	% Holding as at March 31, 2021	% Holding as at March 31, 2020
DGH Phase Two Mauritius	Mauritius	**90%**	90%
DGH Tanzania Limited	Mauritius	**100%**	100%
DGH Uganda	Mauritius	**51%**	51%
Frika Weave (Pty) Ltd	South Africa	**100%**	100%
Godrej (UK) Ltd	UK	**100%**	100%
Godrej Africa Holdings Limited	Mauritius	**100%**	100%
Godrej Consumer Holdings (Netherlands) B.V.	Netherlands	**100%**	100%
Godrej Consumer Investments (Chile) Spa	Chile	**100%**	100%
Godrej Consumer Products (Netherlands) B.V.	Netherlands	**100%**	100%
Godrej Consumer Products Bangladesh Limited	Bangladesh	**100%**	100%
Godrej Consumer Products Dutch Cooperatief UA	Netherlands	**100%**	100%
Godrej Consumer Products Holding (Mauritius) Limited	Mauritius	**100%**	100%
Godrej Consumer Products International FZCO	Dubai,UAE	**95%**	95%
Godrej Consumer Products Malaysia Limited (Closed on Oct 7, 2019)	Malaysia	**0%**	100%
Godrej CP Malaysia SDN BHD	Malaysia	**100%**	100%
Godrej East Africa Holdings Limited	Mauritius	**100%**	100%
Godrej Global Mideast FZE	Sharjah,UAE	**100%**	100%
Godrej Hair Care Nigeria Limited (Closed on April 14, 2020)	Nigeria	**0%**	100%
Godrej Hair Weave Nigeria Ltd (Closed on April 23, 2020)	Nigeria	**0%**	100%
Godrej Holdings (Chile) Limitada	Chile	**100%**	100%
Godrej Household Insecticide Nigeria Ltd (Closed on Mar 18, 2020)	Nigeria	**0%**	100%
Godrej Household Products (Bangladesh) Pvt. Ltd.	Bangladesh	**100%**	100%
Godrej Household Products Lanka (Pvt). Ltd.	Sri Lanka	**100%**	100%
Godrej Indonesia IP Holdings Ltd	Mauritius	**100%**	100%
Godrej International Trading Company (Closed on January 21, 2021)	Sharjah,UAE	**0%**	51%
Godrej Mauritius Africa Holdings Limited	Mauritius	**100%**	100%
Godrej Mid East Holding Limited	Dubai,UAE	**100%**	100%
Godrej Netherland B.V.	Netherlands	**100%**	100%
Godrej Nigeria Limited	Nigeria	**100%**	100%
Godrej Peru SAC (under voluntary liquidation)	Peru	**100%**	100%
Godrej SON Holdings Inc.	USA	**100%**	100%
Godrej South Africa Proprietary Limited	South Africa	**100%**	100%
Godrej Tanzania Holdings Limited	Mauritius	**100%**	100%
Godrej West Africa Holdings Limited	Mauritius	**95%**	95%
Hair Credentials Zambia Limited	Zambia	**100%**	100%
Hair Trading (Offshore) S.A.L.	Lebanon	**51%**	51%
Indovest Capital	Labuan	**100%**	100%
Issue Group Brazil LTDA	Brazil	**100%**	100%
Kinky Group (Proprietary) Limited	South Africa	**100%**	100%
Laboratorio Cuenca S.A	Argentina	**100%**	100%

Name of the Subsidiary	Country	% Holding as at March 31, 2021	% Holding as at March 31, 2020
Lorna Nigeria Limited	Nigeria	**100%**	100%
Old Pro International, Inc.	USA	**100%**	100%
Panamar Producciones SA (under voluntary liquidation)	Argentina	**100%**	100%
PT Ekamas Sarijaya	Indonesia	**100%**	100%
PT Indomas Susemi Jaya	Indonesia	**100%**	100%
PT. Godrej distribution Indonesia	Indonesia	**100%**	100%
PT Sarico Indah	Indonesia	**100%**	100%
PT Megasari Makmur	Indonesia	**100%**	100%
Sigma Hair Industries Ltd.	Tanzania	**100%**	100%
Strength of Nature LLC	USA	**100%**	100%
Strength of Nature South Africa Proprietary Limited (Closed on Nov 11, 2020)	South Africa	**0%**	100%
Style Industries Ltd	Kenya	**90%**	90%
Style Industries Uganda Limited (Under voluntary Liquidation)	Uganda	**51%**	51%
Subinite (Pty) Ltd	South Africa	**95%**	95%
Weave Ghana	Ghana	**100%**	100%
Weave IP Holdings Mauritius Pvt. Ltd.	Mauritius	**95%**	95%
Weave Mozambique Limitada	Mozambique	**95%**	95%
Weave Senegal	Senegal	**100%**	100%
Weave Trading Mauritius Pvt. Ltd.	Mauritius	**51%**	51%

c) Associate Company:

Name of the Associate Company	Country	% Holding as at March 31, 2021	% Holding as at March 31, 2020
Bhabani Blunt Hairdressing Pvt Limited	India	**28%**	28%

d) Investing Entity in which the reporting entity is an Associate

i) Godrej Industries Limited

ii) Godrej Seeds & Genetics Limited

e) Companies under common Control with whom transactions have taken place during the year

i) Godrej & Boyce Mfg. Co. Limited

ii) Godrej Agrovet Limited

iii) Godrej Tyson Foods Limited

iv) Godrej Properties Limited

v) Natures Basket Limited*

vi) Godrej Projects Development Private Limited

vii) Godrej One Premises Management Private Limited

viii) Creamline Dairy Products Limited

* Divested on 4th July 2019

f) Key Management Personnel and Relatives

i)	Mr. Adi Godrej	Chairman Emeritus
ii)	Ms. Nisaba Godrej	Executive Chairperson (Executive Chairperson & Managing director from July 1, 2020) / Daughter of Mr. Adi Godrej
iii)	Mr. Vivek Gambhir	Managing Director & CEO (till June 30, 2020)
		Whole time Director (From 1st July to September 30, 2020)
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. Aman Mehta	Independent Director
x)	Mr. Omkar Goswami	Independent Director
xi)	Ms. Ireena Vittal	Independent Director
xii)	Mr. Bharat Doshi	Independent Director (till September 25, 2019)
xiii)	Mr. Narendra Ambwani	Independent Director
xiv)	Ms. Ndidi Nwuneli	Independent Director
xv)	Ms. Pippa Armerding	Independent Director
xvi)	Mr. Sumeet Narang	Independent Director
xvii)	Mr. Burjis Godrej	Son of Mr.Nadir Godrej
xviii)	Ms. Rati Godrej	Wife of Mr.Nadir Godrej
xix)	Mr. Sohrab Godrej	Son of Mr.Nadir Godrej
xx)	Mr. Hormazd Godrej	Son of Mr.Nadir Godrej
xxi)	Mr.Navroze Godrej	Son of Mr. Jamshyd Godrej
xxii)	Mr. Arvind Dubash	Husband of Ms. Tanya Dubash
xxiiI)	Mr. Azaar Arvind Dubash	Son of Ms. Tanya Dubash

g) Trust where the reporting entity excercises significant influence

i) Godrej Consumer Products Limited Employees' Stock Option Trust

h) Post employment Benefit Trust where the reporting entity exercises significant influence

i) Godrej Consumer Products Employees' Provident Fund

B) The Related Party Transactions are as under :

₹ Crore

	Subsidiary Companies		Associate Company		Investing Entity in which the reporting entity is an associate		Companies Under Common Control		Key Management Personnel and Relatives		Post employment benefit trust		Total	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Sale of Goods	96.03	67.92	0.08	0.24	12.25	10.55	1.02	1.62	-	-	-	-	**109.38**	**80.32**
Purchase of Materials and Spares	4.77	2.23	-	-	65.54	54.85	3.82	0.13	-	-	-	-	**74.13**	**57.21**
Advance Paid	-	-	-	-	-	-	-	0.05	-	-	-	-	**-**	**0.05**
Royalty and Technical Fees Received	20.10	18.58	-	-	-	-	-	-	-	-	-	-	**20.10**	**18.58**
Royalty and Technical Fees Paid	0.15	0.18	0.41	0.55	-	-	-	-	-	-	-	-	**0.56**	**0.72**
Establishment & Other Expenses Paid (Including provision for doubtful debts if any)	2.05	0.12	0.12	0.33	21.49	27.55	6.03	8.54	-	-	-	-	**29.69**	**36.55**
Expenses Recovered	18.04	18.78	-	-	1.33	1.62	0.07	0.06	-	-	-	-	**19.44**	**20.46**
Investments Made	981.36	-	-	-	-	-	-	-	-	-	-	-	**981.36**	**-**
Guarantees Given / (Cancelled)	374.69	217.16	-	-	-	-	-	-	-	-	-	-	**374.69**	**217.16**
Guarantee Commission Income	17.32	15.83	-	-	-	-	-	-	-	-	-	-	**17.32**	**15.83**
Income from Business Support Services	10.16	11.69	-	-	-	-	-	-	-	-	-	-	**10.16**	**11.69**
Dividend Paid	-	-	-	-	-	418.65	-	60.01	-	23.37	-	-	**-**	**502.03**
Dividend Received	-	-	-	0.68	-	-	-	-	-	-	-	-	**-**	**0.68**
Commission on Profits and Sitting Fees	-	-	-	-	-	-	-	-	3.51	3.51	-	-	**3.51**	**3.51**
Lease Rentals Received	-	-	-	-	10.98	10.94	-	-	-	-	-	-	**10.98**	**10.94**
Lease Rentals Paid	-	-	-	-	17.89	15.68	-	-	-	-	-	-	**17.89**	**15.68**
Loans given	29.42	-	-	-	-	-	-	-	-	-	-	-	**29.42**	**-**
Loans repaid	29.42	-	-	-	-	-	-	-	-	-	-	-	**29.42**	**-**
Contribution during the year (Including Employees' Share)	-	-	-	-	-	-	-	-	-	-	15.76	18.17	**15.76**	**18.17**
Short Term Employment Benefits	-	-	-	-	-	-	-	-	18.05	21.52	-	-	**18.05**	**21.52**
Post Employment Benefits	-	-	-	-	-	-	-	-	1.64	0.46	-	-	**1.64**	**0.46**
Share Based Payment	-	-	-	-	-	-	-	-	5.17	2.92	-	-	**5.17**	**2.92**
TOTAL	**1,583.51**	**352.49**	**0.61**	**1.80**	**129.48**	**539.84**	**10.94**	**70.41**	**28.37**	**51.78**	**15.76**	**18.17**	**1,768.67**	**1,034.49**

Outstanding Balances

₹ Crore

	Receivables		Payables		Guarantees Outstanding - Given / (Taken)		Commitments	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Subsidiary Companies	**75.04**	105.90	**1.41**	0.99	**2,067.27**	3,578.51	**-**	-
Associate Company	**0.03**	0.05	**0.14**	-	**-**	-	**-**	-
Investing Entity in which the reporting entity is an associate	**1.37**	1.88	**5.74**	7.41	**(26.88)**	(26.88)	**-**	-
Common Control	**0.40**	0.33	**0.41**	0.40	**(1.21)**	(1.21)	**0.53**	0.61
Key Management Personnel and Relatives	**-**	-	**2.58**	2.85	**-**	-	**-**	-
TOTAL	**76.84**	**108.16**	**10.28**	**11.65**	**2,039.18**	**3,550.42**	**0.53**	**0.61**

Note: Refer note 5 for investments in subsidiaries and associates and note 42 for Guarantees given on behalf of subsidiaries

Note 44 : Forward Contracts

The Company uses forward exchange contracts to hedge its foreign exchange exposure relating to the underlying transactions and firm commitments in accordance with its forex policy as determined by its Forex Committee. The Company does not use foreign exchange forward contracts for trading or speculation purposes.

Forward / Spot Contracts outstanding are as follows:

	As at March 31, 2021		As at March 31, 2020	
	In Million	INR crores	In Million	INR crores
Forward Contracts to Purchase (USD) - nominal amounts	**US $ 1.95**	**14.27**	US $ 1.48	111.94
[3 contracts (31-Mar-20: 47 contracts]				
Forward Contracts to Sales (EURO) - nominal amounts	**Euro 1.00**	**8.58**	-	-
[1 contract (31-Mar-20: Nil]				

Note 45 : 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, 2021.

₹ Crore

	As at March 31, 2021	As at March 31, 2020
Plan assets at period end, at fair value	**175.93**	159.79
Provident Fund Corpus	**174.09**	159.13
Valuation assumptions under Deterministic Approach:		
Weighted Average Yield	**8.44%**	8.29%
Weighted Average Yield to Maturity	**8.61%**	8.61%
Guaranteed Rate of Interest	**8.50%**	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 ₹ 13.13 crore (previous year ₹ 15.11 crore) has been included in Note 34 under Contribution to Provident and Other Funds.

ii) **Defined Benefit Plan**

Gratuity cost amounting to ₹ 8.83 crore (previous year ₹ 8.52 crore) has been included in Note 34 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, 2021	As at March 31, 2020
i)	**Change in Present Value of Obligation**		
	Present value of the obligation at the beginning of the year	**65.91**	60.93
	Current Service Cost	**4.62**	4.16
	Interest Cost	**4.24**	4.40
	Actuarial (Gain) / Loss on Obligation- Due to Change in Demographic Assumptions	**-**	-
	Actuarial (Gain) / Loss on Obligation- Due to Change in Financial Assumptions	**0.53**	2.35
	Actuarial (Gain) / Loss on Obligation- Due to Experience	**(2.24)**	(0.33)
	Benefits Paid	**(6.73)**	(5.60)
	Present value of the obligation at the end of the year	**66.33**	**65.91**
ii)	**Change in Plan Assets**		
	Fair value of Plan Assets at the beginning of the year	**0.52**	0.60
	Interest Income	**0.03**	0.04
	Return on plan assets excluding interest income	**(0.01)**	(0.02)
	Contributions by the Employer	**6.80**	5.50
	Benefits Paid	**(6.73)**	(5.60)
	Fair value of Plan Assets at the end of the year	**0.61**	**0.52**
iii)	**Amounts Recognised in the Balance Sheet:**		
	Present value of Obligation at the end of the year	**66.33**	65.91
	Fair value of Plan Assets at the end of the year	**0.61**	0.52
	Net Liability recognised in the Balance Sheet	**65.72**	**65.39**
iv)	**Amounts Recognised in the Statement of Profit and Loss:**		
	Current Service Cost	**4.62**	4.16
	Interest Cost/Income on Obligation/ Plan assets (Net)	**4.21**	4.36
	Net Cost Included in Personnel Expenses	**8.83**	**8.52**
v)	**Recognised in other comprehensive income for the year**		
	Actuarial (Gain) / Loss on Obligation	**(1.72)**	2.02
	Return on plan assets excluding interest income	**0.01**	0.02
	Recognised in other comprehensive income	**(1.71)**	**2.04**
vi)	**Weighted average duration of Present Benefit Obligation**	**6 years**	**6 years**
vii)	**Estimated contribution to be made in next financial year**	**8.28**	**8.75**
viii)	**Major categories of Plan Assets as a % of total Plan Assets**		
	Insurer Managed Funds	**100%**	100%
ix)	**Actuarial Assumptions**		
	i) Discount Rate	**6.26% P.A.**	6.43% 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, 2021	As at March 31, 2020
Projected Benefits Payable in Future Years From the Date of Reporting		
Within the next 12 months	**13.31**	13.46
2nd Following Year	**6.71**	6.88
3rd Following Year	**7.96**	6.63
4th Following Year	**6.60**	7.80
5th Following Year	**7.68**	6.08
Sum of Years 6 To 10	**25.77**	27.08

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, 2021		March 31, 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	**(2.96)**	**3.29**	(2.95)	3.27
Future salary growth (1% movement)	**3.17**	**(2.91)**	3.16	(2.91)

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 2020	9,94,337	Vested in the proportion of 1/3rd at the end of each year	1.00	1.00	within 1 month from the date of vesting

Movement in the number of share options during the year:

	As at March 31, 2021	As at March 31, 2020
Outstanding at the beginning of the year	**2,90,133**	**2,95,015**
Add: Granted during the year	**97,653**	1,62,917
Less: Exercised during the year	**1,69,921**	1,50,256
Less: Forfeited/ lapsed during the year	**30,444**	17,543
Outstanding at the end of the year	**1,87,421**	**2,90,133**

Weighted average remaining contractual life of options as at 31st March, 2021 was ₹ 0.94 years (31-Mar-20 ₹ 0.85 years).

Weighted average equity share price at the date of exercise of options during the year was ₹ 654.46 (previous year ₹ 658.45).

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, 2021	As at March 31, 2020
Risk-free interest rate (%)	**4.12%**	6.44%
Expected life of options (years)	**2.00**	2.00
Expected volatility (%)	**38.12%**	28.16%
Dividend yield	**1.20%**	2.28%
The price of the underlying share in market at the time of option grant (₹)	**666.58**	658.45

II. Pursuant to SEBI notification dated January 17, 2013, no further securities of the Company will be purchased from the open market.

Note 47 : 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 ₹ 28.04 crore (previous year ₹ 25.34 crore):

₹ Crore

	Year ended March 31, 2021	Year ended March 31, 2020
Revenue Expenditure in cash on CSR activities	**34.08**	19.49
TOTAL	**34.08**	**19.49**

Note 48 : Financial Instruments

A. Accounting classification and fair values

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

₹ Crore

As at March 31, 2021	Carrying amount / Fair Value				Fair value Hierarchy			
	FVTPL	**FVTOCI**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets								
Non Current								
Loans	-	-	18.27	18.27	-	-	-	-
Other non-current financial assets	-	-	8.12	8.12	-	-	-	-
Current								
Investments								
Non-convertible Debentures with Non-Banking Financial Companies	55.30	-	-	55.30	55.30	-	-	55.30
Mutual Funds	129.47	-	-	129.47	-	129.47	-	129.47
Deposits with Non-Banking Financial Companies	-	-	459.65	459.65	-	459.65	-	459.65
Trade receivables	-	-	247.46	247.46	-	-	-	-
Cash and cash equivalents	-	-	62.78	62.78	-	-	-	-
Other bank balances	-	-	20.93	20.93	-	-	-	-
Loans	-	-	1.22	1.22	-	-	-	-
Refunds/Incentives receivables from government authorities	-	-	55.50	55.50	-	-	-	-
Derivative assets - forward exchange contracts	0.27	-	-	0.27	-	0.27	-	0.27
Other current financial assets	-	-	18.50	18.50	-	-	-	-
TOTAL	**185.04**	**-**	**892.43**	**1,077.47**	**55.30**	**589.39**	**-**	**644.69**
Financial liabilities								
Non Current								
Lease liabilities	-	-	31.44	31.44	-	-	-	-
Current								
Borrowings - Commercial papers	-	-	0.14	0.14	-	0.14	-	0.14
Lease liabilities	-	-	11.98	11.98	-	-	-	-
Trade and other payables	-	-	949.60	949.60	-	-	-	-
Other Current Financial Liabilities	-	-	158.65	158.65	-	-	-	-
TOTAL	**-**	**-**	**1,151.81**	**1,151.81**	**-**	**0.14**	**-**	**0.14**

There are no transfers between levels 1 and 2 during the year

₹ Crore

As at March 31, 2020	Carrying amount / Fair Value				Fair value Hierarchy			
	FVTPL	**FVTOCI**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets								
Non Current								
Loans	-	-	19.09	19.09	-	-	-	-
Other Non-Current Financial Assets	-	-	15.74	15.74	-	-	-	-
Current				-				-
Investments								
Non-convertible Debentures with Non-Banking Financial Companies	-	-	80.06	80.06	80.10	-	-	80.10

₹ Crore

As at March 31, 2020	Carrying amount / Fair Value				Fair value Hierarchy			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Deposits with Non-Banking Financial Companies	-	-	555.34	555.34	-	555.34	-	555.34
Trade receivables	-	-	305.52	305.52	-	-	-	-
Cash and cash equivalents	-	-	63.76	63.76	-	-	-	-
Other Bank balances	-	-	21.92	21.92	-	-	-	-
Loans	-	-	0.05	0.05	-	-	-	-
Refunds/Incentives receivables from Govt. Authorities	-	-	133.13	133.13	-	-	-	-
Derivative assets - forward exchange contracts	4.79	-	-	4.79	-	4.79	-	4.79
Other Current Financial Assets	-	-	22.78	22.78	-	-	-	-
TOTAL	**4.79**	**-**	**1,217.39**	**1,222.18**	**80.10**	**560.13**	**-**	**640.23**
Financial liabilities								
Non Current								
Lease liabilities	-	-	4.94	4.94	-	-	-	-
Current								
Borrowings (Commercial Paper)	-	-	317.33	317.33	-	317.33	-	317.33
Lease liabilities			3.48	3.48		-		-
Trade and other payables	-	-	1,243.14	1,243.14	-	-	-	-
Other current financial liabilities	-	-	62.67	62.67	-	-	-	-
TOTAL	**-**	**-**	**1,631.56**	**1,631.56**	**-**	**317.33**	**-**	**317.33**

There are no transfers between levels 1 and 2 during the year

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 49 : 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, 2021 is as below:

₹ Crore

	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021
	GBP	USD	EURO	AED
Financial assets				
Cash and cash equivalents	-	8.77	-	-
Trade and other receivables	-	72.35	25.53	-
Less: Forward contracts for trade receivables	-	-	(8.58)	-
Other Non-Current Financial Assets	-	8.12	-	-
Other Current Financial Assets	-	8.33	-	-
	-	**97.57**	**16.95**	**-**
Financial liabilities				
Trade and other payables	(0.10)	110.44	0.87	-
Less: Forward contracts for trade payables	-	(14.27)	-	-
Other Non-current financial liabilities	-	-	-	-
Other Current Financial Liabilities	-	-	-	-
	(0.10)	**96.17**	**0.87**	-
Net exposure	**0.10**	**1.40**	**16.08**	**-**

Exposure to currency risk (Exposure in different currencies converted to functional currency i.e. INR)

The currency profile of financial assets and financial liabilities as at March 31, 2020 is as below:

₹ Crore

	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020
	GBP	USD	EURO	AED
Financial assets				
Cash and cash equivalents	-	9.76	-	-
Trade and other receivables	-	90.79	29.28	-
Less: Forward contracts for trade receivables	-	-	-	-
Other Non-Current Financial Assets	-	15.74	-	-
Other Current Financial Assets	-	10.74	-	-
	-	**127.02**	**29.28**	**-**
Financial liabilities				
Trade and other payables	0.64	246.58	(0.23)	-
Less: Forward contracts for trade payables	-	(111.94)	-	-
Other Non-current financial liabilities	-	-	-	-
Other Current Financial Liabilities	-	0.25	1.52	-
	0.64	**134.89**	**1.29**	**-**
Net exposure	**(0.64)**	**(7.87)**	**27.99**	**-**

The following significant exchange rates have been applied during the year.

	Year-end spot rate as at	
INR	March 31, 2021	March 31, 2020
GBP INR	**100.95**	93.08
USD INR	**73.50**	75.39
EUR INR	**86.10**	83.05
ZAR INR	**4.94**	4.23
AED INR	**19.91**	20.60
JPY INR	**0.66**	0.70

Sensitivity analysis

A reasonably possible 5% strengthening (weakening) of GBP/USD/EURO/AED against the Indian Rupee at March 31 would have affected the measurement of financial instruments denominated in GBP/USD/EURO/AED and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

₹ Crore

	Profit or loss	
Effect in INR	**Strengthening**	**Weakening**
March 31, 2021		
5% movement		
GBP	-	-
USD	0.07	(0.07)
EUR	0.80	(0.80)
	0.87	**(0.87)**

₹ Crore

	Profit or loss	
Effect in INR	**Strengthening**	**Weakening**
March 31, 2020		
5% movement		
GBP	(0.03)	0.03
USD	(0.39)	0.39
EUR	1.39	(1.39)
AED	-	-
	0.97	**(0.97)**

B. MANAGEMENT OF CREDIT RISK:

Credit risk refers to the risk of default on its obligations by a counterparty to the Company resulting in a financial loss to the Company. The Company is exposed to credit risk from its operating activities (trade receivables) and from its investing activities including investments in mutual funds, commercial papers, deposits with banks and financial institutions and Non-convertible debentures, foreign exchange transactions (including derivatives) and financial instruments.

Credit risk from trade receivables is managed through the Company's policies, procedures and controls relating to customer credit risk management by establishing credit limits, credit approvals and monitoring creditworthiness of the customers to which the Company extends credit in the normal course of business. Outstanding customer receivables are regularly monitored. The Company has no concentration of credit risk as the customer base is widely distributed.

Credit risk from investments of surplus funds is managed by the Company's treasury in accordance with the Board approved policy and limits. Investments of surplus funds are made only with those counterparties who meet the minimum threshold requirements prescribed by the Board. The Company monitors the credit ratings and financial strength of its counter parties and adjusts its exposure accordingly. Derivatives are entered into with banks as counter parties, which have high credit ratings assigned by rating agencies.

At March 31, 2021, the ageing for the financial assets as mentioned in the note below & that were not impaired (not provided for) was as follows.

Trade receivables

₹ Crore

	As at March 31, 2021	As at March 31, 2020
Neither past due nor impaired	**185.52**	113.95
Past due 1–90 days	**53.00**	141.92
Past due 91–120 days	**3.20**	12.66
Past due 120 days	**5.74**	36.99
	247.46	**305.52**

Management believes that the unimpaired amounts that are past due are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available. The Company uses an allowance matrix to measure the expected credit loss of trade receivables from individual customers which comprise of large number of small balances.

The movement in the allowance for impairment in respect of trade receivables is as follows

₹ Crore

	As at March 31, 2021	As at March 31, 2020
Opening balance	**5.49**	6.34
Impairment loss (released) /recognised during the year	**8.97**	(0.85)
Closing balance	**14.46**	5.49

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, 2021	Contractual cash flows			
	Total	**Less than 1 Year**	**1-3 years**	**More than 3 years**
Non-derivative financial liabilities				
Lease liabilities	49.83	14.34	34.34	1.15
Borrowings	0.14	0.14	-	-
Trade payables	949.60	949.60	-	-
Other Financial Liabilities	158.65	158.65	-	-
Total	**1,158.22**	**1,122.73**	**34.34**	**1.15**
Derivative financial liabilities				
Forward exchange contracts				
- Outflow	14.27	14.27	-	-
- Inflow	8.58	8.58	-	-

₹ Crore

March 31, 2020	Contractual cash flows			
	Total	Less than 1 Year	1-3 years	More than 3 years
Non-derivative financial liabilities				
Lease liabilities	10.01	4.01	5.22	0.77
Borrowings	317.33	317.33	-	-
Trade payables	1,243.14	1,243.14	-	-
Other Financial Liabilities	62.67	62.67	-	-
Total	**1,633.15**	**1,627.15**	**5.22**	**0.77**
Derivative financial liabilities				
Forward exchange contracts				
- Outflow	111.94	111.94	-	-
- Inflow	-	-	-	-

Note 50 : 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 42.

