

# 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 2022, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "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 2022, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered

Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence 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 Matter

The key audit matter	How the matter was addressed in our audit
<b>Revenue recognition</b> (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, involves judgement and estimates. This leads to a risk of revenue being misstated due to inaccurate estimation over discounts and volume rebates.	Our audit procedures included:  Assessing the compliance of revenue recognition accounting policies, including those relating to discounts and rebates, with reference to Ind AS 115 Revenue from contracts with customers (applicable accounting standard);

Revenue is recognised when the control of the products being sold has transferred to the customer.	Testing the design, implementation and operating effectiveness of the Company's general IT controls and key IT application / manual controls over the Company's systems, with the assistance of our IT specialists. These IT systems enable recording of revenue and computing discounts and volume rebates in the general ledger accounting system;
There is a risk of revenue being overstated on account of manipulation in the timing of transfer of control, due to the pressure on the Company to achieve performance targets for the year.	Performing substantive testing (including for period end cut-off) by selecting statistical samples of revenue transactions recorded for the year and agreeing to the underlying documents, which included sales invoices and shipping documents;
Accordingly, revenue recognition is considered to be a key audit matter.	Performing substantive testing by agreeing statistical samples of discounts and rebate accruals and disbursements to underlying documents;
	Performing a retrospective assessment of discounts and rebate accruals with prior period to evaluate the historical accuracy; and
	Assessing manual journals posted to revenue to identify unusual items.

<b>Intangible Assets -impairment assessment</b>	Our audit procedures included:
(Refer note 4 to the standalone financial statements).	Evaluating design and implementation and testing operating effectiveness of controls over the Company's process of impairment assessment and approval of forecasts;
The carrying amount of brands (indefinite life intangible assets) represent 9% of the Company's total assets.	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;
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.	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;
Accordingly, impairment assessment of intangible assets is considered to be a key audit matter.	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.

<b>Other Information</b>	Company's annual report, but does not include the standalone financial statements and our auditor's report thereon.	the other information and we do not express any form of assurance conclusion thereon.
The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the	Our opinion on the standalone financial statements does not cover	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' Responsibilities for the Standalone Financial Statements**

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and

completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, 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 financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used

and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the

Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, 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 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 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 financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements - Refer Note 42 to the standalone financial statements.
- b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2022.
- c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- d)(i) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 51 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented, that, to the best of its knowledge and belief, as disclosed in Note 52 to the standalone financial statements, no funds have been

received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

e) The Company has neither declared nor paid any dividend during the year.

(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 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: 22046476AJFSBE3398

Mumbai: 19 May 2022

**Annexure A to the Independent Auditor's Report - 31 March 2022**

(Referred to in our report of even date)

- (i) (a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (a)(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies

were noticed on such verification.

- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the

Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

- (ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate

from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

Particulars	Guarantees (₹ in Crores)
Aggregate Amount during the year	
- Subsidiaries	278.54
Balance outstanding as at the balance sheet date	
- Subsidiaries	1,220.51

(iii) (a)(A) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made investments in and provided guarantees to companies and other parties during the year, in respect of which the requisite information is as below. The Company has not made any investments in or provided guarantees to firms and limited liability partnership during the year. The Company has not provided any security or granted loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or any other parties during the year.

(a)(B) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has provided guarantees to companies as below:

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the investments made and guarantees provided, and the terms and conditions of the guarantees provided during the year are, prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans and advances in the nature of loans to any party during the year. Accordingly, provisions of clauses 3(iii) (c) to (f) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company

has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 ("the Act"). In respect of the investments made and guarantees given by the Company, in our opinion the provisions of Section 186 of the Act have been complied with. The Company has not provided any security to the parties covered under Section 186 of the Act.

- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013 in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these

statutory dues have been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Profession Tax, Cess and other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been slight delays in a few cases of Provident Fund, Employee's State Insurance and Profession Tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Profession Tax, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Sales tax, Goods and Services Tax ('GST'), Excise duty and Income-Tax which have not been deposited on account of any dispute are as stated in Annexure 1.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of borrowings or in the payment of interest thereon to financial institutions during the year. Further, the Company did not have any outstanding loans or borrowings from any other lender during the year.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix) (c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on

- account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under Companies Act, 2013.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under Companies Act, 2013).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly or optionally convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, provisions of clauses 3(xii)(a) to 3(xii)(c) of the Order are not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly,

- clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC as part of the Group.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.
- (b) In respect of ongoing projects, the Company has transferred the unspent amount to a Special Account within a period of 30 days from the end of the financial year in compliance with Section 135(6) of the said Act.

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No:  
101248W/W-100022

**Vijay Mathur**  
Partner  
Membership No: 046476  
UDIN: 22046476AJFSBE3398

Mumbai: 19 May 2022

## Annexure I

Name of the Statute	Nature of dues	Amount under Dispute (₹ in crores)	Amount 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	12.16	2002-03 to 2014-15, 2016-17 to 2017-18	Supreme Court
		10.32	4.73	1999-00 to 2006-07, 2012-13 to 2016-17	High court
		30.36	12.57	2000-03, 2004-2018	Tribunal
		2.54	0.70	2007-10, 2012-13, 2016-17	Joint Commissioner
		0.34	0.13	1998-99, 2005-06, 2014-15	Deputy Commissioner
		8.32	3.97	1996-99, 2000-01, 2002-12, 2013-17	Assistant Commissioner
Goods and Service Tax Act	Goods and Service Tax	0.61	0.61	2019 to 2021	Tribunal
		0.85	0.72	2017 to 2022	Assistant Commissioner
The Central Excise Act	Excise duty (including interest and penalty, if applicable)	4.06	0.04	2003-04 to 2011 & 2017-18	Commissioner (Appeals)
		38.79	0.54	2007-08 to 2011-12 & 2013-14	Commissioner of Central Excise
		61.89	2.17	2008 to 2017	Customs, Excise and Service Tax Appellate Tribunal of various states
Income tax Act, 1961	Income tax (including interest and penalty, if applicable)	6.51	-	2005-06, to 2007-08, 2008-09	High court
		6.27	-	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 2022

#### 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 2022 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 2022, 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: 22046476AJFSBE3398

Mumbai: 19 May 2022

## Standalone Balance Sheet as at March 31, 2022

	Note No.	As at March 31, 2022	₹ Crore As at March 31, 2021
<b>I. ASSETS</b>			
<b>1. Non-current assets</b>			
(a) Property, plant and equipment	3	558.21	543.59
(b) Capital work-in-progress	3A	76.62	32.96
(c) Right-of-use assets	3B	29.84	41.85
(d) Goodwill	4	2.48	2.48
(e) Other intangible assets	4	801.27	802.21
(f) Intangible assets under development	4A	1.69	4.46
<b>(g) Financial assets</b>			
(i) Investments in subsidiaries and associates	5	4,409.40	3,923.76
(ii) Other Investments*	6	25.20	-
(iii) Loans	7	0.03	0.04
(iv) Others	8	23.42	26.35
(h) Deferred tax assets (Net)	9	349.91	327.21
(i) Other non-current assets	10	77.86	47.10
(j) Non-current Tax assets (Net)	11	45.96	40.68
<b>Total Non-current assets</b>		<b>6,401.89</b>	<b>5,792.69</b>
<b>2. Current assets</b>			
(a) Inventories	12	790.84	702.83
<b>(b) Financial assets</b>			
(i) Investments	13	766.40	644.42
(ii) Trade receivables	14	336.92	247.46
(iii) Cash and cash equivalents	15 A	35.23	62.78
(iv) Bank balances other than (iii) above	15 B	309.74	20.93
(v) Loans	16	0.05	0.06
(vi) Others	17	38.15	75.43
(c) Other current assets	18	203.85	148.99
<b>Total Current assets</b>		<b>2,481.18</b>	<b>1,902.90</b>
<b>TOTAL ASSETS</b>		<b>8,883.07</b>	<b>7,695.59</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>1. EQUITY</b>			
(a) Equity Share capital	19	102.26	102.25
(b) Other Equity	20	7,748.86	6,256.93
<b>Total Equity</b>		<b>7,851.12</b>	<b>6,359.18</b>
<b>2. LIABILITIES</b>			
<b>Non-current liabilities</b>			
<b>(a) Financial Liabilities</b>			
(ia) Lease liabilities	21	20.42	31.44
(b) Provisions	22	57.43	63.52
(c) Other non-current liabilities	23	6.93	14.85
<b>Total Non current liabilities</b>		<b>84.78</b>	<b>109.81</b>
<b>Current liabilities</b>			
<b>(a) Financial liabilities</b>			
(i) Borrowings	24	-	0.14
(ia) Lease liabilities	25	11.03	11.98
<b>(ii) Trade payables</b>			
(a) Total outstanding dues of Micro and Small Enterprises	26	23.24	24.86
(b) Total outstanding dues of creditors other than Micro and Small Enterprises	26	602.06	777.50
(iii) Other financial liabilities	27	89.34	160.25
(b) Other current liabilities	28	155.46	188.20
(c) Provisions	29	65.08	62.71
(d) Current tax liabilities (Net)	9	0.96	0.96
<b>Total Current liabilities</b>		<b>947.17</b>	<b>1,226.60</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>8,883.07</b>	<b>7,695.59</b>