Note 51 : 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 52 : Covid 19 Impact

The year ended March 31,2021 was unprecedented due to the spread of Coronavirus pandemic across the globe, impacting all the geographies of our operations in the early months of the period. The company has been working on a safety first principle, ensuring that our employees and business partners are safe and are taking all necessary precautions to control the spread of Coronavirus. While we did see impact of lockdown in the early part of the period, we displayed strong agility in ramping up the production and resolving logistics challenges. The company is recording sequential recovery across most of our markets of operations. We also leveraged technology, strong relationships with our channel partners to meet the end consumer demand. As per our current assessment other than the impairment recorded on investment, no significant impact on carrying amounts of inventories, goodwill, intangible assets, trade receivables, other investments and other financial assets is expected, and we continue to monitor changes in future economic conditions.

Note 53 : 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 Registration No. 101248W/W-100022

For and on behalf of the Board

Vijay Mathur
Partner
M. No. 046476

V Srinivasan
Chief Financial Officer
& Company Secretary

Nisaba Godrej
Chairperson & Managing Director
DIN: 00591503

Mumbai: May 11, 2021

Independent Auditors' Report

To the Members of
Godrej Consumer Products Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Godrej Consumer Products Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its associate, which comprise the consolidated balance sheet as at 31 March 2021, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at 31 March 2021, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group and its associate, in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matters:

The key audit matter	How the matter was addressed in our audit
Revenue recognition (Refer note 29 to the consolidated financial statements) Revenue is measured net of any discounts and rebates. Recognition and measurement of discounts and rebates accruals at year end, involves judgement and estimates. This leads to a risk of revenue being misstated due to inaccurate estimation over discounts and volume rebates. Revenue is recognised when the control of the products being sold has transferred to the customer. There is a risk of revenue being overstated on account of manipulation in the timing of transfer of control, due to the pressure on the Group to achieve performance targets, at the reporting period end. Accordingly, revenue recognition is considered to be a key audit matter.	Our audit procedures included: • Assessing the Group's compliance of revenue recognition accounting policies, including those relating to discounts and rebates, with reference to Ind AS 115 'Revenue from contracts with customers' (applicable accounting standard); • Testing the design, implementation and operating effectiveness of the Group's key manual application controls and general IT controls and key IT application controls over the Group's systems, with the assistance of our IT specialists. These IT systems enable recording of revenue (including period end cut-off) and compute discounts and volume rebates in the general ledger accounting system; • Performing substantive cut-off testing by selecting statistical samples of revenue transactions recorded at year-end and agreeing to the underlying documents, which included sales invoices and shipping documents; • Performing a retrospective assessment of discounts and rebate accruals with prior period to evaluate the historical accuracy; • Performing substantive testing by agreeing statistical samples of discounts and rebate accruals to underlying documents; • Assessing manual journals posted to revenue to identify unusual items.
Impairment evaluation of Goodwill (Refer note 52 to the consolidated financial statements) The carrying amount of Goodwill represents 36% of the Group's total assets. The identification of relevant Cash Generating Units (CGUs) for the annual impairment evaluation of Goodwill by the Group involves significant judgement. The impairment testing of Goodwill by the Group involves significant estimates and judgement due to the inherent uncertainty involved in forecasting, discounting future cash flows, and determining the recoverable amount. Accordingly, impairment assessment of goodwill is considered to be a key audit matter.	Our audit procedures included: • Evaluating appropriateness of Group's basis to identify relevant CGUs; • Assessing Group's valuation methodology and challenging the assumptions used relating to weighted-average cost of capital, revenue, earnings and long-term growth rates, by involving our valuation specialists. • Comparing the weighted-average cost of capital with sector averages for the relevant markets in which the CGUs operate; • Performing sensitivity analysis by assessing the effect of possible reductions in the above assumptions on the recoverable amount;

Description of Key Audit Matters:

The key audit matter	How the matter was addressed in our audit
	• Assessing the reliability of the financial projections prepared by the Group by comparing projections for previous financial years with actual results realized and analysis of significant variances, if any[; and • Evaluating the adequacy of the disclosures in respect of impairment evaluation of Goodwill in the consolidated financial statements.
Intangible Assets- impairment assessment (Refer note 52 to the consolidated financial statements) The carrying amount of trademarks / brands (indefinite life intangible assets) represent 17% of the Group's total assets. The annual impairment testing of these intangible assets by the Group involves significant estimates and judgment due to the inherent uncertainty involved in forecasting and discounting future cash flows. Accordingly, impairment assessment of intangible assets is considered to be a key audit matter.	Our audit procedures included: • Assessing the valuation methodology and challenging the assumptions used, in particular those relating to forecast revenue growth and earnings, weighted average cost of capital and royalty rates, with the assistance of our valuation specialists; • Assessing the reliability of the financial projections prepared by the Group by comparing projections for previous financial years with actual results realized and analysis of significant variances, if any; • Performing sensitivity analysis on the assumptions noted above; and • Evaluating the adequacy of disclosures in respect of impairment evaluation of intangible assets in the consolidated financial statements.

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit reports of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the consolidated financial statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group and its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective

Management and Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

  We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

a) We did not audit the financial statements/financial information of 35 subsidiaries, whose financial statements/ financialinformation reflects total assets of ₹ 9,677.88 crores as at 31 March 2021, total revenues of ₹ 7,734.51 crores, net profit after tax of ₹ 643.56 crores and net cash outflows amounting to ₹ 69.26 crores for the year ended on that date, before giving effect to consolidation adjustments, as considered in the consolidated financial statements. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section

(3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the audit reports of the other auditors.

b) The financial statements/ financial information of 3 subsidiaries, whose financial statements/financial information reflect total assets of ₹ 11.37 crores as at 31 March 2021, total revenue of ₹ 1.27 crores, total net (loss) after tax of ₹ (2.16) crores and net cash inflows of ₹ 0.37 crores for the year ended on that date, before giving effect to consolidation adjustments, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. The consolidated financial statements also include the Group's share of net (loss) after tax of ₹ (0.01) crore for the year ended 31 March 2021 as considered in the consolidated financial statements, in respect of one associate, whose financial statements/ financial information have not been audited by us or by other auditors. These unaudited financial statements/ financial information have been furnished to us by the Board of Directors 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 associate and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and associate is based solely on such unaudited financial statements/financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, these financial statements/financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2021 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 2021 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company, and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". We have not commented on the internal financial controls with reference to financial statements of the subsidiaries since all the subsidiaries are incorporated outside India.

B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the 'Other Matters' paragraph:

i) The consolidated financial statements disclose the impact of pending litigations as at 31 March 2021 on the consolidated financial position of the Group and its associate. Refer Note 41 to the consolidated financial statements.

ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021.

iii) There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company.

iv) The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the consolidated financial statements since they do not pertain to the financial year ended 31 March 2021.

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
UDIN:21046476AAAADC7833
Mumbai, 11 May 2021

Annexure A to the Independent Auditors' report on the consolidated financial statements of Godrej Consumer Products Limited for the year ended 31 March 2021

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph (A) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of Godrej Consumer Products Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2021, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company as of that date.

In our opinion, the Holding Company, has, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to consolidated financial statements criteria established by the Holding Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Holding Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Holding company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to consolidated financial statements

A Holding Company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A Holding Company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Holding Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Holding Company are being made only in accordance with authorisations of management and directors of the Holding Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Holding company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial controls with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/
W-100022

Vijay Mathur
Partner
Membership No: 046476
UDIN:21046476AAAADC7833
Mumbai, 11 May 2021

Consolidated Balance Sheet as at March 31, 2021

₹ Crore

	Note No.	As at March 31, 2021	As at March 31, 2020
I. ASSETS			
1. Non-current assets			
(a) Property, Plant and Equipment	3	**1,210.22**	1,205.02
(b) Capital work-in-progress		**52.97**	55.67
(c) Right-of-use assets	4	**91.13**	51.90
(d) Goodwill	5	**5,129.85**	5,339.32
(e) Other Intangible assets	5	**2,473.57**	2,635.16
(f) Intangible assets under development		**4.46**	1.37
(g) Investments in associate	6	**19.42**	34.80
(h) Financial Assets			
(i) Other Investments	6A	**2.51**	-
(ii) Loans	7	**21.78**	22.63
(iii) Others	8	**3.36**	36.63
(i) Deferred tax assets (net)	9D	**676.79**	646.79
(j) Other non-current assets	10	**55.03**	45.21
(k) Non-Current Tax Assets (net)	9C	**69.32**	74.17
Total Non Current Assets		**9,810.41**	**10,148.67**
2. Current assets			
(a) Inventories	11	**1,716.25**	1,703.12
(b) Financial Assets			
(i) Investments	12	**657.17**	637.18
(ii) Trade receivables	13	**1,004.50**	1,157.25
(iii) Cash and cash equivalents	14A	**524.13**	602.87
(iv) Bank balances other than (iii) above	14B	**148.08**	167.29
(v) Loans	15	**4.64**	3.27
(vi) Others	16	**70.64**	164.51
(c) Other current assets	17	**347.00**	372.85
Total Current Assets		**4,472.41**	**4,808.34**
TOTAL ASSETS		**14,282.82**	**14,957.01**
II. EQUITY AND LIABILITIES			
1. EQUITY			
(a) Equity Share capital	18	**102.25**	102.23
b) Other equity	19	**9,336.65**	7,796.13
Total Equity		**9,438.90**	**7,898.36**
2. LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	**480.11**	2,145.04
(ii) Lease liabilities	4	**67.49**	34.19
(iii) Other financial liabilities	21	**-**	131.98
(b) Provisions	22	**114.72**	116.98
(c) Deferred tax liabilities (net)	9E	**39.03**	76.73
(d) Other non-current liabilities	23	**6.88**	7.17
Total Non Current liabilities		**708.23**	**2,512.09**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	24	**279.41**	518.70
(ii) Lease liabilities	4	**28.16**	22.43
(iii) Trade payables			
(a) Total outstanding dues of Micro and Small Enterprises	25	**24.86**	27.15
(b) Total outstanding dues of creditors other than Micro and Small Enterprises	25	**2,134.78**	2,453.34
(iv) Other financial liabilities	26	**1,462.23**	1,336.04
(b) Other current liabilities	27	**80.55**	84.71
(c) Provisions	28	**72.40**	55.96
(d) Current tax liabilities (Net)	9C	**53.30**	48.23
Total Current Liabilities		**4,135.69**	**4,546.56**
TOTAL EQUITY AND LIABILITIES		**14,282.82**	**14,957.01**

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 Registration No. 101248W/W-100022

For and on behalf of the Board of Directors

Vijay Mathur
Partner
M. No. 046476

V Srinivasan
Chief Financial Officer
& Company Secretary

Nisaba Godrej
Chairperson & Managing Director
DIN: 00591503

Mumbai: May 11, 2021

Consolidated Statement of Profit and Loss for the year ended March 31, 2021

₹ Crore

Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
Revenue			
I. Revenue from Operations	29	**11,028.62**	9,910.80
II. Other income	30	**67.07**	112.30
III. Total Income (I + II)		**11,095.69**	**10,023.10**
IV. Expenses			
Cost of Materials Consumed	31	**4,606.76**	4,121.75
Purchases of Stock-in-Trade		**365.01**	313.08
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	32	**(42.35)**	(173.15)
Employee Benefits Expense	33	**1,123.34**	1,018.82
Finance costs	34	**126.63**	217.41
Depreciation and Amortization Expenses	35	**203.85**	197.28
Other Expenses	36	**2,587.61**	2,487.27
Total Expenses		**8,970.85**	**8,182.46**
V. Profit before Exceptional Items, Share of Net Profit/ (loss) of equity accounted investees and Tax (III-IV)		**2,124.84**	**1,840.64**
VI. Share of net profit/ (loss) of equity accounted investees (net of income tax)		**(0.01)**	0.81
VII. Profit before Exceptional Items and Tax (V+VI)		**2,124.83**	**1,841.45**
VIII. Exceptional Items (Net)	37	**(44.47)**	(81.05)
IX. Profit before Tax (VII+VIII)		**2,080.36**	**1,760.40**
X. Tax expense:			
(1) Current Tax	9A	**408.14**	378.66
(2) Deferred Tax	9A	**(48.60)**	(114.84)
Total Tax Expense		**359.54**	**263.82**
XI. Profit for the Year (IX-X)		**1,720.82**	**1,496.58**
XII. Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans		**5.69**	(4.93)
(ii) Income tax related to items that will not be reclassifed to profit or loss	9A	**(1.35)**	1.07
		4.34	**(3.86)**
B (i) Items that will be reclassified to profit or loss			
a) Exchange differences in translating financial statements of foreign operations		**(188.96)**	245.62
b) The effective portion of gains and loss on hedging instruments in a cash flow hedge		**20.99**	(18.56)
		(167.97)	**227.06**
Other Comprehensive Income (net of income tax) (A+B)		**(163.63)**	**223.20**
XIII. Total Comprehensive Income for the Year (XI+XII)		**1,557.19**	**1,719.78**
Profit attributable to:			
Owners of the Company		**1,720.82**	**1,496.58**
Non-controlling interests		**-**	-
Other Comprehensive Income attributable to:			
Owners of the Company		**(163.63)**	**223.20**
Non-controlling interests		**-**	**-**
Total comprehensive income attributable to:			
Owners of the Company		**1,557.19**	**1,719.78**
Non-controlling interests		**-**	**-**
XIV. Earnings per equity share (₹)			
1. Basic	38	**16.83**	**14.64**
2. Diluted		**16.83**	**14.64**

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 Registration No. 101248W/W-100022

For and on behalf of the Board of Directors

Vijay Mathur
Partner
M. No. 046476

V Srinivasan
Chief Financial Officer
& Company Secretary

Nisaba Godrej
Chairperson & Managing Director
DIN: 00591503

Mumbai: May 11, 2021

Consolidated Statement of Cash Flows for the year ended March 31, 2021

₹ Crore

		Year ended March 31, 2021	Year ended March 31, 2020
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit Before Tax	**2,080.36**	**1,760.40**
	Adjustments for :		
	Non-Cash Items		
	Depreciation, amortization and impairment expenses	**203.85**	197.28
	Unrealised Foreign Exchange (Gain) / Loss	**9.75**	0.25
	Bad Debts Written off	**4.27**	6.25
	Provision / Write off / (back) for Doubtful Debts / Advances	**19.79**	(3.09)
	Provision for Non Moving Inventory	**17.00**	(8.56)
	(Write back) / Write off of Old Balances	**(0.72)**	0.79
	Expenses on Employee Stock Grant Scheme (ESGS)	**6.09**	9.66
	Provision for diminution in the value of investments/assets	**77.06**	78.00
	Finance cost	**126.63**	217.41
	Loss on sale of Property, Plant & Equipment and Intangible assets (net)	**7.63**	4.13
	(Profit) on Sale of Investments (net)	**(14.02)**	(4.53)
	Fair value (Gain) / Loss on financial assets measured at FVTPL (net)	**(0.53)**	-
	Interest Income	**(35.05)**	(76.25)
	Share of profit of equity accounted investees	**0.01**	(0.81)
	Gain on reversal of earnout liability/divestment of UK business	**(42.09)**	(9.51)
	Adjustment due to hyperinflation	**11.96**	13.49
		391.63	**424.51**
	Operating Cash Flows Before Working Capital Changes	**2,471.99**	**2,184.91**
	Adjustments for :		
	Increase in inventories	**(70.35)**	(168.94)
	Decrease in trade receivables	**81.44**	130.29
	Increase in loans	**(0.52)**	(3.40)
	(Increase) / Decrease in other financial assets	**114.53**	(34.19)
	(Decrease) / Increase in other non-current assets	**2.09**	(11.73)
	Decrease / (Increase) in other current assets	**22.53**	(73.35)
	Decrease in trade and other payables	**(325.83)**	(95.00)
	Increase / (Decrease) in other financial liabilities	**115.47**	(39.38)
	Increase in other liabilities and provisions	**15.43**	42.95
		(45.21)	**(252.75)**
	Cash Generated from Operating Activities	**2,426.78**	**1,932.16**
	Adjustment for :		
	Income Taxes paid (net)	**(397.15)**	(344.05)
	Net Cash Flow from Operating Activities (A)	**2,029.63**	**1,588.11**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of property, plant & equipment and intangible assets (net)	**(163.86)**	(152.02)
	(Investment)/Redemption of Mutual Fund (Net)	**(136.08)**	19.73
	Redemption / (Investments) in deposits with NBFCs (net)	**72.26**	(400.10)
	Proceeds from sale of non convertible debentures with NBFCs (net)	**34.95**	249.21
	Proceeds from/(Investments) in fixed deposits having maturities greater than 3 months (net)	**18.08**	(131.61)
	Dividend from equity accounted investees	**-**	0.68
	Payment of liabilities for Business Acquisitions	**(197.65)**	(185.66)
	Divestment of business unit, net of cash disposed of	**-**	9.51
	Investment in Non Current Investment	**(2.51)**	-
	Interest Received	**59.31**	57.00
	Net Cash Flow from (used in) in Investing Activities (B)	**(315.50)**	**(533.26)**

Consolidated Statement of Cash Flows for the year ended March 31, 2021

₹ Crore

		Year ended March 31, 2021	Year ended March 31, 2020
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from Allotment of Equity Shares under Employee Stock Grant Scheme	**0.02**	0.01
	(Repayments)/ Proceeds from Commercial Paper	**(247.33)**	247.33
	Repayments of loans and borrowings excluding Commercial paper (net)	**(1,372.03)**	(375.31)
	Finance Cost paid	**(158.87)**	(151.87)
	Dividend Paid	**-**	(817.82)
	Dividend Distribution Tax Paid	**-**	(168.11)
	Principal Payment of lease liabilities	**(31.31)**	(25.49)
	Finance cost paid towards Lease liabilities	**(6.70)**	(4.07)
	Net Cash Flow (used in) Financing Activities (C)	**(1,816.22)**	**(1,295.33)**
	NET (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**(102.09)**	**(240.48)**
	CASH AND CASH EQUIVALENTS:		
	As at the beginning of the year * (Refer Note 14A)	**602.87**	862.21
	Less: Cash credit	**(1.91)**	(5.75)
	Effect of exchange difference on translation of cash and cash equivalents on consolidation	**24.90**	(15.02)
	As at the end of the year * (Refer Note 14A)	**524.13**	602.87
	Less: Cash credit	**(0.36)**	(1.91)
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**(102.09)**	**(240.48)**

* Cash and Cash equivalents includes cash credits, that are repayable on demand and form an integral part of Group's cash management.

₹ Crore

Movement of loans and borrowings:	Year ended March 31, 2021	Year ended March 31, 2020
Opening Balance	**3,516.44**	**3,376.30**
Cash Flows (net)	**(1,619.36)**	(127.98)
Add/(Less): Exchange difference	**(129.12)**	268.12
Closing Balance	**1,767.96**	**3,516.44**

Note:

1 The above consolidated statement of cash flow has been prepared under the 'Indirect Method' as set out in IND AS 7, 'Statement of Cash Flows'.

2 The accompanying notes 1 to 58 are an integral part of the Consolidated Financial Statements.

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm Registration No. 101248W/W-100022

For and on behalf of the Board of Directors

Vijay Mathur
Partner
M. No. 046476

V Srinivasan
Chief Financial Officer
& Company Secretary

Nisaba Godrej
Chairperson & Managing Director
DIN: 00591503

Mumbai: May 11, 2021

Consolidated Statement of Changes in Equity for the year ended March 31, 2021

(a) Equity Share Capital

	Note No.	₹ Crore
As at April 1, 2020		102.22
Changes in equity share capital during the year		0.01
As at March 31, 2020		**102.23**
As at April 1, 2020		102.23
Changes in equity share capital during the year	18	0.02
As at March 31, 2021		**102.25**

(b) Other Equity (Refer Note 19)

₹ Crore

Particulars	Reserves & Surplus				Other Comprehensive Income		Total	Total Equity
	Securities Premium	General Reserve	Other Reserves	Retained Earnings	Effective portion of Cash Flow Hedges	Exchange differences on translating the financial statements of foreign operations		
Balance as at April 1, 2019	1,398.04	154.05	13.96	5,569.13	(5.89)	35.41	7,164.70	7,164.70
Transition Impact of Lease as per IND AS 116 (net of tax) (Refer note 4)	-	-	-	(4.60)	-	-	(4.60)	(4.60)
Restated balance as at April 1,2019	**1,398.04**	**154.05**	**13.96**	**5,564.53**	**(5.89)**	**35.41**	**7,160.10**	**7,160.10**
Profit for the year	-	-	-	1,496.58	-	-	1,496.58	1,496.58
Remeasurements of defined benefit plans (net of tax)	-	-	-	(3.86)	-	-	(3.86)	(3.86)
Other comprehensive income for the year (Net) (refer Note 19)	-	-	-		(18.56)	219.93	201.37	201.37
Total comprehensive income for the year	-	-	-	**1,492.72**	**(18.56)**	**219.93**	**1,694.09**	**1,694.09**
Premium received on allotment of shares / Exercise of Share Options	9.32	-	(9.32)	-	-	-	-	-
Deferred employee compensation expense	-	-	9.66	-	-	-	9.66	9.66
Dividends	-	-	-	(817.82)	-	-	(817.82)	(817.82)
Dividend Distribution Tax (DDT)	-	-	-	(168.11)	-	-	(168.11)	(168.11)
Revaluation of put option liability	-	-	-	(81.79)	-	-	(81.79)	(81.79)
Balance as at March 31, 2020	**1,407.36**	**154.05**	**14.30**	**5,989.53**	**(24.45)**	**255.34**	**7,796.13**	**7,796.13**
Balance as at April 1, 2020	1,407.36	154.05	14.30	5,989.53	(24.45)	255.34	7,796.13	7,796.13
Profit for the year			-	1,720.82	-	-	1,720.82	1,720.82
Remeasurements of defined benefit plans (net of tax)	-	-	-	4.34	-	-	4.34	4.34
Other comprehensive income for the year (Net)	-	-	-	-	20.99	(188.96)	(167.97)	(167.97)
Total comprehensive income for the year	-	-	-	**1,725.16**	**20.99**	**(188.96)**	**1,557.19**	**1,557.19**
Premium received on allotment of shares / Exercise of Share Options	11.25	-	(11.25)	-	-	-	-	-
Deferred employee compensation expense	-	-	6.09	-	-	-	6.09	**6.09**
Revaluation of put option liability	-	-	-	(22.76)	-	-	(22.76)	(22.76)
Balance as at March 31, 2021	**1,418.61**	**154.05**	**9.14**	**7,691.93**	**(3.46)**	**66.38**	**9,336.65**	**9,336.65**

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 Registration No. 101248W/W-100022

For and on behalf of the Board of Directors

Vijay Mathur
Partner
M. No. 046476

V Srinivasan
Chief Financial Officer
& Company Secretary

Nisaba Godrej
Chairperson & Managing Director
DIN: 00591503

Mumbai: May 11, 2021

1) Corporate Information

Godrej Consumer Products Limited (the Company) was incorporated on November 29, 2000, to take over the consumer products business of Godrej Soaps Limited (subsequently renamed as Godrej Industries Limited), pursuant to a Scheme of Arrangement as approved by the High Court, Mumbai. The Company is a fast moving Consumer Goods company, manufacturing and marketing Household and Personal Care products. The Company along with its subsidiaries and associate 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.

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 11, 2021.

Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time taken between acquisition of assets for processing and their realization in cash and cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of classification of assets and liabilities into current and non-current.

b. Basis of measurement

These Consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amounts:

- Certain financial assets and liabilities (including derivative instruments) measured at fair value [refer accounting policy regarding financial instruments Note 2.4 (f)]
- Defined benefit plans – plan assets and share based payments measured at fair value [Note 2.4 (l)]
- Assets held for sale – measured at lower of carrying value or fair value less cost to sell [Note 2.4 (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 is accounted using equity method. They are initially recognized at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements includes Group's share of profit or loss and OCI of equity accounted investees until the date on which significant influence ceases.

d. Business combination and goodwill

The Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognized in the Consolidated statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognized at their fair value at the acquisition date.

Purchase consideration paid in excess of the fair value of the net assets acquired is recognized as goodwill. Where the fair value of the identifiable assets and liabilities exceeds the cost of acquisition after reassessing sale values of the net assets and contingent liabilities, the excess is recognized as capital reserve.

The interest of non-controlling shareholders is initially measured either at fair value or at non- controlling interest's proportionate share of acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on an acquisition by acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interest's share of subsequent changes in equity of subsidiaries.

Business combinations arising from transfer of interests in entities that are under common control are accounted at historical cost. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in capital reserve.

e. Classification of Argentina as a hyperinflationary economy

The Argentinian economy was designated as hyperinflationary from 1 July 2018. As a result, application of Ind AS 29 'Financial Reporting in Hyperinflationary Economies' has been applied 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. 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, 2021 are:

- Net assets increased by ₹ 21.29 crore *(Mar-31-2020: ₹ 24.91 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, 2021;
- Total Revenue from operation is increased by ₹ 5.29 crore *(Mar-31-2020: ₹ 0.75 crore)*;
- Profit after tax is reduced by ₹ 18.09 crore *(Mar-31-2020: ₹ 30.77 crore)* and
- A net monetary gain of ₹ 1.36 crore *(Mar-31-2020: loss of ₹ 1.21 crore)* (grouped under other income / 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. The Argentina hyperinflation index is computed basis the periodic inflation index.

Below are the indexes used for calculation of hyperinflation impact in Argentina Peso. These are for directional purpose as computation is done basis monthly index.

As at	Index*
31st Mar'21	5785.99
31st Mar'20	4056.11
31st Mar'19	2734.02

*Source - National Institute of Statistics and Censuses of the Argentine Republic.

2.2 Key estimates and assumptions

In preparing these Consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, disclosure of contingent liabilities, income and expenses. Actual results may differ from these estimates.

The areas involving critical estimates or judgements are:

i. Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalized; [Note 2.4 (a)]

ii. Determination of the estimated useful lives of intangible assets and determining intangible assets having an indefinite useful life; [Note 2.4 (b)]

iii. Recognition and measurement of defined benefit obligations, key actuarial assumptions; [Note 44]

iv. Recognition of deferred tax assets, availability of future taxable profit against which tax losses carried forward and MAT credit can be used; [Note 2.4 (n)]

v. Recognition and measurement of provisions and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources; [Note 2.4(j)]

vi. Fair valuation of employee share options, Key assumptions made with respect to expected volatility; [Note 2.4(l)]

vii. Rebates and sales incentives accruals [Note 2.4 (k)]

viii. Fair value of financial instruments [Note 2.3]

ix. Impairment of Goodwill [Note 2.4 (b)]

x. Impairment of financial and non-financial assets [Note 2.4 (d) and (f)]

2.3 Measurement of fair values

The Group's accounting policies and disclosures require certain financial and non-financial assets and liabilities to be measured at fair values.

The Group has an established control framework with respect to the measurement of fair values. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirely in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair value is included in the Note 2.4.(f).

2.4 Significant Accounting Policies

a. Property, Plant and Equipment

Recognition and measurement

Items of property, plant and equipment, other than Freehold Land, are measured at cost less accumulated depreciation and any accumulated impairment losses. Freehold land is carried at cost.

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 and on consolidation 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 and whenever there is an indication that the intangible asset may be impaired. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Amortization of other intangible assets

Amortization is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in profit or loss.

The estimated useful lives for current and comparative periods are as follows:

Software licenses	6 years
Trademarks	10 years
Technical knowhow	10 years

Trademarks acquired are amortised equally over the best estimate of their useful life not exceeding a period of 10 years, except in the case of Soft & Gentle, Non-Valon brands like Pride, Climax, Odonil, Supalite, Twilite, Lavik, Peurex, Corawwi and Simba brands where the brands are amortised equally over a period of 20 years.

Brands like Goodknight, Hit, SON 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 recognised as an expense in the period in which they are incurred. .

d. Impairment of Non-Financial Assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial (except for inventories and deferred tax assets) assets are assessed at the end of each reporting date to determine whether there is any indication of impairment.

An impairment loss is recognised whenever the carrying value of an asset or a cash-generating unit exceeds its recoverable amount. Recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. An impairment loss, if any, is recognised in the Consolidated Statement of Profit and Loss in the period in which the impairment takes place. The impairment loss is allocated first to reduce the carrying amount of any goodwill (if any) allocated to the cash generating unit and then to the other assets of the unit, pro-rata based on the carrying amount of each asset in the unit.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

e. Assets held for sale

Non-current assets or disposal comprising of assets and liabilities are classified as 'held for sale' when all of the following criteria's are met (i) decision has been made to sell

(ii) the assets are available for immediate sale in its present condition (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be conducted within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as held for sale are measured at lower of its carrying value and fair value less costs to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in profit and loss. Non-current assets held for sale are not depreciated or amortised.

f. **Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts, interest rate swaps and futures.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost,
- Financial assets at fair value through other comprehensive income (FVTOCI)
- Financial assets at fair value through profit (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Financial assets at amortised cost

- A financial asset is measured at the amortised cost if both the following conditions are met. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Financial assets at fair value through other comprehensive income (FVTOCI)

A debt instrument is measured at FVOCI if it means both of the following conditions and is not designated as at FVTPL

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

Financial assets at fair value through profit and loss (FVTPL)
A financial asset, which does not meet the criteria for categorization as at amortised cost or as FVOCI, is classified as at FVTPL. This includes all derivative financial assets.

In addition, the Group may, at initial recognition, irrevocably designate a financial asset, which otherwise meets amortised cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

All equity investments within the scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group decides to classify the same either as at FVOCI or FVTPL. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the other comprehensive income. There is no recycling of the amounts from other comprehensive income to profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Group's balance sheet) when:

- The contractual rights to receive cash flows from the financial asset have expired, or

- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes an associated liability.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets
The Group assesses on a forward looking basis the Expected Credit Losses (ECL) associated with its financial assets that are debt instruments and are carried at amortised cost. The impairment methodology and applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies a simplified approach. It recognise impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits, security deposit collected etc. and expectations about future cash flows.

Financial liabilities
Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortised cost. A financial liability is classified at FVTPL if it is classified as held for trading or as derivatives designated as hedging instruments in an effective hedge, as appropriate. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value and net gains and losses including any interest expenses are recognised in profit or loss.

In the case of loans and borrowings and payables, these are measured at amortised cost and recorded, net of directly attributable and incremental transaction cost. Gains and losses are recognised in Consolidated statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Consolidated statement of profit and loss.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Consolidated statement of profit and loss.

Financial guarantee contracts
Financial guarantee contracts issued by the Group are those contracts that require specified payments to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of

the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortization.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

g. Derivative financial instruments and hedge accounting
The Group uses derivative financial instruments, such as forward currency contracts, futures and interest rate swaps, to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit and loss, except for the effective portion of cash flow hedges, which is recognized in other comprehensive income and later reclassified to profit and loss when the hedged item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group risk management objective and strategy for undertaking the hedge, the hedging economic relationship the hedged item or transaction the nature of the risk being hedged, hedge ration and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they are designated.

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/cash credits repayable on demand, as they are considered an integral part of the Group's cash management.

j. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the enterprise has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events, but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent Assets are not recognised till the realization of the income is virtually certain. However, the same are disclosed in the financial statements where an inflow of economic benefits is probable.

k. Revenue Recognition

Revenue is recognized upon transfer of control of promised goods to customers for an amount that reflects the consideration expected to be received in exchange for those goods. Revenue excludes taxes or duties collected on behalf of the government

Sale of goods

Revenue from sale of goods is recognized when control of goods are transferred to the buyer which is generally on delivery for domestic sales and on dispatch/delivery for export sales

The Group recognizes revenues on the sale of products, net of returns, discounts (sales incentives/ rebates), amounts collected on behalf of third parties (such as GST) and payments or other consideration given to the customer that has impacted the pricing of the transaction.

Accumulated experience is used to estimate and accrue for the discounts (using the most likely method) and returns considering the terms of the underlying schemes and agreements with the customers. No element of financing is deemed present as the sales are made with normal credit days consistent with market practice. A liability is recognised where payments are received from customers before transferring control of the goods being sold.

Royalty & Technical Fees

Royalty is recognized on accrual basis in accordance with the substance of the relevant agreement.

Interest income

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate which exactly discounts the estimated future cash receipts over the expected life of the financial instrument to the gross carrying amount of the financial asset. When calculating the EIR the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayments, extensions, call and similar options). The expected credit losses are considered if the credit risk on that financial instrument has increased significantly since initial recognition.

Dividend income

Dividends are recognised in profit or loss on the date on which the Group's right to receive payment is established.

l. Employee Benefit

i. Short-term Employee benefits

Liabilities for wages and salaries including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are classified as short term employee benefits and are recognized as an expense in the Consolidated Statement of Profit and Loss as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. Share-based payments

The cost of equity settled transactions is determined by the fair value at the grant date. The fair value of the employee share options is based on the Black Scholes model.

The grant-date fair value of equity-settled share-based payment granted to employees is recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

iii. Post-Employment Benefits

Defined Contribution Plans

Payments made to a defined contribution plan such as Provident Fund maintained with Regional Provident Fund Office and Superannuation Fund are charged as an expense in the Consolidated Statement of Profit and Loss as they fall due.

Defined Benefit Plans

Gratuity Fund

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. Gratuity is payable to all eligible employees on death or on separation/ termination in terms of the provisions of the payment of the Gratuity (Amendment) Act, 1997 or as per the Company's scheme whichever is more beneficial to the employees.

Provident Fund

Provident Fund Contributions which are made to a Trust administered by the Company are considered as Defined Benefit Plans. The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 or as applicable in the respective geography and shortfall, if any, shall be made good by the Company. The Company's liability towards interest shortfall, if any, is actuarially determined at the year end.

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv. Other Long Term Employee Benefits

The liabilities for earned leaves are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees upto the end of the reporting period using the projected unit credit method based on actuarial valuation.

Actuarial gains and losses in respect of such benefits are charged to the Consolidated Statement Profit or Loss account in the period in which they arise.

m. Leases

At the inception it is assessed, whether a contract is a lease or contains a lease. A contract is a lease or contains a lease if it conveys the right to control the use of an identified asset, for a period of time, in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether the contract involves the use of an identified asset. Use may be specified explicitly or implicitly.

- Use should be physically distinct or represent substantially all of the capacity of a physically distinct asset.
- If the supplier has a substantive substitution right, then the asset is not identified.
- The Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use
- The Group has the right to direct the use of the asset.
- In cases where the usage of the asset is predetermined the right to direct the use of the asset is determined when the Group has the right to use the asset or the Group designed the asset in a way that predetermines how and for what purpose it will be used.

At the commencement or modification of a contract, that contains a lease component, the Group allocates the consideration in the contract, to each lease component, on the basis of its relative standalone prices. For leases of property, it is elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

As a Lessee:

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date.

Right-of-use asset (ROU):

The right-of-use asset is initially measured at cost. Cost comprises of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, any initial direct costs incurred by the lessee, an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located less any lease incentives received.

After the commencement date, a lessee shall measure the right-of-use asset applying cost model, which is Cost less any accumulated depreciation and any accumulated impairment losses and also adjusted for certain re-measurements of the lease liability.

Right-of-use asset is depreciated using straight-line method from the commencement date to the end of the lease term. If the lease transfers the ownership of the underlying asset to the Group at the end of the lease term or the cost of the right-of-use asset reflects the Group will exercise the purchase option, ROU will be depreciated over the useful life of the underlying asset, which is determined based on the same basis as property, plant and equipment.

Lease liability:

Lease liability is initially measured at the present value of lease payments that are not paid at the commencement date. Discounting is done using the implicit interest rate in the lease, if that rate cannot be readily determined, then using the Group's incremental borrowing rate. Incremental borrowing rate is determined based on entity's borrowing rate adjusted for terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprises of fixed payments (including in substance fixed payments), variable lease payments that depends on an index or a rate, initially measured using the index or rate at the commencement date, amount expected to be payable under a residual value guarantee, the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

Lease liability is measured at amortised cost using the effective interest method. Lease liability is re-measured when there is a change in the lease term, a change in its assessment of whether it will exercise a purchase, extension or termination option or a revised in-substance fixed lease payment, a change in the amounts expected to be payable under a residual value guarantee and a change in future lease payments arising from change in an index or rate.

When the lease liability is re-measured corresponding adjustment is made to the carrying amount of the right-of-use asset. If the carrying amount of the right-of-use asset has been reduced to zero it will be recorded in statement of profit and loss.

Right-of-use asset is presented under "Non-current assets" and lease liabilities are presented under "Financial liabilities" in the balance sheet.

The Group has elected not to recognise right-of-use assets and lease liabilities for short term leases. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Lessor

At the commencement or modification of a contract, that contains a lease component, the Group allocates the consideration in the contract, to each lease component, on the basis of its relative standalone prices.

At the inception of the lease, it is determined whether it is a finance lease or an operating lease. If the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset, then it is a financial lease, otherwise it is an operating lease.

If the lease arrangement contains lease and non-lease components, then the consideration in the contract is allocated using the principles of IND AS 115. The Group tests for the impairment losses at the year end. Payment received under operating lease is recognised as income on straight line basis, over the lease term.

The accounting policies applicable to the Group as a lessor, in the comparative period, were not different from IND AS 116.

n. Income Tax

Income tax expense / income comprises current tax expense income and deferred tax expense / income. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income. In which case, the tax is also recognized directly in equity or other comprehensive income, respectively.

Current Tax

Current tax comprises the expected tax payable or recoverable on the taxable profit or loss for the year and any adjustment to the tax payable or recoverable in respect of previous years. It is measured using tax rates enacted or substantively enacted by the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretations and establishes provisions where appropriate.

- Current tax assets and liabilities are offset only if, the Group has a legally enforceable right to set off the recognised amounts; and
- Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred Tax

Deferred Income tax is recognized in respect of temporary difference between the carrying amount of assets and liabilities for financial reporting purpose and the amount considered for taxation purpose.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized.

Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be recovered.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax base of investments in subsidiaries, branches, associates and interest in joint arrangements where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset only if:

i. the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

ii. the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Deferred tax asset / liabilities in respect of temporary differences which originate and reverse during the tax holiday period are not recognised. Deferred tax assets / liabilities in respect of temporary differences that originate during the tax holiday period but reverse after the tax holiday period are recognised.

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is a convincing evidence that the Group will pay normal tax during the specified period.

o. Foreign Currency Transactions and Translation

i. Functional and Presentation currency

The Consolidated financial statements are prepared in Indian Rupees (INR "₹ ") which is also the Parent Company's functional currency.

ii. Transactions and balances

Foreign currency transactions are recorded on initial recognition in the functional currency using the exchange rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate at the date the fair value is determined.

Exchange differences arising on the settlement or translation of monetary items are recognized in profit or loss in the year in which they arise except for the qualifying cash flow hedge, which are recognized in other comprehensive income to the extent that the hedges are effective.

Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income, qualifying cash flow hedge to the extent that the hedges are effective.

In respect of non-monetary items, where a gain or loss is recognized in other comprehensive income as required by other Ind AS, the exchange component of that gain or loss is also recognized in other comprehensive income.

Group Companies

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit and loss are translated at average rate during the year. The exchange differences arising on translation for consolidation are recognized in other comprehensive income.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operations recognized in OCI is reclassified to Consolidated Statement of Profit and Loss as part of the gain or loss on disposal.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amount of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate of exchange at the reporting date

p. Government grants

Government grants, including non-monetary grants at fair value are recognised when there is reasonable assurance that the grants will be received and the Group will comply with all the attached conditions.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods necessary to match them with the costs that they are intended to compensate.

Government grants relating to purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to the profit and loss on a straight-line basis over the expected lives of the related assets.

q. Dividend

The Group recognises a liability for any dividend declared but not distributed at the end of the reporting period, when the distribution is authorised and the distribution is no longer at the discretion of the Group on or before the end of the reporting period. A corresponding amount is recognized directly in equity.

r. Earnings Per Share

Basic Earnings per share is calculated by dividing the profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

- Weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

s. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM) as defined in Ind AS-108 'Operating Segments' for allocating resources and assessing performance.
The Group has identified geographical segments as its reporting segments based on the CODM approach.

t. Exceptional Items

In certain cases when, the size, type or incidence of an item of income or expenses, pertaining to the ordinary activities of the Group is such that its disclosure improves the understanding of the performance of the Group, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying the Consolidated financial statements.

2.5 Standards issued but not yet effective

Ministry of Corporate affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

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, 2021												
Gross carrying amount												
Opening gross carrying amount	56.03	90.08	512.18	47.48	710.40	34.70	42.50	33.09	59.41	90.26	1.81	1,677.95
Additions	-	-	9.84	5.11	104.20	2.23	18.00	3.68	6.99	-	-	150.05
Disposals	(0.11)	-	(1.67)	-	(11.81)	(0.70)	(2.97)	(0.15)	(2.63)	-	(0.15)	(20.19)
Hyperinflationary adjustment #	-	-	1.15	-	0.43	0.20	0.11	0.33	(0.39)	-	-	1.83
Other Adjustments (consist of exchange difference on translation of foreign operations)	3.10	(4.83)	5.03	(0.29)	3.52	0.54	0.63	(0.83)	0.27	-	0.17	7.31
Closing Gross Carrying Amount	**59.02**	**85.25**	**526.53**	**52.30**	**806.74**	**36.97**	**58.27**	**36.12**	**63.65**	**90.26**	**1.83**	**1,816.94**
Accumulated Depreciation												
Opening Accumulated Depreciation	-	7.12	61.45	28.99	279.58	13.22	18.27	14.01	41.14	7.33	1.81	472.92
Depreciation charge during the year	-	0.88	19.70	7.14	78.89	3.34	9.68	4.09	10.02	-	-	133.74
Additional depreciation due to hyperinflation #	-	-	0.74	-	1.41	0.22	0.10	0.38	0.41	-	-	3.26
Disposals	-	-	(0.46)	-	(11.56)	(0.42)	(2.33)	(0.15)	(2.34)	-	(0.15)	(17.41)
Hyperinflationary adjustment #	-	-	(0.11)	-	0.11	0.04	0.04	0.08	(0.55)	-	-	(0.39)
Other Adjustments (consist of exchange difference on translation of foreign operations)	-	(0.34)	2.31	(0.15)	12.34	0.39	0.06	(0.30)	0.12	-	0.17	14.60
Closing Accumulated Depreciation	**-**	**7.66**	**83.63**	**35.98**	**360.77**	**16.79**	**25.82**	**18.11**	**48.80**	**7.33**	**1.83**	**606.72**
Net Carrying Amount	**59.02**	**77.59**	**442.90**	**16.32**	**445.97**	**20.18**	**32.45**	**18.01**	**14.85**	**82.93**	**-**	**1,210.22**

₹ Crore

PARTICULARS	Owned Assets									Assets given on lease		Total
	Freehold Land	Leasehold Land	Buildings	Leasehold Improvements	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computers	Building	Vehicles	
Year ended March 31, 2020												
Gross carrying amount												
Opening gross carrying amount	60.08	86.83	491.29	45.08	634.14	35.49	45.79	29.77	55.03	90.26	1.99	1,575.75
Additions	0.10	-	28.77	2.17	105.40	2.32	8.89	3.34	9.43	-	-	160.42
Disposals	-	-	(0.01)	(0.10)	(3.27)	(0.29)	(7.97)	(0.16)	(3.46)	-	(0.08)	(15.34)
Hyperinflationary Adjustments #	(0.06)	-	0.76	-	2.91	0.80	0.22	1.13	1.47	-	-	7.23
Other Adjustments (consist of exchange difference on translation of foreign operations)	(4.09)	3.25	(8.63)	0.33	(28.78)	(3.62)	(4.43)	(0.99)	(3.06)	-	(0.10)	(50.11)
Closing Gross Carrying Amount	**56.03**	**90.08**	**512.18**	**47.48**	**710.40**	**34.70**	**42.50**	**33.09**	**59.41**	**90.26**	**1.81**	**1,677.95**
Accumulated Depreciation												
Opening Accumulated Depreciation	-	6.06	46.82	21.49	226.52	11.39	18.99	10.07	34.30	5.83	1.99	383.46
Depreciation charge during the year	-	0.89	18.23	7.17	73.37	4.12	8.73	3.97	10.87	1.50	-	128.85
Additional depreciation due to hyperinflation #	-	-	0.63	-	1.26	0.19	0.07	0.36	0.62	-	-	3.13
Impairment	-	-	-	-	1.75	-	-	-	-	-	-	1.75
Disposals	-	-	-	(0.09)	(1.98)	(0.11)	(6.43)	(0.16)	(3.37)	-	(0.08)	(12.22)
Hyperinflationary Adjustments#	-	-	(0.62)	-	1.83	0.33	0.07	0.38	0.98	-	-	2.97
Other Adjustments (consist of exchange difference on translation of foreign operations)	-	0.17	(3.61)	0.42	(23.17)	(2.70)	(3.16)	(0.61)	(2.26)	-	(0.10)	(35.02)
Closing Accumulated Depreciation	**-**	**7.12**	**61.45**	**28.99**	**279.58**	**13.22**	**18.27**	**14.01**	**41.14**	**7.33**	**1.81**	**472.92**
Net Carrying Amount	**56.03**	**82.96**	**450.73**	**18.49**	**430.82**	**21.48**	**24.23**	**19.08**	**18.27**	**82.93**	**-**	**1,205.02**

Refer Note 54 for property, plant and equipment pledged as security against borrowings.

Ind AS 29 "Financial Reporting in Hyperinflationary Economies" has been applied to the Group's entities with a functional currency of Argentina Peso. Ind AS 21 "The Effects of Changes in Foreign Exchange Rates" has been applied to translate the financial statements of such entities for consolidation.

Note 4 : Leases

As a lessee:

Right-of-Use assets

₹ Crore

	Building	Plant and Equipment	Vehicles	Others	Total
Recognised at April 1, 2020	**49.15**	**2.15**	**0.35**	**0.25**	**51.90**
Additions/ (deletions) during the year	69.15	0.87	1.05	(0.25)	**70.82**
Depreciation charge for the year	(29.89)	(0.91)	(0.31)	-	**(31.11)**
Exchange difference	(0.37)	(0.08)	(0.03)	-	**(0.48)**
Balance as at March 31, 2021	**88.04**	**2.03**	**1.06**	**-**	**91.13**
Recognised at April 1, 2019 (transition)	**63.68**	**-**	**-**	-	**63.68**
Additions during the year	12.51	2.06	0.45	0.32	**15.34**
Depreciation charge for the year	(27.13)	(0.04)	(0.07)	(0.03)	**(27.27)**
Exchange difference	0.09	0.13	(0.03)	(0.04)	**0.15**
Balance as at March 31, 2020	**49.15**	**2.15**	**0.35**	**0.25**	**51.90**

Maturity analysis - contractual undiscounted cash flows:

₹ Crore

Lease liabilities	**As at March 31, 2021**	**As at March 31, 2020**
Less than one year	**32.79**	25.90
One to three years	**63.53**	29.28
Three to five years	**10.29**	8.47
More than five years	**0.24**	0.76
Total undiscounted lease liabilities	**106.85**	**64.41**

₹ Crore

Lease liabilities (discounted value)	**As at March 31, 2021**	**As at March 31, 2020**
Non-current	**67.49**	34.19
Current	**28.16**	22.43
Total	**95.65**	**56.62**

Amounts recognized in statement of profit and loss:

₹ Crore

Lease liabilities	**Year ended March 31, 2021**	**Year ended March 31, 2020**
Expenses relating to short-term leases	**63.29**	69.34
Expenses relating to low value leases	**1.08**	0.76
Total	**64.37**	**70.10**

As a lessor:

₹ Crore

Lease liabilities	**Year ended March 31, 2021**	**Year ended March 31, 2020**
Operating lease income	**10.77**	9.13
Total	**10.77**	**9.13**

Undiscounted lease payments to be received after	**March 31, 2021**	**March 31, 2020**
Less than one year	**10.86**	1.13
One to three years	**32.59**	-
Three years to five years	**0.91**	-
Total undiscounted lease payments	**44.36**	**1.13**

Change in accounting policy:

Transition impact as on April 1, 2019	₹ Crore
Right-of-use assets	**63.68**
Prepaid expenses	**(3.26)**
Deferred tax asset	**1.59**
Lease Liabilities	**(66.61)**
Retained earnings	**4.60**
Incremental borrowing rate	**8.1%**

Note 5 : Intangible Assets

₹ Crore

PARTICULARS	**Goodwill (Refer note 52)**	**Other Intangible assets**			**Total Other Intangible assets**
		Trademarks and Brands *	**Computer Software**	**Technical Knowhow**	
Year ended March 31, 2021					
Opening Gross carrying amount	5,369.32	2,667.04	125.90	0.10	2,793.04
Additions	-	1.70	5.70	-	7.40
Disposals	-	(0.13)	(0.40)	-	(0.53)
Hyperinflationary adjustment #	-	(2.40)	(0.10)	-	(2.50)
Other Adjustments (consist of exchange difference on translation of foreign operations)	(208.78)	(73.95)	(1.30)	-	(75.25)
Closing Gross Carrying Amount	**5,160.54**	**2,592.26**	**129.80**	**0.10**	**2,722.16**
Accumulated Amortisation/ Impairment					
Opening Accumulated Amortisation/ Impairment	30.00	77.58	80.20	0.10	157.88
Amortization recognised for the year	-	18.65	15.26	-	33.91
Additional amortisation due to hyperinflation #	-	0.90	0.93	-	1.83
Disposals	-	(0.01)	(0.36)	-	(0.37)
Impairment (Refer Note 52)	-	61.68	-	-	61.68
Hyperinflationary adjustment #	-	(2.28)	(0.65)	-	(2.93)
Other Adjustments (consist of exchange difference on translation of foreign operations)	0.69	(2.85)	(0.56)	-	(3.41)
Closing Accumulated Amortisation/ Impairment	**30.69**	**153.67**	**94.82**	**0.10**	**248.59**
Net Carrying Amount	**5,129.85**	**2,438.59**	**34.98**	**-**	**2,473.57**

₹ Crore

PARTICULARS	Goodwill (Refer note 52)	Other Intangible assets			Total Other Intangible assets
		Trademarks and Brands *	Computer Software	Technical Knowhow	
Year ended March 31, 2020					
Opening Gross carrying amount	4,918.03	2,514.43	118.86	0.10	2,633.39
Additions	-	2.38	7.14	-	9.52
Disposals	-	-	(1.37)	-	(1.37)
Hyperinflationary adjustment #	-	3.74	0.34	-	4.08
Other Adjustments (consist of exchange difference on translation of foreign operations)	451.29	146.49	0.93	-	147.42
Closing Gross Carrying Amount	**5,369.32**	**2,667.04**	**125.90**	**0.10**	**2,793.04**
Accumulated Amortisation/ Impairment					
Opening Accumulated Amortisation	-	12.53	60.82	0.10	73.45
Amortisation recognised for the year	-	17.66	17.11	-	34.77
Additional amortisation due to hyperinflation #	-	0.81	0.70	-	1.51
Disposals	-	-	(0.52)	-	(0.52)
Impairment (Refer Note 52)	30.00	40.48	-	-	40.48
Hyperinflationary adjustment #	-	3.31	(0.70)	-	2.61
Other Adjustments (consist of exchange difference on translation of foreign operations)	-	2.79	2.79	-	5.58
Closing Accumulated Amortisation/ Impairment	**30.00**	**77.58**	**80.20**	**0.10**	**157.88**
Net Carying Amount	**5,339.32**	**2,589.46**	**45.70**	**-**	**2,635.16**

NOTE :

* Includes trademarks / brands amounting to ₹ 2,213.26 crore *(Mar-31-2020 : ₹ 2,337.34 crore)* that have an indefinite life and are tested for impairment at every year end. Based on analysis of all relevant factors (brand establishment, stability, types of obsolescence etc.), there is no foreseeable limit to the period over which the assets are expected to generate net cash inflows for the Company. Refer Note 52 for details of impairment for trademarks / brands with indefinite useful life.