\* amounts less than ₹ 0.01 crore

The accompanying notes 1 to 56 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

**Vijay Mathur**

Partner

M. No. 046476

Mumbai: May 19, 2022

**Nisaba Godrej**

Executive Chairperson

DIN : 00591503

**Sameer Shah**

Chief Financial Officer

For and on behalf of the Board

**Sudhir Sitapati**

Managing Director & CEO

DIN: 09197063

**Rahul Botadara**

Company Secretary and Compliance-  
Officer

## Standalone Statement of Profit and Loss for the year ended March 31, 2022

₹ Crore

	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
<b>Revenue</b>			
I Revenue from Operations	30	6,951.56	6,254.33
II Other Income	31	69.18	64.74
<b>III Total Income (I + II)</b>		<b>7,020.74</b>	<b>6,319.07</b>
<b>IV Expenses</b>			
Cost of Materials Consumed	32	3,063.93	2,394.30
Purchases of Stock-in-Trade		325.54	356.31
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	33	2.98	(41.20)
Employee Benefits Expense	34	347.52	417.09
Finance Costs	35	7.87	24.81
Depreciation and Amortization Expense	36	85.61	83.38
Other Expenses	37	1,483.05	1,475.08
<b>Total Expenses</b>		<b>5,316.50</b>	<b>4,709.77</b>
<b>V Profit Before Exceptional Items and Tax (III-IV)</b>		<b>1,704.24</b>	<b>1609.30</b>
<b>VI Exceptional Items (net)</b>	38	<b>(58.21)</b>	15.38
<b>VII Profit Before Tax (V-VI)</b>		<b>1,762.45</b>	<b>1,593.92</b>
<b>VIII Tax Expense</b>			
(1) Current Tax (Refer Note 9)		306.44	293.31
(2) Deferred Tax (Refer Note 9)		(23.14)	76.27
<b>Total Tax Expense</b>		<b>283.30</b>	<b>369.58</b>
<b>IX Profit for the Year (VII-VIII)</b>		<b>1,479.15</b>	<b>1,224.34</b>
<b>X Other Comprehensive Income</b>			
<b>A (i) Items that will not be reclassified to profit or loss</b>			
Remeasurements of defined benefit plans		1.26	1.71
<b>(ii) Income tax relating to items that will not be reclassified to profit or loss</b>			
Remeasurements of defined benefit plans		(0.44)	(0.60)
<b>Other Comprehensive Income for the year</b>		<b>0.82</b>	<b>1.11</b>
<b>Total Comprehensive Income for the year (IX+X)</b>		<b>1,479.97</b>	<b>1,225.45</b>
<b>IX Earnings per Equity Share (Face Value ₹ 1)</b>			
(1) Basic (₹)	39	14.47	11.97
(2) Diluted (₹)		14.46	11.97

The accompanying notes 1 to 56 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