Ind AS 29 "Financial Reporting in Hyperinflationary Economies" has been applied to the Group's entities with a functional currency of Argentina Peso . Ind AS 21 "The Effects of Changes in Foreign Exchange Rates" has been applied to translate the financial statements of such entities for consolidation. Refer Note 2.1 (e) for impact of these standards.

Note 6: Investments in Associate

₹ Crore

		Face Value	Numbers		Amounts	
			As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Unquoted, fully paid up:						
(a)	**Investments in Equity Instruments of Associate Company**					
	Bhabhani Blunt Hairdressing Pvt. Ltd.	₹ 10	**4,967**	4,967	**22.80**	22.80
	Less: Provision for diminution for value of investments (Refer Note 51)				**(9.61)**	-
(b)	**Investments in Compulsorily Convertible Debentures of Associate Company**					
	Bhabhani Blunt Hairdressing Pvt. Ltd.	₹ 10	**3,060**	3,060	**12.00**	12.00
	Less: Provision for diminution for value of investments (Refer Note 51)				**(5.77)**	-
TOTAL					**19.42**	34.80

Note:

The Group's interest in associate is accounted for using the equity method in the Consolidated financial statements.

Note 6A: Other Investments (Non-Current)

₹ Crore

	Amounts	
	As at March 31, 2021	As at March 31, 2020
Quoted, fully paid up:		
At Amortised Cost		
Investments in Government Bonds	**2.51**	-
TOTAL	**2.51**	**-**
Aggregate Amount of Quoted Investments	**2.51**	-
Aggregate Market Value of Quoted Investments	**2.51**	-
Aggregate Provision for Impairment in the Value of Investments	**-**	-

Note 7: Loans (Non-Current)

₹ Crore

	As at March 31, 2021	As at March 31, 2020
Unsecured, Considered Good, Unless Otherwise Stated		
Security Deposits	**21.74**	22.00
Others	**0.04**	0.63
TOTAL	**21.78**	**22.63**

Note 8: Other Non-Current Financial Assets

₹ Crore

	As at March 31, 2021	As at March 31, 2020
Fixed Deposits with maturity of more than 12 months	**-**	32.12
Others	**3.36**	4.51
TOTAL	**3.36**	**36.63**

Note 9: Income Taxes

A Income tax expense consists of the following:

i Tax expense recognised in the Statement of Profit and Loss

₹ Crore

	Year ended March 31, 2021	Year ended March 31, 2020
Current Tax:		
Current tax on profits for the year	**408.14**	378.66
Deferred tax (net)	**(139.75)**	(158.69)
MAT credit utilised	**91.15**	43.85
Total income tax expense	**359.54**	**263.82**

Deferred tax is in respect of origination and reversal of temporary differences.

ii Current Tax and Deferred Tax related to items recognised in Other Comprehensive Income during the year :

₹ Crore

	Year ended March 31, 2021	Year ended March 31, 2020
On remeasurements of defined benefit plans		
Current tax	**-**	0.35
Deferred tax	**(1.35)**	0.72
TOTAL	**(1.35)**	**1.07**

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, 2021	Year ended March 31, 2020
Profit Before Tax	**2,080.36**	1,760.40
Statutory Income tax rate	**31.03%**	32.79%
Expected income tax expense	**645.61**	577.30
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	**(200.51)**	(205.82)
Effect of other tax offsets	**4.36**	3.19
Tax impact of income not subject to tax	**(11.32)**	(0.68)
Tax effects of amounts which are not deductible for taxable income	**15.43**	7.23
Tax benefit in respect of intangible assets (refer note (d) below)	**(117.86)**	(113.82)
Reversal of DTL due to rate change (refer note (g) below)	**0.42**	(78.14)
Reversal of DTA due to rate change (refer note (h) below)	**14.57**	31.77
Adjustments for current tax of prior periods (Excess MAT utilised)	**(2.89)**	6.50
Deferred Tax Asset not recognised on losses	**28.20**	24.31
Others	**(16.47)**	11.98
Total income tax expense	**359.54**	**263.82**

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, 2021	Year ended March 31, 2020
Non-Current Tax Assets (net)	**69.32**	74.17
Current Tax Liabilities (net)	**53.30**	48.23

D **Deferred Tax Assets (Net Of Liabilities):**

₹ Crore

	Year ended March 31, 2021	Year ended March 31, 2020
Deferred Tax Liability on account of :		
Property, Plant and Equipment	**(35.45)**	(35.54)
Intangible assets	**(213.88)**	(195.26)
Others	**-**	(0.81)
Deferred Tax Asset on account of :		
Defined benefit obligations	**50.79**	30.96
Intangible assets (Refer Note)	**290.79**	176.29
Provisions	**81.11**	72.03
MAT credit	**474.87**	566.02
Others (includes hyperinflation)	**28.56**	33.10
Total Deferred Tax Assets	**676.79**	**646.79**

E **Deferred Tax Liabilities (Net Of Assets):**

₹ Crore

	Year ended March 31, 2021	Year ended March 31, 2020
Deferred Tax Liability on account of :		
Property, Plant and Equipment	**(25.54)**	(19.02)
Intangible assets	**(112.44)**	(124.88)
Others	**(0.10)**	(0.48)
Deferred Tax Asset on account of :		
Defined benefit obligations	**0.42**	0.19
Provisions	**4.49**	1.83
Tax losses	**74.82**	50.24
Others	**19.32**	15.39
Total Deferred Tax (Liabilities)	**(39.03)**	**(76.73)**
Net Deferred Tax (Liabilities) / Assets	**637.76**	**570.06**

F **Movement in Deferred Tax (Liabilities) / Asset**

₹ Crore

	Property, plant and equipment	Intangible assets	Other Deferred Tax Liability	Defined benefit obligations	Provisions	MAT Credit	Other Deferred Tax Asset	Deferred Tax Liability / Asset (net)
As at April 1, 2019	(53.86)	(244.52)	(4.05)	36.97	70.21	609.87	58.17	472.79
Charged/(credited) :								
- to profit or loss	(0.70)	120.55	2.76	(6.54)	3.65	(43.85)	38.97	114.84
- foreign currency translation	-	(19.88)	-	-	-	-	-	(19.88)
- to other comprehensive income	-	-	-	0.72	-		-	0.72
-to reserves	-	-	-	-	-	-	1.59	1.59
As at March 31, 2020	**(54.56)**	**(143.85)**	**(1.29)**	**31.15**	**73.86**	**566.02**	**98.73**	**570.06**
Charged/(credited) :								
- to profit or loss	(6.43)	89.25	1.19	21.41	11.74	(91.15)	22.59	48.60
- foreign currency translation	-	19.07	-	-	-	-	-	19.07
- to other comprehensive income	-	-	-	(1.35)	-		-	(1.35)
-to reserves	-	-	-	-	-	-	1.38	1.38
As at March 31, 2021	**(60.99)**	**(35.53)**	**(0.10)**	**51.21**	**85.60**	**474.87**	**122.70**	**637.76**

(a) The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

(b) Significant management judgment is required in determining provision for income tax, deferred tax assets (including MAT credit) and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered.

(c) The Group has not recognized deferred tax liability on undistributed profits of its subsidiaries and associates amounting to ₹ 967.62 crores (Mar-31-2020 : ₹ 851.34 crores) because it is able to control the timing of the reversal of temporary differences associated with such undistributed profits and it is probable that such differences will not reverse in the foreseeable future.

(d) 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 ₹ 117.86 crore (31-Mar-20: ₹ 113.82 crore) has been recognised in the Consolidated Financial Statements.

(e) 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 ₹ 91.15 crores (Year ended March 31, 2020: ₹ 43.85 crores). The Company had re-assessed, in the previous year, its utilization of MAT credit considering business projections, benefits available from tax holiday, remaining period for such benefits etc. based on which there is reasonable certainty of utilizing the balance credit of ₹ 474.87 crores (Year ended March 31, 2020 ₹ 566.02 crores) in future years against the normal tax expected to be paid in those years.

(f) Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 with effect from fiscal year 2019-20, allows any domestic company to pay availing income tax at the rate of 25.17% subject to condition they will not avail any incentive or exemptions. The lower rate is an option and companies can continue to account based on the old rates. The Company has plants located in North-east region availing income tax exemption, and the effective rate based on the tax exemption plants is lower than 25.17%, so company decided to not opt for lower rate in FY 2020-21.

(g) Based on internal projections the Company plans to opt for the lower tax rate in FY 2024-25 and remeasured the deferred taxes at the lower tax rate expected to be availed in the future. Accordingly, the Company has reversed deferred tax assets/liabilities recognised in earlier years at the tax rates enacted during those years, to the extent they are likely to reverse after 31st March 2024. The impact of such reversal was ₹ 0.42 crore for the year ended March 31, 2021 (Year ended March 31, 2020: ₹ 78.14 crore).

(h) Further the Group expects to utilise the deferred tax balances over subsequent periods which have been re-measured using the tax rate expected to be prevalent in the period in which the deferred tax balances are expected to reverse. Consequently, the Group has reversed reversed deferred tax assets of ₹ 14.57 crore for the year ended March 31, 2021 (Year ended March 31, 2020: ₹ 31.77 crore).

Note 10: Other Non-Current Assets

₹ Crore

	As at March 31, 2021	As at March 31, 2020
Capital Advances	**17.15**	7.21
Balances with Government Authorities	**37.34**	37.18
Other non-current assets		
Considered Good-Unsecured	**0.54**	0.82
	0.54	0.82
TOTAL	**55.03**	**45.21**

Note 11: Inventories

₹ Crore

	As at March 31, 2021	As at March 31, 2020
(Valued at lower of cost and net realizable value)		
Raw Materials (Including Packing Materials)	**916.64**	966.47
Goods-in Transit	**24.48**	5.93
	941.12	**972.40**
Work-in-Progress	**77.31**	101.47
Finished goods	**587.86**	538.39
Stock-in-Trade	**86.42**	69.38
Stores and Spares	**23.54**	21.48
TOTAL	**1,716.25**	**1,703.12**

Refer Note 54 for Assets pledged as security

During the year ended March 31, 2021 an amount of ₹ 17 crore (31-Mar-20 reversal of ₹ 8.56 crore) was charged/ credited to the statement of Profit and Loss on account of write-down/ back of inventories including damaged and slow moving inventory.

Note 12: Investments (Current)

₹ Crore

	Amounts	
	As at March 31, 2021	As at March 31, 2020
Unquoted, fully paid up:		
At Fair Value through Profit or Loss		
Investments in Mutual Funds	**142.22**	1.78
At Amortised Cost		
Investments in Deposits with Non-Banking Financial Companies	**459.65**	555.34
Quoted, fully paid up:		
At Fair Value through Profit or Loss		
Investments in Non-convertible Debentures with Non-Banking Financial Companies	**55.30**	-
At Amortised Cost		
Investments in Non-convertible Debentures with Non-Banking Financial Companies	**-**	80.06
TOTAL	**657.17**	**637.18**
Aggregate amount of unquoted investments	**601.87**	557.12
Aggregate amount of quoted investments	**55.30**	80.06
Aggregate Market Value of quoted Investments	**55.30**	80.10

Note 13: Trade Receivables

₹ Crore

	As at March 31, 2021	As at March 31, 2020
Considered Good- Secured	**0.65**	0.80
Considered Good - Unsecured	**1,003.85**	1,156.45
Trade Receivables which have significant increase in Credit Risk		
Trade Receivables - credit impaired	**56.79**	41.72
Less: Impairment allowance for Doubtful Debts	**(56.79)**	(41.72)
TOTAL	**1,004.50**	**1,157.25**

Refer credit risk in note 49 (B)

Refer Note 54 for Assets pledged as security

Note:

There are no outstanding trade receivables which resulted into significant increase in credit risk apart from receivables which are impaired and provided.

Note 14A: Cash and Cash Equivalents

₹ Crore

	As at March 31, 2021	As at March 31, 2020
Balances with Banks		
- In Current Accounts	**425.07**	512.27
- Deposits with less than 3 months original maturity	**81.16**	85.56
	506.23	**597.83**
Cheques, Drafts on Hand	**2.21**	0.04
Cash on hand	**15.69**	5.00
TOTAL	**524.13**	**602.87**

Note 14B: Other Bank Balances

₹ Crore

	As at March 31, 2021	As at March 31, 2020
Deposits with maturities more than 3 months but less than 12 months (Refer Notes below)	**131.56**	149.64
In Unpaid Dividend Accounts	**16.52**	17.65
TOTAL	**148.08**	**167.29**

NOTES:

The fixed deposits include deposits under lien against bank guarantees ₹ 4.22 crore *(Mar-31-2020 : ₹ 4.24 crore)*

Note 15: Loans (Current)

₹ Crore

	As at March 31, 2021	As at March 31, 2020
Security Deposits	**4.58**	3.22
Other Loans and Advances	**0.06**	0.05
TOTAL	**4.64**	**3.27**

Note 16: Other Current Financial Assets

₹ Crore

	As at March 31, 2021	As at March 31, 2020
Derivatives		
Interest rate swaps	**0.32**	1.50
Foreign-exchange forward contracts	**0.27**	7.25
Refunds/Incentives receivables from Govt. Authorities		
Considered Good	**55.50**	133.13
Considered Doubtful	**20.07**	15.62
Less: Impairment allowance for doubtful advances	**(20.07)**	(15.62)
	55.50	**133.13**
Others (includes insurance claim receivables & export incentive receivables)	**14.55**	22.63
TOTAL	**70.64**	**164.51**

Note 17: Other Current Assets

₹ Crore

	As at March 31, 2021	As at March 31, 2020
Balances with Government Authorities	**143.80**	171.45
Contract Assets (right to receive inventory)	**9.96**	8.56
Other Advances		
Considered Good	**189.35**	191.91
Considered Doubtful	**1.56**	0.37
Less: Provision for Doubtful Advances	**(1.56)**	(0.37)
	189.35	**191.91**
Other assets	**3.89**	0.93
TOTAL	**347.00**	**372.85**

Note 18: Share Capital

₹ Crore

	As at March 31, 2021	As at March 31, 2020
Authorised		
1,030,000,000 Equity Shares *(Mar-31-2020 : 1,030,000,000)* of ₹ 1 each	**103.00**	103.00
10,000,000 Preference Shares *(Mar-31-2020 : 10,000,000)* of ₹ 1 each	**1.00**	1.00
Issued		
1,022,517,397 Equity Shares *(Mar-31-2020 : 1,022,347,476)* of ₹ 1 each	**102.25**	102.23
Subscribed and Fully Paid up		
1,022,486,273 Equity Shares *(Mar-31-2020 : 1,022,316,352)* of ₹ 1 each fully paid up	**102.25**	102.23
TOTAL	**102.25**	**102.23**

NOTES:

a) During the year, the Company has issued 1,69,921 equity shares (31-Mar-2020: 1,50,256) under the Employee Stock Grant Scheme.

b) 31,124 Right Issue equity shares (31-Mar-2020 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, 2021		As at March 31, 2020	
	No. of Shares	₹ Crore	No. of Shares	₹ Crore
Shares outstanding at the beginning of the year	1,022,316,352	102.23	1,022,166,096	102.22
Add : Shares Issued on exercise of employee stock grant scheme	169,921	0.02	150,256	0.01
Shares outstanding at the end of the year	**1,022,486,273**	**102.25**	**1,022,316,352**	**102.23**

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, 2021 the amount of per share dividend recognised as distribution to equity shareholders was Nil (31-Mar-2020 ₹ 8).

e) Details of shareholders holding more than 5% shares in the Company:

Name of the Shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	% held	No. of Shares	% held
Godrej & Boyce Manufacturing Co Ltd	75,011,445	7.34	75,011,445	7.34
Godrej Industries Limited	242,812,860	23.75	242,812,860	23.75
Godrej Seeds & Genetics Limited	280,500,000	27.43	280,500,000	27.44

g) **Shares Reserved for issue under options**

The Company has 1,87,421 (previous year 290,133) equity shares reserved for issue under Employee Stock Grant Scheme as at March 31, 2021.*(As detailed in Note 45)*

h) **Information regarding aggregate number of equity shares during the five years immediately preceding the date of Balance Sheet:**

During the year 2018-19, pursuant to the approval of Shareholders, Company has allotted 340,722,032 number of fully paid Bonus shares on Sep 17,2018 in the ratio of one equity share of ₹ 1 each fully paid up for every two existing equity shares of ₹ 1 each fully paid up.

During the year 2017-18, pursuant to the approval of Shareholders, Company has allotted 340,600,816 number of fully paid Bonus shares on June 27,2017 in the ratio of one equity share of ₹ 1 each fully paid up for every one existing equity shares of ₹ 1 each fully paid up.

The Company has not issued shares for consideration other than cash and has not bought back any shares during the past five years.

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, 2021	As at March 31, 2020
Securities Premium	**1,418.61**	1,407.36
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	**7.53**	12.69
	9.14	**14.30**
Retained Earnings	**7,691.93**	5,989.53
Other Comprehensive Income (effective portion of cash flow hedges & exchange differences in translating financial statements of foreign operations)	**62.92**	230.89
TOTAL	**9,336.65**	**7,796.13**

OTHER RESERVES MOVEMENT

₹ Crore

	As at March 31, 2021	As at March 31, 2020
Capital Investment Subsidy Reserve		
Balance as per last financial statements	**0.15**	0.15
Closing Balance	**0.15**	**0.15**
Capital Redemption Reserve		
Balance as per last financial statements	**1.46**	1.46
Closing Balance	**1.46**	**1.46**
Employee Stock Options Outstanding		
Gross Employee Compensation for Options granted	**12.69**	12.35
(-) Exercise of Share options	**(11.25)**	(9.32)
(+) Deferred Employee Compensation Expense *(Refer Note 33)*	**6.09**	9.66
Closing Balance	**7.53**	**12.69**
TOTAL	**9.14**	**14.30**

Nature and purpose of reserves

1) **Securities Premium**

The amount received in excess of face value of the equity shares is recognised in Securities Premium. The reserve is utilised in accordance with the provisions of the Act.

2) **General Reserve**

The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.

3) **Capital Investment Subsidy Reserve**

Capital Investment Subsidy Reserve represents subsidy received from the government for commissioning of Malanpur plant in the nature of capital investment.

4) Capital Redemption Reserve

Capital Redemption reserve represents amount set aside by the company for future redemption of capital.

5) Employee Stock Options Outstanding

The shares option outstanding account is used to recognise the grant date fair value of options issued to employees under the Employee Stock Option Plan and the Employee Stock Grant Scheme which are unvested as on the reporting date and is net of the deferred employee compensation expense. Refer note 45 for details on ESGS Plans.

6) Exchange differences on translating the financial statements of foreign operations

The translation reserve comprises all foreign currency exchange differences arising from the translation of the financial statements of foreign operations. The reserve for the previous year has been netted off for a balance sheet intercompany adjustment (₹ 25.69 crore) of earlier years pertaining to inventory.

7) Effective portion of Cash Flow Hedges

The cash flow hedging reserve represents the cumulative portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow reserve will be reclassified to Statement of Profit and Loss only when the hedged transaction affects the profit or loss or included as a basis adjustment to the non financial hedged item.

Note 20: Non-Current Borrowings

₹ Crore

			Maturity Date	Terms of Repayment	Interest rate*	As at March 31, 2021	As at March 31, 2020
A.	**Secured**						
	Term Loans from banks in USD		Upto August 2024	Payable in Multiple Installments every year	3.5-6%	**0.21**	0.27
	Unsecured						
	Term loans						
	a)	From Banks in USD	Upto November 2023	Payable in Multiple Installments every year	0.86% - 1.89%	**1,488.67**	2,996.50
	b)	Term Loans from Banks	Upto April 2022	Payable in Multiple Installments every year	4.45% - 60%**	**0.03**	2.88
						1,488.91	**2,999.65**
						1,488.91	**2,999.65**
	Less: Current maturities of long term debt (from banks in USD) *(Refer Note 26)*					**(1,008.80)**	(854.61)
	TOTAL					**480.11**	**2,145.04**

*includes variable and fixed rate instruments. Refer Note 49 A (iii) for interest rate risk

**60% interest rate corresponds to interest rate applicable to group's subsidiary in Argentina operating in hyperinflationary economy

Note 21: Other Non-Current Financial Liabilities

₹ Crore

	As at March 31, 2021	As at March 31, 2020
Liabilities for business combinations *(Refer Note 37)*	-	239.33
Less: Current portion *(Refer Note 26)*	-	(107.35)
TOTAL	**-**	**131.98**

Note 22 :Provisions

₹ Crore

	As at March 31, 2021	As at March 31, 2020
Provision for Employee Benefits		
Gratuity *(Refer Note 44)*	**108.56**	111.68
Compensated Absences	**6.16**	5.30
TOTAL	**114.72**	**116.98**

Note 23: Other Non-Current Liabilities

₹ Crore

	As at March 31, 2021	As at March 31, 2020
Others (includes deferred grants, sundry deposits)	**6.88**	7.17
TOTAL	**6.88**	**7.17**

Note 24: Current Borrowings

₹ Crore

		Maturity Date	Terms of Repayment	Coupon/ Interest rate*	As at March 31, 2021	As at March 31, 2020
A.	**Secured**					
	Loans repayable on demand from banks *(Refer Note below)*	Cash Credit	Payable on demand	9% -10.5%	**0.36**	1.91
					0.36	**1.91**
B.	**Unsecured**					
	Loans repayable on demand from banks	Upto 12 months	Mulitple dates	1.9%-16.00%*	**72.01**	96.92
	USD Overdraft from banks	On demand	On demand	3.25%-6.50%	**-**	24.45
	Overdraft from banks	On demand	On demand	7.50% - 55.90%**	**207.04**	148.09
	Commercial Paper	Multiple dates in Q1 FY 2021	Payable on commercial paper maturity date	5.40%	**-**	247.33
					279.05	**516.79**
	TOTAL				**279.41**	**518.70**

NOTES:

The Group does not have any default as on the Balance Sheet date in the repayment of any loan or interest.

*includes variable and fixed rate instruments. Refer Note 49 A (iii) for interest rate risk

**55.9% interest rate corresponds to interest rate applicable to group's subsidiary in Argentina operating in hyperinflationary economy

Note 25: Trade Payables

₹ Crore

	As at March 31, 2021	As at March 31, 2020
Total oustanding dues of micro enterprises and small enterprises	**24.86**	27.15
Total outstanding dues of creditors other than micro enterprises and small enterprises*	**2,134.78**	2,453.34
TOTAL	**2,159.64**	**2,480.49**

* Trade Payables Includes invoices discounted by Vendors with banks

Refer Note 49 (C) for liquidity risk

Disclsoures pursuant to Micro, Small and Medium Enterprises development act, 2006 (MSMED act) are as follows:

		As at March 31, 2021	As at March 31, 2020
I	The principal amount remaining unpaid to any supplier at the end of the accounting year included in trade payables	**24.86**	27.13
II	Interest due thereon	**-**	0.02
	Trade payable dues to Micro and small enterprises	**24.86**	**27.15**
(a)	The amount of interest paid by the buyer under MSMED act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	**-**	-
(b)	The amount of interest due and payable for the period (where the principal has been unpaid but interest under the MSMED Act, 2006 not paid)	**-**	0.02
(c)	The amount of interest accrued and remaining unpaid at the end of the accounting year	**-**	-
(d)	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	**-**	-

Note 26: Other Current Financial Liabilities

₹ Crore

	As at March 31, 2021	As at March 31, 2020
Current Maturities of Long Term Debt *(Refer Note 20)*	**1,008.80**	854.61
Liabilities for business combinations- current portion *(Refer Note 21)*	**-**	107.35
Security deposit received	**5.34**	4.94
Unclaimed Dividends *(Refer Note (a) below)*	**16.52**	17.65
Put Option liability	**163.88**	150.81
Interest accrued	**0.39**	3.31
Derivatives		
Interest rate swaps	**31.11**	91.87
Foreign-exchange forward contracts	**15.62**	-
Employee Benefits Payable	**208.25**	86.21
Capital creditors and other payables	**12.32**	19.29
TOTAL	**1,462.23**	**1,336.04**

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, 2021	As at March 31, 2020
Statutory Dues (VAT, Excise, Service Tax, Octroi, TDS etc.)	**28.25**	26.14
Advance from customers	**27.44**	25.31
Other Payables (including PF)	**24.86**	33.26
TOTAL	**80.55**	**84.71**

Note 28: Provisions

₹ Crore

	As at March 31, 2021	As at March 31, 2020
Provision for Employee Benefits		
Gratuity (net) *(Refer Note 44)*	**8.28**	8.75
Compensated Absences	**6.12**	3.91
Other Provision :		
Provision for Sales Returns	**37.34**	26.33
Provision towards Litigations	**20.66**	16.97
TOTAL	**72.40**	**55.96**

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, 2020	**26.33**	16.97
Additional provisions recognised	**12.62**	11.63
Amount Utilised /Unused amounts reversed	**(0.75)**	(6.75)
Foreign currency translation difference	**(0.86)**	(1.19)
As at March 31, 2021	**37.34**	**20.66**

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, 2021	Year ended March 31, 2020
Sale of Products	**10,936.01**	9,826.51
Other Operating Revenues (includes export incentive, GST refunds, scrap sales etc.)	**92.61**	84.29
TOTAL	**11,028.62**	**9,910.80**

b) Revenue Information

₹ Crore

	Year ended March 31, 2021	Year ended March 31, 2020
Revenue by product categories		
Home care	**4,728.85**	4,250.22
Hair care	**3,414.50**	3,147.34
Personal care	**2,792.66**	2,428.95
TOTAL	**10,936.01**	**9,826.51**

c) Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price

	Year ended March 31, 2021	Year ended March 31, 2020
Revenue as per contracted price	**11,912.91**	10,813.75
Sales returns	**(58.05)**	(71.21)
Rebates/Discounts	**(918.85)**	(916.03)
Revenue from contract with customers	**10,936.01**	**9,826.51**

d) Contract Balances

₹ Crore

	As at March 31, 2021	As at March 31, 2020
Trade receivables *(Refer Note 13)*	**1,004.50**	1,157.25
Contract assets *(Refer Note 17)*	**9.96**	8.56
Contract liabilities *(Refer Note 27)*	**27.44**	25.31

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, 2021	Year ended March 31, 2020
Revenue recognised that was included in the contract liability balance at the beginning of the period	**25.31**	20.66

Note 30 : Other Income

₹ Crore

	Year ended March 31, 2021	Year ended March 31, 2020
Interest Income on:		
Non-convertible debentures and fixed deposits with Non-Banking Financial Companies at amortised cost	**19.43**	56.70
On Advances and Fixed Deposits	**15.62**	19.55
Net Gain on Sale of Investments	**14.02**	4.53
Fair Value Gain \ (Loss) on financial assets measured at fair value through profit or loss (net)	**0.53**	-
Net Monetary Gain on account of Hyperinflation	**1.25**	-
Miscellaneous non operating income	**16.22**	29.65
TOTAL	**67.07**	**112.30**

Note 31: Cost of Materials Consumed

₹ Crore

	Year ended March 31, 2021	Year ended March 31, 2020
Raw material and packing material		
Opening Inventory	**972.40**	1,004.18
Add : Purchases (net)	**4,575.48**	4,089.97
	5,547.88	5,094.15
Less: Closing Inventory	**(941.12)**	(972.40)
Cost of Materials Consumed	**4,606.76**	**4,121.75**

Note 32: Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress

₹ Crore

	Year ended March 31, 2021	Year ended March 31, 2020
Opening Inventory		
Finished Goods	**538.39**	415.05
Stock-in-Trade	**69.38**	51.53
Work-in-Progress	**101.47**	69.51
	709.24	**536.09**
Less: Closing Inventory		
Finished Goods	**587.86**	538.39
Stock-in-Trade	**86.42**	69.38
Work-in-Progress	**77.31**	101.47
	751.59	**709.24**
(Increase) / decrease in Inventories	**(42.35)**	**(173.15)**

Note 33: Employee Benefits Expense

₹ Crore

	Year ended March 31, 2021	Year ended March 31, 2020
Salaries and Wages	**1,046.45**	932.51
Contribution to Provident and Other Funds *(Refer Note 44)*	**23.40**	25.46
Share based payments to Employees (Employee Stock Grant Scheme) *(Refer Note 45)*	**6.09**	9.66
Staff Welfare Expenses	**47.40**	51.19
TOTAL	**1,123.34**	**1,018.82**

Note 34: Finance Costs

₹ Crore

	Year ended March 31, 2021	Year ended March 31, 2020
Interest Expense		
Unwinding of interest on liabilities	**3.67**	13.38
Interest on loans	**85.56**	142.62
Bill discounting charges	**30.70**	55.41
Interest on lease liability	**6.70**	4.07
Net Monetary loss on account of Hyperinflation	**-**	1.93
TOTAL	**126.63**	**217.41**

Note 35: Depreciation and Amortization Expenses

₹ Crore

	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation on property, plant and equipment	**137.00**	131.98
Depreciation on right of use asset	**31.11**	27.27
Amortization of intangible assets	**35.74**	36.28
Impairment provision for property, plant and equipment	**-**	1.75
TOTAL	**203.85**	**197.28**

Note 36: Other Expenses

₹ Crore

	Year ended March 31, 2021	Year ended March 31, 2020
Consumption of Stores and Spares	**34.95**	38.49
Power and Fuel	**106.23**	118.29
Rent (net)	**64.37**	70.10
Repairs and Maintenance		
Plant and Equipment	**13.27**	16.17
Buildings	**8.21**	9.98
Others (net)	**60.65**	59.86
	82.13	**86.01**
Insurance	**21.86**	20.74
Rates and Taxes	**43.96**	35.44
Processing and Other Manufacturing Charges	**280.17**	254.19
Travelling and Conveyance	**30.49**	66.38
Legal and Professional Charges	**85.18**	94.58
Donations	**2.17**	1.95
Sales Promotion	**253.92**	226.57
Advertising and Publicity	**733.23**	739.13
Selling and distribution expenses	**167.86**	162.58
Freight	**390.15**	330.81
Royalty	**0.77**	3.18
Commission	**16.94**	20.62
Bank charges	**11.02**	10.72
Net Loss on Foreign Currency Transactions and Translations	**54.84**	0.25
Bad Debts Written Off	**4.27**	6.25
Miscellaneous Expenses (net) *(Refer Note (a) below)*	**203.10**	200.99
TOTAL	**2,587.61**	**2,487.27**

NOTE :

a) Miscellaneous Expenses include the Group's share of various expenses incurred by group companies for sharing of services and use of common facilities.

Note 37: Exceptional Items (Loss)/Gain

₹ Crore

	Year ended March 31, 2021	Year ended March 31, 2020
Restructuring Cost	**(9.50)**	(20.08)
Gain on divestment of UK Business	**-**	9.51
Impairment Loss on Goodwill and other intangible assets *(Refer note 52)*	**(61.68)**	(70.48)
Impairment Loss on Associate *(Refer note 51)*	**(15.38)**	-
Reversal in liability for business combination (Refer Note below)	**42.09**	-
TOTAL	**(44.47)**	**(81.05)**

NOTE:

During the year ended March 31, 2021 there was a change in the earn out liability for Strength of Nature LLC (USA). This consideration was fully paid during the year.

Note 38: Earnings Per Share

	Year ended March 31, 2021	Year ended March 31,2020
Net Profit After Tax (₹ Crore)	**1,720.82**	**1,496.58**
Number of Shares outstanding at the beginning of the year	**1,022,316,352**	1,022,166,096
Add : Shares Issued during the year	**169,921**	150,256
Number of Shares outstanding at the end of the year	**1,022,486,273**	1,022,316,352
Weighted Average Number of Equity Shares		
For calculating Basic EPS	**1,022,435,634**	1,022,265,738
Effect of dilution:		
Shared based payments	**117,084**	191,505
For calculating Diluted EPS	**1,022,552,718**	1,022,457,243
Earnings Per Share Before and After Extraordinary Items		
(Face Value ₹ 1)		
Basic (₹)	**16.83**	14.64
Diluted (₹)	**16.83**	14.64

Note 39 : Commitments

₹ Crore

	Year ended March 31, 2021	Year ended March 31,2020
Estimated value of contracts remaining to be executed on capital account to the extent not provided, net of advances there against of ₹ 8.66 crore *(March 31, 2020 : ₹ 5.83 crore)*	**49.14**	37.14
TOTAL	**49.14**	**37.14**

Note 40 : Dividend

During the year 2020-21, no interim dividend has been paid.

Note 41 : Contingent Liabilities

₹ Crore

		As at March 31, 2021	As at March 31, 2020
a)	**CLAIMS FOR EXCISE DUTIES, TAXES AND OTHER MATTERS**		
i)	Excise duty demands against which the Company / Group has preferred appeals	**51.06**	51.06
ii)	Sales tax demands against which the Company / Group has preferred appeals	**111.30**	108.16
iii)	Income-tax matters	**278.38**	264.99
iv)	Other matters	**3.00**	3.00
b)	**Guarantees given against Borrowings (in excess of Loans outstanding) / Bank facilities**		
i)	Guarantee amounting to USD 14.30 million (31-Mar-20 USD 58.30 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	**9.50**	40.10
ii)	Guarantee amounting to USD Nil (31-Mar-20 USD 17.88 million) given by the Company to The Hongkong and Shanghai Banking Corporation Limited, Mauritius towards loan raised by Godrej East Africa Holdings Limited	**-**	12.30
iii)	Guarantee amounting to USD 39.59 million (31-Mar-20 USD 80.30 million) given by the Company to The Bank of Tokyo-Mitsubishi UFJ Ltd, London Branch towards loan provided to Godrej SON Holdings, Inc.	**26.31**	55.23
iv)	Guarantee amounting to USD Nil (31-Mar-20 USD 27.5 million) given by the Company to Standard Chartered Bank, Mauritius towards bank facilities provided to Godrej Tanzania Holdings Limited	**-**	208.08
v)	Guarantee amounting to USD Nil (31-Mar-20 USD 44 million) given by the Company to CITI Bank NA, London Branch towards loan provided to Godrej Mauritius Africa Holdings Ltd.	**-**	30.27
vi)	Guarantee amounting to USD Nil (31-Mar-20 USD 2 million) given by the Company to DBS Bank Limited, Singapore towards interest rate swap / derivative facilities provided to Godrej Mauritius Africa Holdings Limited	**-**	15.13
vii)	Guarantee amounting to USD 1.20 million (31-Mar-20 USD 1.20 million) given by the Company to DBS Bank Limited, Singapore towards interest rate swap / derivative facilities provided to Godrej Consumer Products Holding (Mauritius) Limited	**8.77**	9.08
viii)	Guarantee amounting to USD Nil (31-Mar-20 USD 64.35 million) given by the Company to Sumitomo Mitsui Banking Corporation, Singapore Branch towards loan provided to Godrej SON Holdings, Inc.	**-**	48.05
ix)	Guarantee amounting to USD 148.72 million (31-Mar-20 USD 148.72 million) given by the Company to The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch towards loan provided to Godrej Mauritius Africa Holdings Limited	**98.84**	102.30
x)	Guarantee amounting to USD 3.5 million (31-Mar-20 USD 3.5 million) given by the Company to DBS Bank Limited, Singapore towards interest rate swap / derivative facilities provided to Godrej Mauritius Africa Holdings Limited	**25.59**	26.48
xi)	Guarantee amounting to USD Nil (31-Mar-20 USD 1 million) given by the Company to Sumitomo Mitsui Banking Corporation, Singapore towards interest rate swap / derivative facilities provided to Godrej Consumer Products Holding (Mauritius) Limited	**-**	7.57
xii)	Guarantee amounting to USD 24.20 million (31-Mar-20 USD 24.20 million) given by the Company to Sumitomo Mitsui Banking Corporation, Singapore Branch towards loan provided to Godrej Mauritius Africa Holdings Limited	**22.66**	23.46

₹ Crore

		As at March 31, 2021	As at March 31, 2020
	xiii) Guarantee amounting to USD 0.75 million (31-Mar-20 USD Nil) given by the Company to Sumitomo Mitsui Banking Corporation, Singapore Branch towards interest rate swap / derivative facilities provided to Godrej Mauritius Africa Holdings Limited	**5.48**	-
	xiv) Guarantee amounting to USD 50.50 million (31-Mar-20 USD Nil) given by the Company to Standard Chartered Bank, Mauritius towards bank facilities provided to Godrej Tanzania Holdings Limited	**369.21**	-
	Others		
	i) Guarantees issued by banks [secured by bank deposits under lien with the bank ₹ 4.22 crore]	**13.39**	14.19
	ii) Guarantee given by the Company to Yes Bank for credit facilities extended to M/s. Broadcast Audience Research Council.	**0.80**	0.80
	iii) Guarantee given by the Company to Kotak Mahindra Bank for credit facilities extended to M/s. Broadcast Audience Research Council	**0.30**	0.30
c)	**Claims against the Company not acknowledged as debt**	**32.28**	32.28

d) The Group has reviewed all its pending litigations and proceedings and has adequately made provisions wherever required and disclosed as contingent liability wherever applicable in the consolidated financial statements. The Group does not expect the outcome of the proceedings to have a materially adverse effect on its financial statements.

e) Other Matters

For India, the proposed Social Security Code, 2019, when promulgated, would subsume labour laws including Employees' Provident Funds and Miscellaneous Provisions Act and amend the definition of wages on which the organisation and its employees are to contribute towards Provident Fund. The Company believes that there will be no significant impact on its contributions to Provident Fund due to the proposed amendments. Additionally, there is uncertainty and ambiguity in interpreting and giving effect to the guidelines of Hon. Supreme Court vide its ruling in February 2019, in relation to the scope of compensation on which the organisation and its employees are to contribute towards Provident Fund. The Company will evaluate its position and act, as clarity emerges.

Note 42 : Related Party Disclosures

A) Related Parties and their Relationship

a) Associate Company:

Name of the Associate Company	Country	% Holding as at March 31, 2021	% Holding as at March 31, 2020
Bhabhani Blunt Hairdressing Pvt Limited	India	**28%**	28%

b) Investing Entity in which the reporting entity is an Associate

i) Godrej Industries Limited

ii) Godrej Seeds & Genetics Limited

c) Companies under common Control with whom transactions have taken place during the year:

i) Godrej & Boyce Mfg. Co. Limited

ii) Godrej Agrovet Limited

iii) Godrej Tyson Foods Limited

iv) Godrej Properties Limited

v) Natures Basket Limited*

vi) Godrej Projects Development Private Limited

vii) Godrej One Premises Management Private Limited

viii) Creamline Dairy Products Limited

* Divested on 4th July 2019

d) Key Management Personnel and Relatives:

i)	Mr. Adi Godrej	Chairman Emeritus
ii)	Ms. Nisaba Godrej	Executive Chairperson (Executive Chairperson & Managing director from July 1, 2020) / Daughter of Mr. Adi Godrej
iii)	Mr. Vivek Gambhir	Managing Director & CEO (till June 30, 2020) Whole time Director (From 1st July to September 30, 2020)
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. Aman Mehta	Independent Director
x)	Mr. Omkar Goswami	Independent Director
xi)	Ms. Ireena Vittal	Independent Director
xii)	Mr. Bharat Doshi	Independent Director (till 25th September 2019)
xiii)	Mr. Narendra Ambwani	Independent Director
xiv)	Ms. Ndidi Nwuneli	Independent Director
xv)	Ms. Pippa Armerding	Independent Director
xvi)	Mr. Burjis Godrej	Son of Mr.Nadir Godrej
xvii)	Ms. Rati Godrej	Wife of Mr.Nadir Godrej
xviii)	Mr. Sohrab Godrej	Son of Mr.Nadir Godrej
xix)	Mr. Hormazd Godrej	Son of Mr.Nadir Godrej
xx)	Mr.Navroze Godrej	Son of Mr. Jamshyd Godrej
xxi)	Mr. Arvind Dubash	Husband of Ms. Tanya Dubash
xxii)	Mr. Azaar Arvind Dubash	Son of Ms. Tanya Dubash

e) Trust where the reporting entity excercises significant influence

i) Godrej Consumer Products Limited Employees' Stock Option Trust

f) Post employment Benefit Trust where the reporting entity exercises significant influence

i) Godrej Consumer Products Employees' Provident Fund

B) The Related Party Transactions are as under :

₹ Crore

	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	0.08	0.24	12.25	10.55	1.02	1.62	-	-	-	-	**13.35**	12.41
Purchase of Materials and Spares	-	-	72.58	64.76	3.82	0.13	-	-	-	-	**76.40**	64.89
Advance Paid	-	-	-	-	-	0.05	-	-	-	-	**-**	0.05
Royalty and Technical Fees Paid	0.41	0.55	-	-	-	-	-	-	-	-	**0.41**	0.55
Establishment & Other Expenses Paid (Including provision for doubtful debts if any)	0.12	0.33	21.49	27.55	6.03	8.54	-	-	-	-	**27.64**	36.42
Expenses Recovered	-	-	1.33	1.62	0.07	0.06	-	-	-	-	**1.40**	1.68
Dividend Received	-	0.68	-	-	-	-	-	-	-	-	**-**	0.68
Dividend Paid	-	-	-	418.65	-	60.01	-	23.37	-	-	**-**	502.03
Commission on Profits and Sitting Fees	-	-	-	-	-	-	3.51	3.51	-	-	**3.51**	3.51
Lease Rentals Received	-	-	10.98	10.94	-	-	-	-	-	-	**10.98**	10.94
Lease Rentals Paid	-	-	17.89	15.68	-	-	-	-	-	-	**17.89**	15.68
Contribution during the year (Including Employees' Share)	-	-	-	-	-	-	-	-	15.76	18.17	**15.76**	18.17
Short Term Employment Benefits	-	-	-	-	-	-	18.05	21.52	-	-	**18.05**	21.52
Post Employment Benefits	-	-	-	-	-	-	1.64	0.46	-	-	**1.64**	0.46
Share Based Payment	-	-	-	-	-	-	5.17	2.92	-	-	**5.17**	2.92
TOTAL	**0.61**	**1.80**	**136.52**	**549.75**	**10.94**	**70.41**	**28.37**	**51.78**	**15.76**	**18.17**	**192.20**	**691.90**

Outstanding Balances

₹ Crore

	Receivables		Payables		Guarantees Outstanding- Given/ (Taken)		Commitments	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Associate Company	0.03	0.05	0.14	-	-	-	-	-
Investing Entity in which the reporting entity is an associate	1.37	1.88	6.41	7.75	(26.88)	(26.88)	-	-
Companies under Common Control	0.40	0.33	0.41	0.40	(1.21)	(1.21)	0.53	0.61
Key Management Personnel and Relatives	-	-	2.58	2.85	-	-	-	-
TOTAL	**1.80**	**2.26**	**9.54**	**11.00**	**(28.09)**	**(28.09)**	**0.53**	**0.61**

Note : Refer note 6 for investments in associate

Note 43 : Forward Contracts

The Group uses forward exchange contracts to hedge its foreign exchange exposure relating to the underlying transactions and firm commitment in accordance with its forex policy as determined by its Forex Committee. The Group does not use foreign exchange forward contracts for trading or speculation purposes.

Forward/ Spot Contracts outstanding as at March 31, 2021:

	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2020
	In million	INR cr	In million	INR cr
Forward Contracts to Purchase (USD)	**US $ 25.37**	**183.93**	US $32.65	247.00
[303 contracts *(previous year 102 contracts)]*				
Forward Contracts to Sell (USD)	**US $ 4.35**	**31.54**	US $ 2.50	18.91
[7 contracts *(previous year 4 contracts)]*				
Forward Contracts to Sell (Euro)	**€ 1.00**	**8.58**	-	-
[1 contract *(previous year Nil)]*				

Note 44 : Employee Benefits

a) DEFINED CONTRIBUTION PLAN

Provident Fund:

The contributions to the Provident Fund of certain employees (including some employees of the erstwhile Godrej Household Products Ltd) are made to a Government administered Provident Fund and there are no further obligations beyond making such contribution. The Superannuation Fund constitutes an insured benefit, which is classified as a defined contribution plan as the Company contributes to an Insurance Company and has no further obligation beyond making payment to the insurance company.

b) DEFINED BENEFIT PLAN

Gratuity:

i) The Company participates in the Employees' Group Gratuity-cum-Life Assurance Scheme of HDFC Standard Life Insurance Co. Ltd., a funded defined benefit plan for qualifying employees. Gratuity is payable to all eligible employees on death or on separation / termination in terms of the provisions of the Payment of Gratuity (Amendment) Act, 1997, or as per the Company's scheme whichever is more beneficial to the employees. The Gratuity scheme of the erstwhile Godrej Household Products Ltd., which was obtained pursuant to the Scheme of Amalgamation, is funded through Unit Linked Gratuity Plan with HDFC Standard Life Insurance Company Limited.

ii) For Godrej Nigeria Limited, management set aside physical assets with an investment outfit to fund future benefit obligations arising under the gratuity plan.The physical assets earmarked for the fund's investment are being managed by the Pension Fund Administration outfit of First Guaranteed Pension Limited.

iii) Gratuity plans for entities other than mentioned in i) and ii) are unfunded.

iv) The liability for the Defined Benefit Plan is provided on the basis of a valuation, using the Projected Unit Credit Method, as at the Balance Sheet date, carried out by an independent actuary.

v) The Company has a gratuity trust. The Group funds its unfunded gratuity payouts from its cash flows. Accordingly, the Group creates adequate provision in its books every year based on actuarial valuation.

vi) These benefit plans expose the Group to actuarial risks, such as longevity risk, interest rate risk and investment risk.

Provident Fund:

The Company manages the Provident Fund plan through a Provident Fund Trust for its employees other than those covered under Government Scheme which is permitted under The Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and is actuarially valued. The plan envisages contribution by the employer and employees and guarantees interest at the rate notified by the Provident Fund authority. The contribution by employer and employee, together with interest, are payable at the time of separation from service or retirement, whichever is earlier.

The Company has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. These administered rates are determined annually predominantly considering the social rather than economic factors and the actual return earned by the Company has been higher in the past years. The actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the below provided assumptions there is no shortfall as at March 31, 2021.

₹ Crore

	As at March 31, 2021	As at March 31, 2020
Plan assets at period end, at fair value	**175.93**	159.79
Provident Fund Corpus	**174.09**	159.13
Valuation assumptions under Deterministic Approach:		
Weighted Average Yield	**8.44%**	8.29%
Weighted Average Yield to Maturity	**8.61%**	8.61%
Guaranteed Rate of Interest	**8.50%**	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 ₹ 13.13 crore *(Mar-31-2020 : ₹ 15.11 crore)* has been included under Contribution to Provident and Other Funds.

ii) Defined Benefit Plan

Gratuity cost amounting to ₹ 8.83 crore *(Mar-31-2020 : ₹ 8.52 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, 2021	As at March 31, 2020
i)	**Change in Present Value of Obligation**		
	Present value of the obligation at the beginning of the year	**121.17**	113.29
	Plan amendments	**(10.15)**	-
	Current Service Cost	**12.16**	6.63
	Interest Cost	**8.17**	9.08
	Exchange difference	**4.16**	(3.85)
	Actuarial (Gain) / Loss on Obligation	**(5.70)**	4.91
	Actuarial (Gain) / Loss on Obligation- Due to Change in Demographic Assumptions	**(3.72)**	(0.02)
	Actuarial (Gain) / Loss on Obligation- Due to Change in Financial Assumptions	**0.68**	4.29
	Actuarial (Gain) / Loss on Obligation- Due to Experience	**(2.66)**	0.64
	Benefits Paid	**(12.10)**	(8.89)
	Present value of the obligation at the end of the year	**117.71**	121.17
ii)	**Change in Plan Assets**		
	Fair value of Plan Assets at the beginning of the year	**0.74**	0.78
	Interest Income	**0.07**	0.08
	Return on plan assets excluding interest income	**(0.01)**	(0.02)
	Actuarial Gain / (Loss) on Plan Assets	**-**	-
	Contributions by the Employer	**12.17**	8.79
	Benefits Paid	**(12.10)**	(8.89)
	Exchange difference	**-**	-
	Fair value of Plan Assets at the end of the year	**0.87**	0.74
iii)	**Amounts Recognised in the Balance Sheet:**		
	Present value of Obligation at the end of the year	**117.71**	121.17
	Fair value of Plan Assets at the end of the year	**0.87**	0.74
	Net Liability recognised in the Balance Sheet	**116.84**	120.43
iv)	**Amounts Recognised in the Statement of Profit and Loss:**		
	Current Service Cost	**12.16**	6.63
	Plan Amendments	**(10.15)**	-
	Interest Cost / Income on Obligation / Plan assets (net)	**8.17**	9.08
	Net Cost Included in Personnel Expenses	**10.18**	15.71
v)	**Recognised in other comprehensive income for the year**		
	Actuarial (Gain) / Loss on Obligation	**(5.70)**	4.91
	Return on plan assets excluding interest income	**0.01**	0.02
	Recognised in other comprehensive income	**(5.69)**	4.93
vi)	**Weighted average duration of Present Benefit Obligation**	**8.46 years**	7.32 years
vii)	**Estimated contribution to be made in next financial year**	**13.85**	13.08
viii)	**Major categories of Plan Assets as a % of total Plan Assets**		
	Insurer Managed Funds	**100%**	100%
ix)	**Actuarial Assumptions**		
	i) Discount Rate	**6.26%-12.5%p.a**	6.43%-15%p.a
	ii) Salary Escalation Rate	**7% p.a.-12%p.a**	7% p.a.-12%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, 2021	As at March 31, 2020
Projected Benefits Payable in Future Years From the Date of Reporting		
Within the next 12 months	**18.71**	17.05
2nd Following Year	**10.74**	13.92
3rd Following Year	**26.41**	20.59
4th Following Year	**25.25**	21.81
5th Following Year	**27.33**	21.04
Sum of Years 6 to 10	**68.26**	79.85

xi) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

₹ Crore

	31-Mar-21		31-Mar-20	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	**(7.21)**	**8.31**	(7.24)	8.17
Future salary growth (1% movement)	**8.17**	**(7.52)**	8.27	(7.23)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Other details

Methodology Adopted for ALM	**Projected Unit Credit Method**
Usefulness and Methodology adopted for Sensitivity analysis	Sensitivity analysis is an analysis which will give the movement in liability if the assumptions were not proved to be true on different count. This only signifies the change in the liability if the difference between assumed and the actual is not following the parameters of the sensitivity analysis.
Comment on Quality of Assets	Since investment is with insurance company, Assets are considered to be secured.

Note 45 : Employee Stock Benefit Plans

I. EMPLOYEE STOCK GRANT SCHEME

a) The Company set up the Employees Stock Grant Scheme 2011 (ESGS) pursuant to the approval by the Shareholders on March 18, 2011.

b) The ESGS Scheme is effective from April 1, 2011, (the "Effective Date") and shall continue to be in force until (i) its termination by the Board or (ii) the date on which all of the shares to be vested under Employee Stock Grant Scheme 2011 have been vested in the Eligible Employees and all restrictions on such Stock Grants awarded under the terms of ESGS Scheme, if any, have lapsed, whichever is earlier.

c) The Scheme applies to the Eligible Employees of the Company or its Subsidiaries. The entitlement of each employee will be decided by the Compensation Committee of the Company based on the employee's performance, level, grade, etc.

d) The total number of Stock Grants to be awarded under the ESGS Scheme are restricted to 2,500,000 (Twenty Five Lac) fully paid up equity shares of the Company. Not more than 500,000 (Five Lac) fully paid up equity shares or 1% of the issued equity share capital at the time of awarding the Stock Grant, whichever is lower, can be awarded to any one employee in any one year.

e) The Stock Grants shall vest in the Eligible Employees pursuant to the ESGS Scheme in the proportion of 1/3rd at the end of each year or as may be decided by the Compensation Committee from the date on which the Stock Grants are awarded for a period of three consecutive years subject to the condition that the Eligible Employee continues to be in employment of the Company or the Subsidiary company as the case may be.

f) The Eligible Employee shall exercise her / his right to acquire the shares vested in her / him all at one time within 1 month from the date on which the shares vested in her / him or such other period as may be determined by the Compensation Committee.

g) The Exercise Price of the shares has been fixed at ₹ 1 per share. The fair value is treated as Employee Compensation Expenses and charged to the Statement of Profit and Loss. The value of the options is treated as a part of employee compensation in the financial statements and is amortised over the vesting period.

h) The details of the scheme are as below:

Scheme	Grant Date	No. of Options	Vesting Condition	Exercise Price (₹) per share	Weighted average Exercise Price (₹) per share	Exercise period
Employees Stock Grant Scheme 2011	From 2011 to 2020	994,337	Vested in the proportion of 1/3rd at the end of each year	1.00	1.00	within 1 month from the date of vesting

Movement in the number of share options during the year:

	As at March 31, 2021	As at March 31, 2020
Outstanding at the beginning of the year	**290,133**	**295,015**
Add: Granted during the year	**97,653**	162,917
Less: Exercised during the year	**169,921**	150,256
Less: Forfeited/ lapsed during the year	**30,444**	17,543
Outstanding at the end of the year	**187,421**	**290,133**

Weighted average remaining contractual life of options as at 31st March, 2021 was 0.94 years *(31-Mar-20: 0.85 years).*

Weighted average equity share price at the date of exercise of options during the year was ₹ 654.46 *(31-Mar-20 ₹ 658.45).*

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, 2021	As at March 31, 2020
Risk-free interest rate (%)	**4.12%**	6.44%
Expected life of options (years)	**2.00**	2.00
Expected volatility (%)	**38.12%**	28.16%
Dividend yield	**1.20%**	2.28%
The price of the underlying share in market at the time of option grant (₹)	**666.58**	658.45

II. Pursuant to SEBI notification dated January 17, 2013, no further securities of the Company will be purchased from the open market.

Note 46 : Disclosure U/S 186 (4) Of The Companies Act, 2013

Details of Investments made are disclosed under Note 6 and details of corporate guarantees given to banks on behalf of other body corporates are disclosed under Note 41.

Note 47 : Subsequent Events

There are no significant subsequent events that would require adjustments or disclosures in the consolidated financial statements.

Note 48 : Financial Instruments

A. Accounting classification and fair values

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

₹ Crore

As at March 31, 2021	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	-	-	2.51	2.51	-	2.51	-	2.51
Loans	-	-	21.78	21.78	-	-	-	-
Other Financial Assets	-	-	3.36	3.36	-	-	-	-
Current								
Investments								
Deposits with Non-Banking Financial Companies	-	-	459.65	459.65	-	459.65	-	459.65
Mutual Fund	142.22	-	-	142.22	-	142.22	-	142.22
Non-convertible Debentures with Non-Banking Financial Companies	55.30	-	-	55.30	55.30	-	-	55.30
Trade receivables	-	-	1,004.50	1,004.50	-	-	-	-
Cash and cash equivalents	-	-	524.13	524.13	-	-	-	-
Bank balances others			148.08	148.08	-	-	-	-
Loans	-	-	4.64	4.64	-	-	-	-
Derivative Asset	0.27	0.32	-	0.59	-	0.59	-	0.59
Others	-	-	70.05	70.05	-	-	-	-
	197.79	**0.32**	**2,238.70**	**2,436.81**	**55.30**	**604.97**	**-**	**660.27**
Financial liabilities								
Non-Current								
Borrowings	-	-	480.11	480.11	-	-	-	-
Lease Liability	-	-	67.49	67.49				
Current								
Borrowings	-	-	279.41	279.41	-	-	-	-
Trade and other payables	-	-	2,159.64	2,159.64	-	-	-	-
Put Option Liability *	-	-	-	163.88	-	-	163.88	163.88
Current Maturities of Long Term Debt	-	-	1,008.80	1,008.80	-	-	-	-
Derivative liability	15.62	31.11	-	46.73	-	46.73		46.73
Lease Liability			28.16	28.16				-
Others	-	-	258.44	258.44	-	-	-	-
	15.62	**31.11**	**4,282.05**	**4,492.66**	**-**	**46.73**	**163.88**	**210.61**

As at March 31, 2020	Carrying amount / Fair Value				Fair value Hierarchy			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non Current								
Loans	-	-	22.63	22.63	-	-	-	-
Other Financial Assets	-	-	36.63	36.63	-	-	-	-
Current								
Current investments								
Deposits with Non-Banking Financial Companies	-	-	555.34	555.34	-	555.34	-	555.34
Mutual Fund	1.78	-	-	1.78	-	1.78	-	1.78
Non-convertible Debentures with Non-Banking Financial Companies	-	-	80.06	80.06	80.10	-	-	80.10
Trade receivables	-	-	1,157.25	1,157.25	-	-	-	-
Cash and cash equivalents	-	-	602.87	602.87	-	-	-	-
Bank balances others			167.29	167.29	-	-	-	-
Loans	-	-	3.27	3.27	-	-	-	-
Derivative Asset	7.25	1.50	-	8.75	-	8.75	-	8.75
Others	-	-	155.76	155.76	-	-	-	-
	9.03	**1.50**	**2,781.10**	**2,791.63**	**80.10**	**565.87**	**-**	**645.97**
Financial liabilities								
Non-Current								
Borrowings	-	-	2,145.04	2,145.04	-	-	-	-
Lease Liability	-	-	34.19	34.19				-
Liabilities for business combinations	131.98	-	-	131.98	-	-	131.98	131.98
Current				-				-
Borrowings	-	-	518.70	518.70	-	-	-	-
Trade and other payables	-	-	2,480.49	2,480.49	-	-	-	-
Put Option Liability *	-	-	-	150.81	-	-	150.81	150.81
Current Maturities of Long Term Debt	-	-	854.61	854.61	-	-	-	-
Liabilities for business combinations	107.35	-	-	107.35	-	-	107.35	107.35
Derivative liability		91.87	-	91.87	-	91.87		91.87
Lease Liability			22.43	22.43				-
Others	-	-	131.40	131.40	-	-	-	-
	239.33	**91.87**	**6,186.86**	**6,668.87**	**-**	**91.87**	**390.14**	**482.01**

Level - 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level - 2 : Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level - 3 : Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

** The put option liability is fair valued at each reporting date through equity*

NOTE: The group has not disclosed fair values of financial instruments other than mutual funds, deposits with non-banking financial companies, non-convertible debentures with non-banking financial companies, investment in commercial papers, derivative asset, derivative liability and liabilities for business combinations, because the carrying amounts are a reasonable approximation of fair value.

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 1, Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Mutual Fund Investments	NAV quoted by the Mutual Fund	NA	NA
Investments in Non Convertible Debenture with Non-Banking Financial Companies	Broker Quote	NA	NA
Deposits with Non-Banking Financial Companies	Present Value of expected cashflows using an appropriate discounting rate	NA	NA
Commercial Paper issued by the Company	Present Value of expected cashflows using an appropriate discounting rate	NA	NA
Derivative Asset	MTM from banks	NA	NA
Derivative Liability	MTM from banks	NA	NA
Liabilities for business combination	Present Value of expected payment discounted using a risk adjusted discounting rate	Inputs are given below	Inter-relationship between significant unobservable inputs and fair value measurement given below
Put Option Liability	Performance of the business	Inputs are given below	Next page for inter-relationship between significant inputs and fair value measurement given below

Level 3 fair values

Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values:

₹ Crore

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	**390.14**	**460.05**
Net change in fair value through reserves	**22.76**	81.79
Net change in fair value through PL *(Refer Note (a) below)*	**1.38**	5.98
Net change in liability due to payments	**(197.65)**	(185.66)
Reversal in liability for business combination	**(42.09)**	-
Exchange difference	**(10.66)**	27.98
Closing Balance	**163.88**	**390.14**

NOTE: (a) Interest unwinding charges

Valuation processes

The main level 3 inputs for put option and liability for business combination are derived and evaluated as follows :

Liability for Business Combination -The key inputs used in the determination of fair value of Liability for Business Combination are the discount rate and expected future performance of the business (EBIDTA).

Put Option Liability -The key inputs used in the determination of fair value of put option liability is performance of the business such as Profit.

Sensitivity analysis

For the fair values of put option liability , reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects.

Put Option Liability

₹ Crore

	Year ended March 31, 2021	
	Equity impact	
Significant unobservable inputs	**10% Increase**	**10% Decrease**
Achievement of financial target (10% movement)	(16.39)	16.39

	Year ended March 31, 2020	
	Equity impact	
Significant unobservable inputs	**10% Increase**	**10% Decrease**
Achievement of financial target (10% movement)	(15.08)	15.08

Note 49 : Financial Risk Management

The activities of the Group exposes it to a number of financial risks – market risk, credit risk and liquidity risk. The Group seeks to minimize the potential impact of unpredictability of the financial markets on its financial performance. The risk management policy which is approved by the Board, is closely monitored by the senior management.

A. MANAGEMENT OF MARKET RISK:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks: currency rate risk, interest rate risk and price risk. Financial instruments affected by market risk includes borrowings, trade receivables and payables, bank deposits, investments and derivative financial instruments. The Group has international operations and is exposed to a variety of market risks, including currency and interest rate risks.

(i) Management of price risk:

The Company invests its surplus funds in various debt instruments including liquid and short term schemes of debt mutual funds, deposits with banks and financial institutions, commercial papers and non-convertible debentures (NCD's). Investments in mutual funds and NCD's are susceptible to market price risk, arising from changes in interest rates or market yields which may impact the return and value of the investments. This risk is mitigated by the Company by investing the funds in various tenors depending on the liquidity needs of the Company.

(ii) Management of currency risk:

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has foreign currency trade payables , trade receivables, borrowings and bank balances and is therefore exposed to foreign exchange risk. The Group mitigates the foreign exchange risk by setting appropriate exposure limits, periodic monitoring of the exposures and hedging exposures using derivative financial instruments like foreign exchange forward contracts. The exchange rates have been volatile in the recent years and may continue to be volatile in the future. Hence the operating results and financials of the Group may be impacted due to volatility of the functional currency against foreign currencies.

Exposure to currency risk (Exposure in different currencies converted to INR)

The currency profile of financial assets and financial liabilities as at March 31, 2021 and March 31, 2020 are as below:

₹ Crore

As at March 31, 2021	GBP	USD	EURO	ZAR	AED	Others
Financial assets						
Cash and cash equivalents	-	47.26	-	0.26	-	4.85
Short-term loans and advances	-	3.43	-	-	-	-
Trade and other receivables	0.66	158.69	25.53	0.78	-	-
Less: Forward contracts for trade receivables	-	(31.53)	(8.58)	-	-	-
Other Non-Current financial assets	-	10.25	-	-	-	-
Other Current financial assets	-	8.33	-	-	-	-
	0.66	**196.43**	**16.95**	**1.04**	**-**	**4.85**
Financial liabilities						
Long term borrowings	-	2.13	-	-	-	-
Short term borrowings	-	2.90	-	-	-	-
Trade and other payables	-	420.66	1.14	-	-	8.73
Less: Forward contracts for trade payables	-	(182.47)	-	-	-	-
Other Current financial liabilities	-	-	-	-	-	-
	-	**243.22**	**1.14**	**-**	**-**	**8.73**
Net Exposure	**0.66**	**(46.79)**	**15.81**	**1.04**	**-**	**(3.88)**

₹ Crore

As at March 31, 2020	GBP	USD	EURO	ZAR	AED	Others
Financial assets						
Cash and cash equivalents	-	51.30	-	0.34	-	1.01
Short-term loans and advances	-	1.99	-	-	-	-
Trade and other receivables	0.59	404.42	0.01	0.29	-	0.41
Less: Forward contracts for trade receivables	-	(18.83)	-	-	-	-
Other Non-Current financial assets	-	15.74	-	-	-	-
Other Current financial assets	-	14.81	-	-	-	-
	0.59	**469.43**	**0.01**	**0.63**	**-**	**1.42**
Financial liabilities						
Long term borrowings	-	2.17	-	-	-	-
Short term borrowings	-	3.76	-	-	-	-
Trade and other payables	-	779.76	1.00	-	-	7.79
Less: Forward contracts for trade payables	-	(245.71)	-	-	-	(0.80)
Other Current financial liabilities	-	5.18	0.47	-	-	-
	-	**545.16**	**1.47**	**-**	**-**	**6.99**
Net Exposure	**0.59**	**(75.73)**	**(1.46)**	**0.63**	**-**	**(5.57)**

The following significant exchange rates have been applied during the year.

	Year-end spot rate	
	March 31, 2021	**March 31, 2020**
GBP INR	**99.80**	93.85
USD INR	**72.52**	75.57
EUR INR	**85.80**	83.05
ZAR INR	**4.86**	4.23
AED INR	**19.74**	20.56

Sensitivity analysis

A reasonably possible 5% strengthening (weakening) of GBP/USD/EURO/ZAR/AED/CNH/KWD against the India rupee at March 31, 2021 and March 31, 2020 would have affected the measurement of financial instruments denominated in GBP/USD/EURO/ZAR/AED and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

₹ Crore

	Profit or loss	
Effect in INR	**Strengthening**	**Weakening**
March 31, 2021		
GBP	0.03	(0.03)
USD	(2.34)	2.34
EURO	0.79	(0.79)
ZAR	0.05	(0.05)
Others - CNH/KWD	(0.19)	0.19
	(1.66)	**1.66**

₹ Crore

	Profit or loss	
Effect in INR	**Strengthening**	**Weakening**
March 31, 2020		
GBP	0.03	(0.03)
USD	(3.79)	3.79
EURO	(0.07)	0.07
ZAR	0.03	(0.03)
Others - CNH/KWD	(0.28)	0.28
	(4.08)	**4.08**

(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, 2021	As at March 31, 2020
Borrowings		
Fixed rate instruments	**268.20**	429.02
Variable-rate instruments	**1,500.12**	3,089.33
	1,768.32	**3,518.35**

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 basis points (bp) in interest rate at the reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

The risk estimates provided assume a parallel shift of 50 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

₹ Crore

	Profit or loss / Equity	
	50 bp increase	**50 bp decrease**
As at March 31, 2021		
Variable-rate instruments	(7.50)	7.50
Less : Interest-rate swap on Variable rate instrument	7.44	(7.44)
Cash flow sensitivity (net)	**(0.06)**	**0.06**
As at March 31, 2020		
Variable-rate instruments	(15.45)	15.45
Less : Interest-rate swap on Variable rate instrument	13.57	(13.57)
Cash flow sensitivity (net)	**(1.88)**	**1.88**

B. **MANAGEMENT OF CREDIT RISK:**

Credit risk refers to the risk of default on its obligations by a counterparty to the Group resulting in a financial loss to the Group. The Group is exposed to credit risk from its operating activities (trade receivables and derivative transactions) and from its investing activities including investments in mutual funds, commercial papers, deposits with banks and financial institutions and NCD's, foreign exchange transactions and financial instruments.

Credit risk from trade receivables is managed by each business unit subject to the Group's policies, procedures and controls relating to customer credit risk management by establishing credit limits, credit approvals and monitoring creditworthiness of the customers to which the Group extends credit in the normal course of business. Outstanding customer receivables are regularly monitored. The Group has no concentration of credit risk as the customer base is widely distributed.

Credit risk from investments of surplus funds is managed by the Group's treasury in accordance with the Board approved policy and limits. Investments of surplus funds are made only with those counterparties who meet the minimum threshold requirements prescribed by the Board. The Group monitors the credit ratings and financial strength of its counter parties and adjusts its exposure accordingly. Derivatives are entered into with banks as counter parties, which have high credit ratings assigned by rating agencies.

At March 31, 2021, the ageing for the trade receivables as mentioned in the note below and that were not impaired (not provided for) was as follows:

Trade Receivables ₹ Crore

	As at March 31, 2021	As at March 31, 2020
Neither past due nor impaired	**725.12**	565.04
Past due 1–90 days	**238.17**	425.87
Past due 91–120 days	**24.41**	82.58
Past due more than 120 days	**16.80**	83.76
TOTAL	**1,004.50**	**1,157.25**

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, 2021	As at March 31, 2020
Opening Balance	**41.72**	**48.99**
Impairment loss recognised	**23.47**	1.65
Amounts written off / written back	**(4.27)**	(8.19)
Exchange difference	**(4.13)**	(0.73)
Closing Balance	**56.79**	**41.72**

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, 2021		Contractual cash flows			
	Carrying amount	Total	Less than 1 year	1-3 years	More than 3 years
Non-derivative financial liabilities					
Term loan and overdrafts from banks	1,768.32	1,780.71	1,296.94	483.77	-
Trade payables	2,159.64	2,159.64	2,159.64	-	-
Lease Liability	95.65	106.85	32.79	63.53	10.53
Other financial liabilities	422.32	422.32	422.32	-	-
Derivative financial liabilities					
Interest rate swaps	31.11	120.08	107.16	12.92	-
Forward exchange contracts used for hedging					
- Outflow	-	182.47	182.47	-	-
- Inflow	-	40.11	40.11	-	-

₹ Crore

As at March 31, 2020		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	3,518.35	3,600.50	1,416.82	1,876.34	307.34
Trade payables	2,480.49	2,480.49	2,480.49	-	-
Lease Liability	56.62	64.41	25.90	29.28	9.23
Other financial liabilities	521.54	521.54	389.56	131.98	-
Derivative financial liabilities					
Interest rate swaps	91.87	120.08	107.16	12.92	-
Forward exchange contracts used for hedging					
- Outflow	-	246.51	246.51	-	-
- Inflow	-	18.83	18.83	-	-

Note 50 : Hedge Accounting

The objective of hedge accounting is to represent, in the Group's financial statements, the effect of the Group's use of financial instruments to manage exposures arising from particular risks that could affect profit or loss. As part of its risk management strategy, the Group makes use of financial derivative instruments namely foreign exchange forward contracts for hedging the risk embedded in some of its highly probable forecast investment & interest rate swaps for hedging the risk interest rate fluctuation on some of its variable rate loans.

For derivative contracts designated as hedge, the Group documents, at inception, the economic relationship between the hedging instrument and the hedged item, the hedge ratio, the risk management objective for undertaking the hedge and the methods used to assess the hedge effectiveness. The derivative contracts have been taken to hedge foreign currency risk on highly probable forecast investment & interest rate risk on variable rate loans. The tenor of hedging instrument may be less than or equal to the tenor of underlying.

Financial contracts designated as hedges are accounted for in accordance with the requirements of Ind AS 109 depending upon the type of hedge. The Group applies cash flow hedge accounting to hedge the variability in a) the future cash flows on the overseas remittance to its subsidiary subject to foreign exchange risk; b) interest payments on variable rate loans.

The Group has a Board approved policy on assessment, measurement and monitoring of hedge effectiveness which provides a guideline for the evaluation of hedge effectiveness, treatment and monitoring of the hedge effective position from an accounting and risk monitoring perspective. Hedge effectiveness is ascertained at the time of inception of the hedge and periodically thereafter. The Group assesses hedge effectiveness on prospective basis. The prospective hedge effectiveness test is a forward looking evaluation of whether or not the changes in the fair value or cash flows of the hedging position are expected to be highly effective on offsetting the changes in the fair value or cash flows of the hedged position over the term of the relationship.

Hedge effectiveness is assessed through the application of critical terms match method & dollar off-set method. Any ineffectiveness in a hedging relationship is accounted for in the statement of profit and loss.

The table below enumerates the Group's hedging strategy, typical composition of the Group's hedge portfolio, the instruments used to hedge risk exposures and the type of hedging relationship:

Sr No	Type of risk/ hedge position	Hedged item	Description of hedging strategy	Hedging instrument	Description of hedging instrument	Type of hedging relationship
1	Currency risk hedge	Highly Probable Foreign currency (FCY) denominated investment into Overseas Subsidiary	FCY denominated highly probable forecast investment is converted into functional currency using a plain vanila foreign currency forward contract.	Fx forward contracts	Forward contracts are contractual agreements to buy or sell a specified financial instrument at a specific price and date in the future. These are customized contracts transacted in the over–the–counter market.	Cash flow hedge
2	Interest rate hedge	Floating rate loans	Floating rate financial liability is converted into a fixed rate financial liability using a floating to fixed interest rate swap.	Interest rate swap	Interest rate swap is a derivative instrument whereby the Group receives at a floating rate in return for a fixed rate liability.	Cash flow hedge

The tables below provide details of the derivatives that have been designated as cash flow hedges for the periods presented:

For the year ended March 31, 2021 ₹ Crore

Hedging Instrument	Notional principal amounts outstanding	Derivative Financial Instruments - Assets outstanding	Derivative Financial Instruments – Liabilities outstanding	Gain/(Loss) due to change in fair value for the year	Change in fair value for the year recognized in OCI	Ineffectiveness recognized in profit or loss	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from the hedge reserve to profit or loss	Line item in profit or loss affected by the reclassification
Interest rate swaps *(Refer Note 16 and 26)*	1,488.67	0.32	31.11	20.99	20.99	-	NA	NA	NA
Previous Year	*2,714.27*	*1.50*	*91.87*	*(18.56)*	*(18.56)*	-	*NA*	*NA*	*NA*

The table below provides a profile of the timing of the notional amounts of the Group's hedging instruments (based on residual tenor) along with the average price or rate as applicable by risk category:

₹ Crore

	As at March 31, 2021				As at March 31, 2020			
	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	**1,488.67**	**1,488.67**	**-**	**-**	2,714.27	2,344.06	370.21	-
Average rate	**2.16%**	**2.16%**	**-**	**-**	3.00%	2.93%	3.44%	-

The following table provides a reconciliation by risk category of the components of equity and analysis of OCI items resulting from hedge accounting:

₹ Crore

Particulars	**Movement in Cash flow hedge reserve for the year ended March 31, 2021**	**Movement in Cash flow hedge reserve for the year ended March 31, 2020**
Opening balance	**(24.45)**	(5.89)
Gain / (Loss) on the Effective portion of changes in fair value:		
a) Interest rate risk	**20.99**	(18.56)
b) Currency risk	-	-
Tax on movements on reserves during the year	-	-
Closing balance	**(3.46)**	**(24.45)**

Note 51 : Impairment of Investment in Associate

As per IND AS 36, the Group made an impairment testing of investments with Bhabhani Blunt Hairdressing Pvt Ltd, due to change in the economic scenario led by Covid. An impairment of 15.38 cr is recognised as an exceptional item, considering the indicators of impairment.

Following key assumptions were considered while performing Impairment testing:

Particulars	As at January 31, 2021
Average sales growth	**22-30%**
Terminal growth rate	**5%**
Pre- tax discount rate	**17-21%**

Note 52 : Goodwill and Other Intangible Assets with Indefinite Useful Life

Goodwill has been allocated to the Group's CGU as follows:

₹ Crore

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
India	**2.47**	2.47
Indonesia	**1,528.38**	1,601.38
Africa (including SON)	**3,101.68**	3,233.40
Argentina	**302.48**	317.18
Others*	**194.85**	184.89
Total	**5,129.85**	**5,339.32**

* Others Include Chile and Srilanka.

Each unit or group of units to which the goodwill is allocated -

a. represents the lowest level within the entity at which the goodwill is monitored for internal management purpose and

b. is not larger than an operating segment as defined in Ind AS 108 Operating Segments, before aggregation.

The recoverable amount of a CGU is based on its value in use. The value in use is estimated using discounted cash flows over a period of 5 years for all CGUs except Africa where a 10 year period has been used to recognise the longer period of faster growth in expected cash flows , before averaging to a lower pace of growth to perpetuity. The measurement using discounted cash flow is level 3 fair value based on inputs to the valuation technique used. Cash flows beyond 5 years (10 years in case of Africa CGU) is estimated by capitalising the future maintainable cash flows by an appropriate capitalisation rate and then discounted using pre tax discount rate.

Indefinite life brands have been allocated to the Group’s CGU as follows:

₹ Crore

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
India	**791.25**	791.25
Africa (including SON)	**1,413.75**	1,538.68
Chile	**8.26**	7.41
Total	**2,213.26**	**2,337.34**

The recoverable amount of the brands are based on its value in use. The value in use is estimated using discounted cash flows over a period of 5 years. The measurement using discounted cash flow is level 3 fair value based on inputs to the valuation technique used. Cash flows beyond 5 years is estimated by capitalising the future maintainable cash flows by an appropriate capitalisation rate and then discounted using pre tax discount rate.

Operating margins and growth rates for the five years (ten years in case of Africa CGU) cash flow projections have been estimated based on past experience and after considering the financial budgets/ forecasts approved by management. Other key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

Particulars (CGU and brands)	As at January 31, 2021		
	Average sales growth	Pre Tax discount rate	Terminal growth rate
Indonesia	8.2%	11.5%	6.0%
Africa (Including SON)	0% - 20%	6% - 18%	0% - 8%
Argentina	3.9%	16.9%	2.0%
Others*	5% - 16%	11% - 19%	3% - 5%

Particulars (CGU and brands)	As at January 31, 2020		
	Average sales growth	Pre Tax discount rate	Terminal growth rate
Indonesia	9.5%	12.15%	6.0%
Africa (Including SON)	0% - 28%	7% - 18%	3% - 7%
Argentina	7.3%	19.6%	2.0%
Others*	1.5% - 17.4%	9.5% - 20.8%	3% - 5%

* Others Include India, Chile and Srilanka.

The pre tax discount rate is based on risk free rate, beta variant adjusted for market premium and company specific risk factors.

Based on impairment test done as at January 31, 2021, Group has concluded that there is no impairment on Goodwill (March 31, 2020: ₹ 30 cr impairment of Goodwill in Argentina) and due to macro economic factors there was impairment for indefinite life intangible assets in Africa (including SON) of ₹ 61.68 crore as at March 31, 2021 (March 31, 2020 ₹ 40.48 crore). The impairment has been recorded as an 'Exceptional item' in the Consolidated Statement of Profit and Loss (refer Note 37).

With regard to the assessment of value in use other than the impairment recorded above, no reasonably possible change in any of the above key assumptions would cause the carrying amount of the CGUs to exceed their recoverable amount.

Note 53 : Segment Reporting

Description of segments and principal activities:

The Group has identified geographical segments as reportable segments which are as follows:

- Segment-1,India
- Segment-2, Indonesia
- Segment-3, Africa (Including Strength of Nature)
- Segment-4, others

The Chief Operating Decision Maker ("CODM") evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by operating segments. The CODM reviews revenue and profit as the performance indicator for all of the operating segments.

The group is engaged in manufacturing of personal, household and hair care products.

Information about reportable segments for the year ended March 31, 2021 and March 31, 2020 is as follows:

Year ended March 31, 2021

₹ Crore

Particulars		**India**	**Indonesia**	**Africa (including Strength of Nature)**	**Others**	**Total**
	Segment Revenue	**6,254.33**	1,770.02	2,498.53	665.93	11,188.81
Add/(Less):	Inter segment revenue	**(126.71)**	(28.66)	(0.93)	(3.89)	(160.19)
	Revenue from Operations	**6,127.62**	1,741.36	2,497.60	662.04	**11,028.62**
	Segment result	**1,649.72**	484.65	177.21	76.68	2,388.25
Add/(Less):	Inter segment					
	Other income	**25.43**	0.88	3.33	2.38	32.02
	Depreciation & Amortization	**(83.36)**	(25.12)	(80.75)	(14.62)	(203.85)
	Interest income	**21.76**	5.25	3.34	4.70	35.05
	Finance costs (Unallocable)	**-**	-	-	-	(126.63)
	Exceptional items (net)	**-**	-	-	-	(44.47)
	Share of net profits of equity accounted anvestees (net of income tax)	**-**	-	-	-	(0.01)
	Profit Before Tax					**2,080.36**
	Tax expense	**-**	-	-	-	(359.54)
	Profit After Tax					**1,720.82**

Year ended March 31, 2020

₹ Crore

Particulars		India	Indonesia	Africa (including Strength of Nature)	Others	Total
	Segment Revenue	**5,474.45**	1,695.86	2,316.22	555.58	10,042.11
Add/(Less):	Inter segment revenue	**(98.16)**	(31.56)	(0.41)	(1.18)	(131.31)
	Revenue from Operations	**5,376.29**	1,664.30	2,315.81	554.40	**9,910.80**
	Segment result	**1,448.39**	443.62	229.35	21.67	2,143.03
Add/(Less):	Inter segment					
	Other income	**15.98**	9.77	9.65	0.65	36.05
	Depreciation & Amortization	**(81.37)**	(23.71)	(75.27)	(16.93)	(197.28)
	Interest income	**58.09**	13.19	4.58	0.39	76.25
	Finance costs (Unallocable)	**-**	-	-	-	(217.41)
	Exceptional items (net)	**-**	-	-	-	(81.05)
	Share of net profits of equity accounted anvestees (net of income tax)	**-**	-	-	-	0.81
	Profit Before Tax					**1,760.40**
	Tax expense	**-**	-	-	-	(263.82)
	Profit After Tax					**1,496.58**

Particulars	As at March 31, 2021	As at March 31, 2020
Segment Assets		
a) India	**3,788.49**	4,014.87
b) Indonesia	**2,809.51**	2,864.15
c) Africa (including Strength of Nature)	**6,799.35**	7,257.53
d) Others	**990.99**	936.63
Less: Intersegment Eliminations	**(105.52)**	(116.17)
	14,282.82	**14,957.01**
Segment Liabilities		
a) India	**1,292.85**	1,487.23
b) Indonesia	**615.29**	529.48
c) Africa (including Strength of Nature)	**789.28**	1,050.39
d) Others	**225.05**	165.25
Less: Intersegment Eliminations	**(106.40)**	(138.81)
	2,816.07	**3,093.54**
Add: Unallocable liabilities	**2,027.85**	3,965.11
Total Liabilities	**4,843.92**	**7,058.65**

Information about major customers:

No Single customer represents 10% or more of the Group's total revenue for the year ended March 31, 2021 and March 31, 2020

Capital expenditure

₹ Crore

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
a) India	**72.76**	92.49
b) Indonesia	**23.06**	18.26
c) Africa (including Strength of Nature)	**62.68**	57.27
d) Others	**6.18**	6.68
Total	**164.69**	174.71

Note 54 : Assets Pledged As Security

The carrying amount of assets pledged as security for current and non-current borrowings are:

₹ Crore

		As at March 31, 2021	As at March 31, 2020
Current			
Financial assets			
Floating charge			
Trade receivables *(Refer Note 13)*		**2.82**	3.31
Total	**(a)**	**2.82**	3.31
Non Financial assets			
First charge			
Inventories *(Refer Note 11)*	**(b)**	**20.12**	14.39
Total current assets pledged as security	**(c) = (a) + (b)**	**22.94**	17.69
Non Current			
First charge			
Plant & Machinery *(Refer Note 3)*		**15.45**	16.01
Total non-current assets pledged as security	**(d)**	**15.45**	16.01
Total assets pledged as security	**(e) = (c) + (d)**	**38.39**	**33.71**

Note 55 : Additional Information, as required under Schedule III to the Companies Act, 2013, of Enterprises Consolidated as Subsidiary/Associates

Name of the Enterprise	Net Assets (i.e. total assets minus total liabilities)		Share in Profit/Loss account		Share in Other comprehensive income (OCI)		Share in Total comprehensive income	
	As % of consolidated net assets	Amount (₹ in crore)	As % of consolidated profits	Amount (₹ in crore)	As % of consolidated OCI	Amount (₹ in crore)	As % of Total Comprehensive Income	Amount (₹ in crore)
Parent								
Godrej Consumer Products Limited (India)	67.37%	6,359.18	71.15%	1,224.34	-0.68%	1.11	78.70%	1,225.45
Subsidiaries								
Foreign								
Beleza Mozambique LDA	1.38%	130.57	2.33%	40.13			2.58%	40.13
Consell SA	0.00%	-0.04	0.00%	-0.03			0.00%	-0.03
Cosmetica Nacional	1.58%	148.69	0.61%	10.42			0.67%	10.42
Charm Industries Limited	0.07%	6.76	0.01%	0.22			0.01%	0.22
Canon Chemicals Limited	0.70%	65.91	0.00%	-0.02			0.00%	-0.02
Darling Trading Company Mauritius Ltd	2.06%	194.81	4.36%	74.95			4.81%	74.95
Deciral SA	0.09%	8.22	0.06%	1.00			0.06%	1.00
DGH Phase Two Mauritius	2.97%	280.79	0.07%	1.14			0.07%	1.14
DGH Tanzania Limited	0.81%	76.21	-0.01%	-0.11			-0.01%	-0.11
DGH Uganda	0.00%	-0.42	0.00%	-0.08			-0.01%	-0.08
Frika Weave (PTY) LTD	0.04%	3.51	0.02%	0.33			0.02%	0.33
Godrej Africa Holdings Limited	27.66%	2,610.49	3.73%	64.18			4.12%	64.18
Godrej Consumer Holdings (Netherlands) B.V.	7.43%	701.46	-1.81%	-31.15			-2.00%	-31.15
Godrej Consumer Investments (Chile) Spa	3.98%	375.90	0.00%	-0.00			0.00%	-0.00
Godrej Consumer Products (Netherlands) B.V.	0.44%	41.37	-0.02%	-0.29			-0.02%	-0.29
Godrej Consumer Products Bangladesh Ltd	0.00%	-0.11	0.00%	-0.02			0.00%	-0.02
Godrej Consumer Products Dutch Coöperatief U.A.	8.05%	760.26	-1.81%	-31.14			-2.00%	-31.14
Godrej Consumer Products Holding (Mauritius) Limited	19.09%	1,802.32	7.83%	134.74	-1.70%	2.79	8.83%	137.53
Godrej Consumer Products International (FZCO)	0.63%	59.53	3.70%	63.71			4.09%	63.71
Godrej East Africa Holdings Ltd	6.41%	605.30	-1.17%	-20.08			-1.29%	-20.08
Godrej Global Mid East FZE	0.23%	21.32	0.69%	11.80			0.76%	11.80
Godrej Hair Care Nigeria Limited (Dissolved on April 14, 2020)	0.00%	-	0.00%	-			0.00%	-

Name of the Enterprise	Net Assets (i.e. total assets minus total liabilities)		Share in Profit/Loss account		Share in Other comprehensive income (OCI)		Share in Total comprehensive income	
	As % of consolidated net assets	Amount (₹ in crore)	As % of consolidated profits	Amount (₹ in crore)	As % of consolidated OCI	Amount (₹ in crore)	As % of Total Comprehensive Income	Amount (₹ in crore)
Godrej Hair Weave Nigeria Limited (Dissolved on April 23, 2020)	0.00%	-	0.00%	-			0.00%	-
Godrej Holdings (Chile) Limitada	4.71%	444.25	0.54%	9.32			0.60%	9.32
Godrej Household Products (Bangladesh) Pvt. Ltd.	0.03%	3.24	0.00%	0.09			0.01%	0.09
Godrej Household Products (Lanka) Pvt. Ltd.	0.15%	14.05	0.24%	4.08			0.26%	4.08
Godrej Indonesia IP Holding Ltd.	0.01%	1.00	6.05%	104.18			6.69%	104.18
Godrej International Trading Company (Sharjah) (Dissolved on January 21, 2021)	0.00%	-	0.03%	0.57			0.04%	0.57
Godrej Mauritius Africa Holdings Ltd.	12.42%	1,172.66	1.59%	27.28	-5.50%	9.00	2.33%	36.28
Godrej MID East Holdings Limited	0.03%	2.53	5.59%	96.19			6.18%	96.19
Godrej Netherlands B.V.	5.21%	491.62	0.09%	1.62			0.10%	1.62
Godrej Nigeria Limited	0.16%	15.38	-1.46%	-25.04	-0.09%	0.14	-1.60%	-24.90
Godrej Peru SAC	0.02%	2.24	-0.34%	-5.88			-0.38%	-5.88
Godrej SON Holdings INC	16.53%	1,560.71	6.82%	117.38	-5.62%	9.20	8.13%	126.58
Godrej South Africa Proprietary Ltd	1.17%	110.01	0.44%	7.57			0.49%	7.57
Godrej Tanzania Holdings Ltd	0.99%	93.65	-0.14%	-2.38			-0.15%	-2.38
Godrej (UK) Ltd	1.07%	101.15	-0.04%	-0.62			-0.04%	-0.62
Godrej West Africa Holdings Ltd.	1.23%	115.85	3.93%	67.63			4.34%	67.63
Hair Credentials Zambia Limited	0.03%	2.69	-0.09%	-1.53			-0.10%	-1.53
Hair Trading (offshore) S. A. L	0.83%	78.30	0.71%	12.27			0.79%	12.27
Indovest Capital	0.01%	0.92	0.00%	-0.03			0.00%	-0.03
Issue Group Brazil Limited	0.01%	1.23	0.01%	0.16			0.01%	0.16
Kinky Group (Pty) Limited	0.30%	28.60	0.06%	1.11			0.07%	1.11
Laboratoria Cuenca S.A	0.82%	77.01	2.03%	34.88			2.24%	34.88
Lorna Nigeria Ltd.	1.61%	152.19	0.96%	16.57	-0.07%	0.12	1.07%	16.69
Old Pro International Inc	1.41%	133.50	0.00%	-			0.00%	-
Panamar Producciones S.A.	0.01%	0.57	0.00%	-0.01			0.00%	-0.01
PT Ekamas Sarijaya	0.16%	14.78	0.01%	0.18			0.01%	0.18
PT Indomas Susemi Jaya	1.00%	94.74	0.84%	14.43			0.93%	14.43
PT Godrej Distribution Indonesia	1.45%	137.27	2.18%	37.50			2.41%	37.50

Name of the Enterprise	Net Assets (i.e. total assets minus total liabilities)		Share in Profit/Loss account		Share in Other comprehensive income (OCI)		Share in Total comprehensive income	
	As % of consolidated net assets	Amount (₹ in crore)	As % of consolidated profits	Amount (₹ in crore)	As % of consolidated OCI	Amount (₹ in crore)	As % of Total Comprehensive Income	Amount (₹ in crore)
PT Megasari Makmur	16.40%	1,548.24	16.45%	283.05	-1.82%	2.97	18.37%	286.02
PT Sarico Indah	0.14%	13.36	0.06%	1.05			0.07%	1.05
Sigma Hair Industries Limited	0.07%	6.42	-0.10%	-1.67			-0.11%	-1.67
Style Industries Uganda Limited	0.00%	0.00	0.00%	-			0.00%	-
Strength of Nature LLC	22.58%	2,131.35	0.51%	8.71			0.56%	8.71
Strength of Nature South Africa Proprietary Limited (Dissolved on Nov 11, 2020)	0.00%	-	0.02%	0.29			0.02%	0.29
Style Industries Limited	1.48%	139.96	-2.52%	-43.45			-2.79%	-43.45
Subinite (Pty) Ltd.	0.09%	8.43	-0.59%	-10.18			-0.65%	-10.18
Weave Ghana Ltd	0.57%	54.09	0.32%	5.48			0.35%	5.48
Weave IP Holdings Mauritius Pvt. Ltd.	0.01%	0.95	0.09%	1.63			0.10%	1.63
Weave Mozambique Limitada	0.51%	48.34	-0.12%	-2.02			-0.13%	-2.02
Weave Senegal Ltd	-0.04%	-3.38	-0.06%	-0.98			-0.06%	-0.98
Weave Trading Mauritius Pvt. Ltd.	0.00%	0.46	0.00%	-0.09			-0.01%	-0.09
Godrej CP Malaysia SDN. BHD	0.00%	-	0.00%	-			0.00%	
Adjustment arising out of consolidation					115.48%	(188.96)	-12.13%	-188.96
Associate (Investments as per Equity method)								
Bhabani Blunt Hairdressing Pvt. Ltd.	0.00%	-	0.00%	-0.01			0.00%	-0.01
Eliminations	-144.21%	(13611)	-33.85%	(582.54)	0.00%	0.00	-37.41%	(582.53)
Grand Total	**100.00%**	**9438.90**	**100.00%**	**1720.82**	**100.00%**	**-163.63**	**100.00%**	**1557.19**

Note 56 : Details of Subsidiaries and Associate

The companies considered in the consolidated financial statements are :

Name of the subsidiaries	Country of Incorporation	Ownership interest held by the Group	
		March 31, 2021	March 31, 2020
Godrej Household Products (Lanka) Pvt. Ltd.	Srilanka	**100%**	100%
Godrej South Africa Proprietary Ltd	South Africa	**100%**	100%
Godrej Consumer Products Bangladesh Ltd	Bangladesh	**100%**	100%
Godrej Household Products (Bangladesh) Pvt. Ltd.	Bangladesh	**100%**	100%
Beleza Mozambique LDA	Mozambique	**100%**	100%
Consell SA	Argentina	**100%**	100%
Cosmetica Nacional	Chile	**100%**	100%
Charm Industries Limited	Kenya	**100%**	100%
Canon Chemicals Limited	Kenya	**100%**	100%
Darling Trading Company Mauritius Ltd	Mauritius	**100%**	100%
Deciral SA	Uruguay	**100%**	100%
DGH Phase Two Mauritius	Mauritius	**100%**	100%
DGH Tanzania Limited	Mauritius	**100%**	100%
DGH Uganda	Mauritius	**100%**	100%
Frika Weave (PTY) LTD	South Africa	**100%**	100%
Godrej Africa Holdings Limited	Mauritius	**100%**	100%
Godrej Consumer Holdings (Netherlands) B.V.	Netherlands	**100%**	100%
Godrej Consumer Investments (Chile) Spa	Chile	**100%**	100%
Godrej Consumer Products (Netherlands) B.V.	Netherlands	**100%**	100%
Godrej Consumer Products Dutch Coöperatief U.A.	Netherlands	**100%**	100%
Godrej Consumer Products Holding (Mauritius) Limited	Mauritius	**100%**	100%
Godrej Consumer Products International (FZCO)	Dubai	**100%**	100%
Godrej East Africa Holdings Ltd	Mauritius	**100%**	100%
Godrej Global Mid East FZE	Sharjah	**100%**	100%
Godrej Hair Care Nigeria Limited (Dissolved on April 14, 2020)	Nigeria	**100%**	100%
Godrej Hair Weave Nigeria Limited (Dissolved on April 23, 2020)	Nigeria	**100%**	100%
Godrej Holdings (Chile) Limitada	Chile	**100%**	100%
Godrej Indonesia IP Holding Ltd.	Mauritius	**100%**	100%
Godrej International Trading Company (Sharjah) (Dissolved on January 21, 2021)	Sharjah	**100%**	100%
Godrej Mauritius Africa Holdings Ltd.	Mauritius	**100%**	100%
Godrej MID East Holdings Limited	Dubai	**100%**	100%
Godrej Netherlands B.V.	Netherlands	**100%**	100%
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%

Name of the subsidiaries	Country of Incorporation	Ownership interest held by the Group	
		March 31, 2021	March 31, 2020
PT Godrej Distribution Indonesia	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 (Dissolved on Nov 11, 2020)	South Africa	**100%**	100%
Style Industries Limited	Kenya	**100%**	100%
Subinite (Pty) Ltd.	South Africa	**100%**	100%
Weave Ghana Ltd	Ghana	**100%**	100%
Weave IP Holdings Mauritius Pvt. Ltd.	Mauritius	**100%**	100%
Weave Mozambique Limitada	Mozambique	**100%**	100%
Weave Senegal Ltd	Senegal	**100%**	100%
Weave Trading Mauritius Pvt. Ltd.	Mauritius	**100%**	100%
Godrej CP Malaysia SDN. BHD	Malaysia	**100%**	100%
Bhabhani Blunt Hairdressing Private Limited *(Associate)*	India	**28%**	28%

Note 57 : Covid 19 Impact

The year ended March 31,2021 was unprecedented due to the spread of Coronavirus pandemic across the globe, impacting all the geographies of our operations in the early months of the year. The Group has been working on a safety first principle, ensuring that our employees and business partners are safe and are taking all necessary precautions to control the spread of Coronavirus. While we did see impact of lockdown in the early part of the year, we displayed strong agility in ramping up the production and resolving logistics challenges. The Group is recording sequential recovery across most of our markets of operations. We also leveraged technology, strong relationships with our channel partners to meet the end consumer demand.

As per our current assessment other than the impairment recorded on investment and brands, no significant impact on carrying amounts of inventories, goodwill, intangible assets, trade receivables, other investments and other financial assets is expected, and we continue to monitor changes in future economic conditions.

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 Registration No. 101248W/W-100022

For and on behalf of the Board of directors

Vijay Mathur
Partner
M. No. 046476

V Srinivasan
Chief Financial Officer
& Company Secretary

Nisaba Godrej
Chairperson & Managing Director
DIN: 00591503

Mumbai: May 11, 2021

FORM AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹)

₹ (Crore)

Sl. No.	Name of the Subsidiary	Date when subsidiary was acquired	Reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries		Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of share holding
				Reporting Currency	Exchange rate											
1	**Beleza Mozambique LDA**	13-10-2011	01-Apr-2020 To 31-Mar-2021	MZN	1.048	12.97	117.60	144.58	14.01	0.00	353.31	40.13	0.00	40.13	-	100%
2	**Consell SA**	02-06-2010	01-Apr-2020 To 31-Mar-2021	ARS	0.789	0.23	(0.27)	0.00	0.04	0.00	0.00	(0.03)	0.00	(0.03)	-	100%
3	**Cosmetica Nacional**	20-04-2012	01-Apr-2020 To 31-Mar-2021	CPeso	0.099	126.93	21.76	219.74	71.05	0.00	195.43	16.64	6.22	10.42	-	100%
4	**Charm Industries Limited**	09-09-2014	01-Apr-2020 To 31-Mar-2021	KES	0.661	0.66	6.10	14.09	7.33	0.00	19.55	0.27	0.05	0.22	-	100%
5	**Canon Chemicals Limited**	05-05-2016	01-Apr-2020 To 31-Mar-2021	KES	0.661	8.94	56.98	79.60	13.68	0.00	75.18	1.76	1.78	(0.02)	-	100%
6	**Darling Trading Company Mauritius Ltd**	22-01-2015	01-Apr-2020 To 31-Mar-2021	USD	72.515	7.25	187.56	194.84	0.02	7.25	75.05	74.95	0.00	74.95	-	95%*
7	**Deciral SA**	02-06-2010	01-Apr-2020 To 31-Mar-2021	ARS	0.789	7.46	0.75	17.00	8.79	0.00	16.00	1.05	0.05	1.00	-	100%
8	**DGH Phase Two Mauritius**	09-05-2012	01-Apr-2020 To 31-Mar-2021	USD	72.515	252.87	27.92	327.32	46.53	340.62	2.59	1.40	0.26	1.14	-	90%*
9	**DGH Tanzania Limited**	06-12-2012	01-Apr-2020 To 31-Mar-2021	USD	72.515	77.25	(1.04)	76.27	0.06	39.88	0.00	(0.11)	0.00	(0.11)	-	100%
10	**DGH Uganda**	31-01-2017	01-Apr-2020 To 31-Mar-2021	UGX	72.515	0.00	(0.42)	0.00	0.42	0.00	0.00	(0.08)	0.00	(0.08)	-	51%*
11	**Frika Weave (PTY) LTD**	06-01-2015	01-Apr-2020 To 31-Mar-2021	ZAR	4.864	5.39	(1.88)	3.51	0.00	0.00	0.44	0.45	0.13	0.33	-	100%
12	**Godrej Africa Holdings Limited**	19-01-2015	01-Apr-2020 To 31-Mar-2021	USD	72.515	2433.09	177.40	2610.55	0.06	2610.45	64.31	64.18	0.00	64.18	-	100%

₹ (Crore)

Sl. No.	Name of the Subsidiary	Date when subsidiary was acquired	Reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries		Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of share holding
				Reporting Currency	Exchange rate											
13	**Godrej Consumer Holdings (Netherlands) B.V.**	31-03-2010	01-Apr-2020 To 31-Mar-2021	USD	72.515	0.19	701.27	701.57	0.11	701.52	0.00	(31.15)	0.00	(31.15)	-	100%
14	**Godrej Consumer Investments (Chile) Spa**	28-03-2012	01-Apr-2020 To 31-Mar-2021	USD	72.515	392.57	(16.68)	375.91	0.01	375.88	0.00	(0.00)	0.00	(0.00)	-	100%
15	**Godrej Consumer Products (Netherlands) B.V.**	31-03-2010	01-Apr-2020 To 31-Mar-2021	USD	72.515	0.17	41.21	41.41	0.04	41.36	0.00	(0.29)	0.00	(0.29)	-	100%
16	**Godrej Consumer Products Bangladesh Ltd**	13-04-2010	01-Apr-2020 To 31-Mar-2021	Taka	0.859	0.04	(0.16)	0.05	0.16	0.00	0.00	(0.02)	0.00	(0.02)	-	100%
17	**Godrej Consumer Products Dutch Coöperatief U.A.**	24-03-2010	01-Apr-2020 To 31-Mar-2021	USD	72.515	639.51	120.76	760.74	0.47	760.68	0.00	(31.14)	0.00	(31.14)	-	100%
18	**Godrej Consumer Products Holding (Mauritius) Limited**	23-04-2010	01-Apr-2020 To 31-Mar-2021	USD	72.515	1361.45	440.88	1899.87	97.55	1278.35	147.15	135.30	0.56	134.74	-	100%
19	**Godrej Consumer Products International (FZCO)**	28-02-2017	01-Apr-2020 To 31-Mar-2021	USD	72.515	7.25	52.28	435.24	375.71	0.00	520.27	63.71	0.00	63.71	-	95%*
20	**Godrej East Africa Holdings Ltd**	20-07-2012	01-Apr-2020 To 31-Mar-2021	USD	72.515	815.16	(209.86)	1301.36	696.05	1301.32	0.00	(20.08)	0.00	(20.08)	-	100%
21	**Godrej Global Mid East FZE**	05-07-2011	01-Apr-2020 To 31-Mar-2021	AED	19.743	9.05	12.26	58.13	36.81	0.00	105.08	11.80	0.00	11.80	-	100%
22	**Godrej Hair Care Nigeria Limited****	02-03-2016	01-Apr-2020 To 31-Mar-2021	Naira	0.196	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-2020 To 31-Mar-2021	Naira	0.196	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-2020 To 31-Mar-2021	USD	72.515	376.16	68.09	444.26	0.01	444.05	9.77	9.32	0.00	9.32	-	100%
25	**Godrej Household Products (Bangladesh) Pvt. Ltd.**	01-04-2010	01-Apr-2020 To 31-Mar-2021	Taka	0.859	91.62	(88.38)	33.94	30.70	0.00	94.32	1.59	1.50	0.09	-	100%

₹ (Crore)

Sl. No.	Name of the Subsidiary	Date when subsidiary was acquired	Reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries		Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of share holding
				Reporting Currency	Exchange rate											
26	**Godrej Household Products (Lanka) Pvt. Ltd.**	01-04-2010	01-Apr-2020 To 31-Mar-2021	LKR	0.366	26.29	(12.24)	33.72	19.67	0.00	63.77	3.86	(0.22)	4.08	-	100%
27	**Godrej Indonesia IP Holding Ltd.**	17-03-2015	01-Apr-2020 To 31-Mar-2021	USD	72.515	0.00	1.00	1.05	0.05	0.72	104.27	104.18	0.00	104.18	-	100%
28	**Godrej International Trading Company (Sharjah)****	01-09-2016	01-Apr-2020 To 31-Mar-2021	USD	72.515	0.00	0.00	0.00	0.00	0.00	0.00	0.57	0.00	0.57	-	51%*
29	**Godrej Mauritius Africa Holdings Ltd.**	14-03-2011	01-Apr-2020 To 31-Mar-2021	USD	72.515	1020.76	151.91	2595.70	1423.04	2582.75	74.30	27.48	0.20	27.28	-	100%
30	**Godrej MID East Holdings Limited**	28-07-2015	01-Apr-2020 To 31-Mar-2021	USD	72.515	0.72	1.82	2.80	0.27	0.00	97.85	96.19	0.00	96.19	-	100%
31	**Godrej Netherlands B.V.**	19-10-2005	01-Apr-2020 To 31-Mar-2021	USD	72.515	4.41	487.21	492.69	1.07	371.44	2.39	1.93	0.30	1.62	-	100%
32	**Godrej Nigeria Limited**	26-03-2010	01-Apr-2020 To 31-Mar-2021	Naira	0.177	0.27	15.12	104.59	89.21	0.00	118.60	(26.66)	(1.62)	(25.04)	-	100%
33	**Godrej Peru SAC**	11-04-2017	01-Apr-2020 To 31-Mar-2021	ARS	0.789	14.05	(11.81)	3.35	1.11	0.00	8.97	(3.57)	2.31	(5.88)	-	100%
34	**Godrej SON Holdings INC**	22-03-2016	01-Apr-2020 To 31-Mar-2021	USD	72.515	1492.36	68.35	1831.62	270.91	1831.16	143.94	117.38	0.00	117.38	-	100%
35	**Godrej South Africa Proprietary Ltd**	01-09-2006	01-Apr-2020 To 31-Mar-2021	ZAR	4.864	8.78	101.23	110.20	0.19	0.00	10.88	7.57	0.00	7.57	-	100%
36	**Godrej Tanzania Holdings Ltd**	30-11-2012	01-Apr-2020 To 31-Mar-2021	USD	72.515	132.88	(39.23)	203.81	110.16	123.52	3.81	(2.38)	0.00	(2.38)	-	100%
37	**Godrej (UK) Ltd**	24-10-2005	01-Apr-2020 To 31-Mar-2021	GBP	99.803	98.14	3.01	101.90	0.75	99.07	3.31	(0.22)	0.40	(0.62)	-	100%
38	**Godrej West Africa Holdings Ltd.**	11-02-2014	01-Apr-2020 To 31-Mar-2021	USD	72.515	115.81	0.04	115.90	0.06	115.79	73.56	73.43	5.80	67.63	-	95%*
39	**Hair Credentials Zambia Limited**	23-12-2015	01-Apr-2020 To 31-Mar-2021	ZMK	3.285	0.01	2.68	9.41	6.72	0.00	1.11	(1.53)	0.00	(1.53)	-	100%
40	**Hair Trading (offshore) S. A. L**	23-12-2015	01-Apr-2020 To 31-Mar-2021	USD	72.515	0.15	78.15	85.15	6.85	0.00	68.93	12.28	0.01	12.27	-	51%*

₹ (Crore)

Sl. No.	Name of the Subsidiary	Date when subsidiary was acquired	Reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries		Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of share holding
				Reporting Currency	Exchange rate											
41	**Indovest Capital**	17-03-2010	01-Apr-2020 To 31-Mar-2021	USD	72.515	0.09	0.84	1.05	0.13	0.00	0.00	(0.03)	0.00	(0.03)	-	100%
42	**Issue Group Brazil Limited**	23-05-2010	01-Apr-2020 To 31-Mar-2021	ARS	0.789	14.15	(12.92)	2.70	1.46	0.00	0.19	0.16	0.00	0.16	-	100%
43	**Kinky Group (Pty) Limited**	01-04-2008	01-Apr-2020 To 31-Mar-2021	ZAR	4.864	0.00	28.60	31.85	3.25	0.00	21.58	1.41	0.30	1.11	-	100%
44	**Laboratoria Cuenca S.A**	02-06-2010	01-Apr-2020 To 31-Mar-2021	ARS	0.789	12.69	64.32	181.47	104.46	12.69	244.94	47.03	12.15	34.88	-	100%
45	**Lorna Nigeria Ltd.**	05-09-2011	01-Apr-2020 To 31-Mar-2021	Naira	0.177	0.21	151.98	402.37	250.18	0.00	487.75	18.30	1.73	16.57	-	100%
46	**Old Pro International Inc**	28-04-2016	01-Apr-2020 To 31-Mar-2021	USD	72.515	0.00	133.50	133.50	(0.00)	0.00	0.00	0.00	0.00	0.00	-	100%
47	**Panamar Producciones S.A.**	02-06-2010	01-Apr-2020 To 31-Mar-2021	ARS	0.789	0.04	0.53	0.58	0.00	0.44	0.00	(0.01)	0.00	(0.01)	-	100%
48	**PT Ekamas Sarijaya**	17-05-2010	01-Apr-2020 To 31-Mar-2021	IDR	0.005	1.26	13.53	15.13	0.35	0.00	1.08	0.20	0.03	0.18	-	100%
49	**PT Indomas Susemi Jaya**	17-05-2010	01-Apr-2020 To 31-Mar-2021	IDR	0.005	1.44	93.30	105.21	10.47	0.00	44.44	18.41	3.98	14.43	-	100%
50	**PT Godrej Distribution Indonesia**	17-05-2010	01-Apr-2020 To 31-Mar-2021	IDR	0.005	0.50	136.77	451.91	314.64	0.00	1862.99	48.38	10.89	37.50	-	100%
51	**PT Megasari Makmur**	17-05-2010	01-Apr-2020 To 31-Mar-2021	IDR	0.005	73.61	1474.63	2092.65	544.41	2.56	1474.96	352.41	69.36	283.05	-	100%
52	**PT Sarico Indah**	17-05-2010	01-Apr-2020 To 31-Mar-2021	IDR	0.005	3.37	9.99	23.46	10.10	0.00	25.10	1.32	0.27	1.05	-	100%
53	**Sigma Hair Industries Limited**	19-12-2012	01-Apr-2020 To 31-Mar-2021	TZS	0.031	37.94	(31.52)	56.32	49.90	0.00	109.99	(1.12)	0.55	(1.67)	-	100%
54	**Style Industries Uganda Limited**	15-06-2016	01-Apr-2020 To 31-Mar-2021	UGX	0.020	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-	51%*
55	**Strength of Nature LLC**	28-04-2016	01-Apr-2020 To 31-Mar-2021	USD	72.515	0.00	2131.35	2285.21	153.86	32.82	537.19	1.18	(7.53)	8.71	-	100%
56	**Strength of Nature South Africa Proprietary Limited****	28-04-2016	01-Apr-2020 To 31-Mar-2021	ZAR	72.515	0.00	0.00	0.00	0.00	0.00	0.29	0.29	0.00	0.29	-	100%

₹ (Crore)

Sl. No.	Name of the Subsidiary	Date when subsidiary was acquired	Reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries		Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of share holding
				Reporting Currency	Exchange rate											
57	**Style Industries Limited**	01-11-2012	01-Apr-2020 To 31-Mar-2021	KES	0.661	48.88	91.08	247.78	107.82	0.00	249.96	(43.06)	0.39	(43.45)	-	90%*
58	**Subinite (Pty) Ltd.**	06-09-2011	01-Apr-2020 To 31-Mar-2021	ZAR	4.864	0.00	8.43	286.18	277.75	0.00	646.77	(10.18)	0.00	(10.18)	-	95%*
59	**Weave Ghana Ltd**	16-09-2014	01-Apr-2020 To 31-Mar-2021	CEDI	12.546	53.23	0.86	93.60	39.52	0.00	168.56	4.33	(1.15)	5.48	-	100%
60	**Weave IP Holdings Mauritius Pvt. Ltd.**	11-07-2011	01-Apr-2020 To 31-Mar-2021	USD	72.515	0.01	0.93	1.02	0.08	0.00	2.13	1.92	0.29	1.63	-	95%*
61	**Weave Mozambique Limitada**	13-10-2011	01-Apr-2020 To 31-Mar-2021	MZN	1.048	12.94	35.40	69.43	21.09	0.00	120.05	(2.22)	(0.21)	(2.02)	-	95%*
62	**Weave Senegal Ltd**	08-04-2016	01-Apr-2020 To 31-Mar-2021	XOF	0.130	30.44	(33.82)	1.96	5.34	0.00	0.00	(0.98)	0.00	(0.98)	-	100%
63	**Weave Trading Mauritius Pvt. Ltd.**	05-07-2011	01-Apr-2020 To 31-Mar-2021	USD	72.515	0.01	0.46	0.66	0.20	0.14	0.00	(0.09)	0.00	(0.09)	-	51%*
64	**Godrej CP Malaysia SDN. BHD**	04-06-2018	01-Apr-2020 To 31-Mar-2021	MYR	17.509	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-	100%

* Financials of subsidiaries were considered 100% in consolidated financial statements

Names of subsidiaries which are yet to commence operations

Godrej CP Malaysia SDN. BHD

****Names of subsidiaries which have been liquidated or sold during the year:**

Godrej Hair Care Nigeria Limited (Dissolved on April 14, 2020)

Godrej Hair Weave Nigeria Limited (Dissolved on April 23, 2020)

Strength of Nature South Africa Proprietary Limited (Dissolved on Nov 11, 2020)

Godrej International Trading Company (Sharjah) (Dissolved on January 21, 2021)

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 21	
			No.	Amount of Investment in Associates/ Joint Venture (net of provision for diminution)	Extend of Holding %				Considered in Consolidation	Not Considered in Consolidation
1.	Bhabhani Blunt Hairdressing Private Limited	Year ended March 31, 2020	4967 Equity Instruments & 3060 Debentures	₹ 10.43 cr & ₹ 6.23 cr	28%	Godrej Consumer Products Ltd is holding more than 20% of share capital	Godrej Consumer Products Ltd stake is less than 51%	3.12	(0.01)	(0.04)

For and on behalf of the Board

Nisaba Godrej
Chairperson & Managing Director
DIN: 00591503

V Srinivasan
Chief Financial Officer
& Company Secretary

Mumbai: May 11, 2021

Godrej Consumer Products Limited

Registered Office:
Godrej One, 4th Floor, Pirojshanagar, Eastern Express Highway,
Vikhroli (East), Mumbai - 400 079
Tel.: +91 22 25188010/20/30 **Fax:** +91 22 25188040
Website: www.godrejcp.com **E-mail:** investor.relations@godrejcp.com
CIN: L24246MH2000PLC129806

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the 21st ANNUAL GENERAL MEETING (**AGM**) of the members of GODREJ CONSUMER PRODUCTS LIMITED will be held on Wednesday, August 4, 2021, at 4.00 p.m. through video conferencing/other audio visual means to transact the following businesses.

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements (both standalone and consolidated) of the Company for the financial year ended March 31, 2021 and Report of the Board of Directors and Auditors' Report thereon;

2. To appoint a Director in place of Mr. Nadir Godrej (DIN: 00066195), who retires by rotation, and being eligible, offers himself for re-appointment;

SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modification(s) the following resolutions:

3. **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 2021-22**

   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 2021-22, 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'.

4. **Ordinary Resolution for appointment of Mr. Sudhir Sitapati (DIN: 09197063) as Managing Director and CEO for a period of five years with effect from October 18, 2021**

   "RESOLVED THAT in accordance with the provisions of Sections 196,197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the rules thereunder, Mr. Sudhir Sitapati (DIN: 09197063) is hereby appointed as the Managing Director and CEO of the Company, on the following terms and conditions:

I. Period of appointment: October 18, 2021 to October 17, 2026

II. Remuneration

A. Fixed Compensation

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

In addition to the fixed compensation, Mr. Sudhir Sitapati 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 allowances may be granted to Mr. Sudhir Sitapati 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);
- Supplementary allowance;
- Leave Travel Allowance in accordance with the rules of the Company;
- Payment/ reimbursement of club fees, food vouchers, petrol reimbursement, car maintenance as per rules of the company;
- 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;
- 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.

The annual fixed remuneration which includes fixed and flexible remuneration shall be within the range of INR 6 crores p.a. to INR 12 crores p.a.

C. Variable Pay and 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).

D. Other Benefits

- Company car with driver
- Furnishing at residence as per rules of the Company;

- Payment/ reimbursement of medical/ hospitalization expenses in accordance with the rules of the Company;

- Group insurance cover, group mediclaim cover in accordance with the rules of the Company;

- Consolidated privilege leave, on full pay and allowance, Encashment/ accumulation of leave will all be permissible in accordance with the rules specified by the Company. Sick leave as per the rules of the Company;

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. Sitapati 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 tenure of Mr. Sudhir Sitapati, 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. Sudhir Sitapati is liable to retire by rotation. The appointment is terminable by giving three months' notice in writing on either side.

b) Mr. Sudhir Sitapati 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. Sitapati's endeavour, during the continuance of his employment, to prevent any other person from disclosing the aforesaid information.

c) If Mr. Sitapati 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, terminate the appointment 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.

RESOLVED FURTHER THAT

i) the Board of Directors be and are hereby authorized to alter and vary the terms and conditions of the appointment and/or remuneration subject to the same not exceeding the limits specified under Section 197 read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force)

ii) Any Key Managerial Personnel of the Company or any other person duly authorised by the Board be and are hereby severally authorised to take all such steps as may be necessary and expedient to give effect to this resolution and do all such acts including execution of agreement with Mr. Sudhir Sitapati.

By Order of the Board of Directors

V Srinivasan

Chief Financial Officer &
Company Secretary

Mumbai, July 2 2021

Notes:

1. The statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed herewith. The Board of Directors have considered and decided to include the Item Nos. 3 & 4 given above as Special Businesses in the forthcoming AGM.

2. In view of the continuing restrictions on the movement of people at several places in the country, due to outbreak of COVID-19, the Ministry of Corporate Affairs (MCA), vide its General Circular No. 02/2021 dated 13th January 2021 decided to allow Companies to conduct AGMs to through Video Conferencing (VC) or Other Audio Visual Means (OAVM) in accordance with requirements provided in paragraphs 3 and 4 of General Circular No. 20/2020 dated 5th May, 2020 and any other applicable circulars issued by the MCA & Securities and Exchange Board of India (SEBI). In accordance with the said circulars of MCA, SEBI and applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the 21st AGM of the Company shall be conducted through VC/ OAVM. The Central Depository Services (India) Limited ('CSDL') will be providing facility for voting through remote e-voting, for participation in the AGM through VC / OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC / OAVM is explained at Note No. 6.

3. As the AGM shall be conducted through VC / OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.

4. Institutional / Corporate Members are requested to send a scanned copy (PDF / JPEG format) of the Board Resolution authorising its representatives to attend and vote at the AGM, pursuant to Section 113 of the Act, at investor.relations@godrejcp.com.

5. **ELECTRONIC DISPATCH OF ANNUAL REPORT**

   - In accordance with the relevant MCA and SEBI Circulars, allowing electronic despatch of financial statements (including Report of Board of Directors, Auditors' report or other documents required to be attached therewith) instead of physical despatch, such statements including the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).

6. **PROCEDURE FOR JOINING THE AGM THROUGH VC/ OAVM:**

   - Shareholders will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access at www.evotingindia.com under shareholders/ members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/ members login where the EVSN of Company will be displayed.

- Shareholders are encouraged to join the Meeting through Laptops / IPads/ Tabs for better experience. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

- Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

- Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under section 103 of the Act.

7. **PROCEDURE TO RAISE QUESTIONS / SEEK CLARIFICATION WITH RESPECT TO ANNUAL REPORT:**

- Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, Demat Account number / folio number, mobile number along with their queries to investor.relations@godrejcp.com latest by 5 p.m. on Friday, 30th July, 2021. Questions / queries received by the Company till this time shall only be considered and responded during the AGM.

- Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

- The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

8. **Procedure for remote E-voting**

In accordance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, and the Secretarial Standards issued by the Institute of Company Secretaries of India, the Company is pleased to provide its members the facility to exercise their right to vote at the 21st 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.(IST) on Saturday, July 31, 2021 to 5.00 p.m. (IST) on Tuesday, August 3, 2021. 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, Wednesday, July 28, 2021, may cast their vote electronically.

(ii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

(iii) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

Individual Shareholders holding securities in demat mode with NSDL	1)	If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
	2)	If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp
	3)	Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.	

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	**Helpdesk details**
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.comor contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding in Demat form & physical shareholders.

1) The shareholders should log on to the e-voting website www.evotingindia.com.

2) Click on "Shareholders" module.

3) Now enter your User ID

   a. For CDSL: 16 digits beneficiary ID,

   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

   c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

4) Next enter the Image Verification as displayed and Click on Login.

5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below:

	For Shareholders holding shares in Demat Form other than individual and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

(iv) After entering these details appropriately, click on "SUBMIT" tab.

(v) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(vii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(viii) 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.

(ix) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(x) 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.

(xi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xiii) If a demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xiv) Facility for Non – Individual Shareholders and Custodians –Remote Voting

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively, Non- Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz., investor.relations@godrejcp.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/ OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.

2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.

3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.

4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

8. Only those shareholders, who are present in the AGM through VC/ OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

9. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self- attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to investor.relations@godrejcp.com

2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)

3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

4. If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

5. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill

Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

Mr Kalidas Vanjpe, Practising Company Secretary, (Membership No. FCS 7132) or failing him, Mr Ashok Ramani (Membership No. FCS 6808) has been appointed as the Scrutiniser to scrutinise the entire e-voting process in a fair and transparent manner. The Members desiring to vote through remote e-voting are requested to refer to the detailed procedure given hereinafter. The results of entire e-voting along with Scrutinizer's report shall be placed on the Company's website www.godrejcp.com within 2 days of passing resolutions at the AGM of the Company and communicated to stock exchanges, where the shares of the Company are listed.

9. PROCEDURE FOR INSPECTION OF DOCUMENTS:

The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Act and the Certificate from Auditors of the Company certifying that the ESOP Schemes of the Company are being implemented in accordance with, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and any other documents referred to in the accompanying Notice and Explanatory Statements, shall be made available for inspection through electronic mode, basis the request being sent on investor.relations@godrejcp.com.

10. DIVIDEND RELATED INFORMATION

Pursuant to the provisions of Section 124 of the Act, the Unpaid/Unclaimed Dividend pertaining upto the financial year 2013-14 and the May 2014 dividend paid during FY 2014-15 has been transferred by the Company to the Investor Education and Protection Fund (the 'IEPF') established by the Central Government. The Members are requested to note that as per Section 124(5) of the Companies Act, 2013, dividends 7 years from the date of transfer to the Company's Unpaid Dividend Account shall be transferred to the 'Investor Education and Protection Fund' (IEPF) of the Government. Unclaimed Dividends, as per the details given in the table below, will be transferred to the IEPF on the dates mentioned in the table. Those members who have not, so far, encashed these dividend warrants or any subsequent dividend warrants may claim or approach our Registrars (We have announced the change of RTA from Computech Sharecap Ltd to Link Intime Private Ltd. The handover date is not yet announced. Investors may check our website for the contact details of the new RTA)

Dividend Period	Type of Dividend	Paid in	Due date for transfer
2014-15	Interim	August 2014	September 9, 2021
2014-15	Interim	November 2014	December 7, 2021
2014-15	Interim	February 2015	March 13, 2022
2015-16	Interim	April 2015	June 3, 2022
2015-16	Interim	July 2015	September 3, 2022

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.

11. The Ministry of Corporate Affairs had notified provisions relating to unpaid / unclaimed dividend under Sections 124 and 125 of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016. As per these Rules, dividends which are not encashed / claimed by the shareholder for a period of seven consecutive years shall be transferred to the Investor Education and Protection Fund (IEPF) Authority. The IEPF Rules mandate the companies to transfer the shares of shareholders whose dividends remain unpaid / unclaimed for a period of seven consecutive years to the demat account of IEPF Authority. Hence, the Company urges all the shareholders to encash / claim their respective dividend during the prescribed period. The Member(s) whose dividend/ shares are transferred to the IEPF Authority can now claim their shares from the Authority by following the Refund Procedure as detailed on the website of IEPF Authority http://www.iepf.gov.in/IEPF/corporates.html

12. 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 our Registrars / Investor Relations Department of the Company by sending a duly signed letter along with self-attested copy of PAN Card and original cancelled cheque. The original cancelled cheque should bear the name of the Member. Members holding shares in demat form are requested to submit the aforesaid information to their respective Depository Participant. The Company will not be in position to issue Demand Drafts for dividends to those shareholders whose Bank account details are not updated.

13. Details as stipulated under Listing Regulations in respect of the Directors being appointed/re-appointed are attached herewith to the Notice.

By Order of the Board of Directors

V Srinivasan
Chief Financial Officer &
Company Secretary
Mumbai, July 2, 2021

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

ITEM 3

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 11, 2021, 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 2021-22 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. 3 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 4

The Nomination and Remuneration Committee recommended the appointment of Mr. Sudhir Sitapati as the Managing Director & CEO with effect from October 18, 2021 and the consequential change in role of Ms. Nisaba Godrej as a Whole-time Director with effect from October 18, 2021. The Board of Directors at its meeting held on May 11, 2021 approved his appointment as the Managing Director of the Company designated as "Managing Director & CEO", for a period of five years with effect from October 18, 2021.

The details of Mr. Sudhir Sitapati 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 Mr. Sudhir Sitapati 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 resolution.

The Board believes that the Company will benefit from his professional expertise and rich experience. Hence, the Board recommends the resolution at item no.4 to the Members for their approval.

None of the Directors, Key Managerial Personnel (KMP), or their relatives are, in any way, concerned with or interested, financially or otherwise in the said resolution.

By Order of the Board of Directors

V Srinivasan
Chief Financial Officer &
Company Secretary
Mumbai, July 2, 2021

Information pursuant to the Listing Regulations and Secretarial Standards with respect to appointment or re-appointment of Directors

Names of Director	**Nadir Godrej**	Sudhir Sitapati
Category	Non-Executive Director	Managing Director and CEO
DIN	00066195	09197063
Date of Birth and Age	August 26, 1951 69 years	August 31, 1976 44 years
Qualification	• B.S Chem Engg (M.I.T, U.S.A), • M.S Chem Engg. (Stanford, U.S.A)	• MBA from Indian Institute of Management, Ahmedabad • B.Sc in Math with Economics Honours from St. Xavier's College, Mumbai
Nature of Expertise/Experience	Industrialist	Marketing and General Management
Brief Resume	Appended at end of this table	Appended at end of this table
First Appointment on the Board	November 29, 2000	October 18, 2021 (Proposed)
Terms & Conditions of Appointment/ re-appointment	Re-appointment as a Non-Executive Director subject to retirement by rotation	As mentioned in the resolution
Last Drawn Remuneration Details along with remuneration sought to be paid	Last drawn remuneration is given in the Corporate Governance Section of the Annual Report. As a Non-Executive Director, he is entitled to sitting fees for attending meetings of the Board/Committee and Commission on Profits as may be approved by the shareholders from time-to-time within the limits set out in the Companies Act, 2013	The proposed appointment is the first appointment in the Company
No. of shares held in GCPL as at March 31, 2021	63*	NIL
Relationship with other Directors/ Manager/ KMP	Brother of Adi Godrej	None
No. of Board meetings attended out of 5 meetings held during the year	5	Not applicable
Directorship details	**Listed Public Companies:** Godrej Consumer Products Limited Godrej Industries Limited Godrej Agrovet Limited Godrej Properties Limited Astec Lifesciences Limited **Public Companies:** Godrej & Boyce Mfg. Co. Limited Creamline Dairy Products Limited Godrej Tyson Foods Limited **Private Companies:** Isprava Vesta Private Limited Foreign Companies: Godrej International Limited ACI Godrej Agrovet Private Limited	**Listed Public Companies:** NIL **Public Companies:** NIL **Private Companies:** NIL **LLPs:** NIL **Partnership Firms:** NIL

Names of Director	Nadir Godrej	Sudhir Sitapati
	LLPs: ABG Venture LLP NBG Enterprise LLP Anamudi Real Estate LLP **Partnership Firms;** Partner in RKN Enterprises	
Committee Positions	**Member:** Stakeholders' Relationship Committee: Godrej Properties Limited Risk Management Committee Godrej Properties Limited **Chairman:** Corporate Social Responsibility Committee Godrej Properties Limited	**Member:** NIL **Chairperson:** NIL

* This shareholding reflects holding in their own name and does not include shares held as one of the trustee of family trusts.

Brief Resume of the Directors proposed to be appointed/re-appointed:

Nadir Godrej

Mr. Nadir B. Godrej is the Managing Director of Godrej Industries Limited & Chairman of Godrej Agrovet Limited. Mr. Godrej has a Bachelor of Science degree in Chemical Engineering from Massachusetts Institute of Technology, a Master of Science degree in Chemical Engineering from Stanford University and an MBA from Harvard Business School.

He has been a Director of several Godrej companies since 1977 and has developed the animal feed, agricultural inputs and chemicals businesses of Godrej Industries and other associate companies, and has been very active in research. Mr. Godrej is a member of the South Asia Advisory Board of Harvard Business School. Mr. Godrej's outside commitments include: President of The Alliance Francaise De Bombay, CII National Council, Member, Past Chairman CII National Committee on Chemicals - Past Independent Director of Indian Hotels Company Limited and Mahindra & Mahindra Limited for many years. He is a member of the South Asia Research Centre Advisory Board of Harvard Business School.

He has been awarded the Chevalier de Legion d'Honneur, Globoil Life Time Achievement Award - 2012, OTAI Life Time Achievement Award - 2012, Chemtech CEW Leadership & Excellence Award - 2013, and Chemexcil Life Time Achievement Award - 2013. He also received the Porter Prize 2013 for Creating Shared Value awarded to Godrej Industries Ltd. Mr. Godrej recently received the prestigious CHEMTECH Leadership & Excellence Award 2017 - Hall of Fame.

Also, the Board of Management of Manav Rachna University has unanimously conferred Mr. Godrej with an Honorary Degree of Doctor of Philosophy. And recently Mr. Godrej was presented the award in Business Excellence at the IBG function on 31st January, 2018

Sudhir Sitapati

Mr. Sudhir Sitapati was the Executive Director - Foods and Refreshments at Hindustan Unilever Limited (HUL). In his 22 years at HUL, he has led teams across several categories and functions in India, Europe, South East Asia and Africa to create significant value for the business. Sudhir was appointed to the HUL Management Committee as an Executive Director in 2016, making him one of its youngest ever members. Under Sudhir's leadership, HUL built up its Foods and Refreshments business as one of the largest in India. This included the USD 5 billion merger and integration of GlaxoSmithKline Consumer Healthcare with HUL, the largest deal of its kind in the FMCG sector in India.

In his previous roles, Sudhir was instrumental in creating a world-class Tea business for HUL in India and leading HUL's Soaps business in the country. A passionate marketer, he has worked closely on internationally acclaimed purpose-led marketing campaigns for some of HUL's most iconic brands, including Surf Excel's 'Dirt is Good', Lifebuoy's 'Have you washed your hands with Lifebuoy?' on rotis at the Kumbh Mela, and Brooke Bond's 'Taste of Togetherness'.

He is currently the Co-Chair of the CII National Committee of Food Processing and is a past Co-Chair of the FMCG Committee. He was also a member of the advisory board of Flipkart in 2015. Sudhir is the author of the best-selling book 'The CEO Factory: Management lessons from Hindustan Unilever'. The book was a runner up at the Tata Book Festival, 2020. Sudhir has an MBA from the Indian Institute of Management, Ahmedabad and a B.Sc in Math with Economics Honours from St. Xavier's College, Mumbai.

Notes

Notes

Notes


Godrej | CONSUMER PRODUCTS