**Vijay Mathur**  
Partner  
M. No. 046476

Mumbai: May 19, 2022

**Nisaba Godrej**  
Executive Chairperson  
DIN : 00591503

**Sameer Shah**  
Chief Financial Officer

For and on behalf of the Board

**Sudhir Sitapati**  
Managing Director & CEO  
DIN: 09197063

**Rahul Botadara**  
Company Secretary and Compliance-  
Officer

## Standalone Statement of Cash Flows for the year ended March 31, 2022

	Year ended March 31, 2022	₹ Crore Year ended March 31, 2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Tax	1,762.45	1,593.92
<b>Adjustment for:</b>		
Non-Cash Items		
Depreciation and amortisation	85.61	83.38
Unrealised Foreign Exchange Loss / (Gain)	0.41	(5.57)
(Write-back) / Provision for Doubtful Debts / Advances	0.79	10.32
(Write-back) / Provision for Non Moving Inventory	(13.58)	19.84
Write off / (Write-back) of Old Balances	0.06	(0.72)
Expenses on Employee Stock Grant Scheme (ESGS)	11.96	6.09
(Reversal) / Provision for diminution in the value of investments	(15.38)	15.38
Finance Costs	7.87	24.81
Loss on Fixed Assets Sold / Discarded (Net)	3.36	9.09
Profit on divestment of Associate (Net)	(42.83)	-
Profit on Sale of Investments (Net)	(10.90)	(14.02)
Fair value Loss / (Gain) on financial assets measured at FVTPL	(0.62)	(0.53)
Corporate Guarantee Commission	(0.08)	(2.82)
Interest income	(36.38)	(21.99)
Operating Cash Flows Before Working Capital Changes	1,752.74	1,717.18
<b>Adjustments for:</b>		
Increase in inventories	(78.21)	(64.95)
(Increase) / Decrease in trade receivables	(86.46)	43.46
Decrease / (Increase) in loans	0.02	-
Decrease in other financial assets	37.72	93.70
(Increase) / Decrease in other non-financial assets	(56.84)	66.04
Decrease in trade payables, Current liabilities and other financial liabilities	(284.89)	(199.86)
(Decrease) / Increase in non - financial liabilities and provisions	(11.08)	16.22
	(479.74)	(45.39)
Cash Generated from Operating Activities	1,273.00	1,671.79
<b>Adjustment for:</b>		
Income taxes paid (Net)	(311.72)	(297.77)
<b>Net Cash Flow from Operating Activities ( A )</b>	<b>961.28</b>	<b>1,374.02</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipment and Intangible assets (Net)	(161.35)	(65.91)
Proceeds from Sale of Property, Plant & Equipment and Intangibles	4.64	0.79
Investments in Mutual Funds (Net)	(177.14)	(125.11)
Investment in Deposits with NBFCs	(351.64)	(514.80)
Redemption in Deposits with NBFCs	509.80	587.06
(Investment in) / Proceeds from sale of NCDs with NBFCs (Net)	(65.36)	34.95
Investment in commercial Papers (Net)	(49.98)	-
Investments in Fixed Deposits having maturities greater than 3 months (Net)	(281.75)	(0.13)
Investments in Subsidiaries	(502.30)	(981.36)
Proceeds from divestment of Associate (Net)	78.65	-
Interest Received	28.01	45.41
<b>Net Cash Flow used in Investing Activities ( B )</b>	<b>(968.44)</b>	<b>(1,019.10)</b>

## Standalone Statement of Cash Flows for the year ended March 31, 2022

	Year ended March 31, 2022	₹ Crore Year ended March 31, 2021
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Allotment of Equity Shares under ESGs	0.01	0.02
Proceeds / (Repayments) from Commercial Paper	-	(247.33)
Repayment of Short-term loans	(0.14)	(69.86)
Loan given to subsidiaries	-	(29.42)
Loan repaid by subsidiaries	-	29.42
Finance costs paid	(5.89)	(24.72)
Principal payment of Lease liabilities	(11.98)	(11.18)
Finance cost paid towards Lease liabilities	(2.37)	(2.79)
<b>Net Cash Flow from/(used in) Financing Activities ( C )</b>	<b>(20.37)</b>	<b>(355.86)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(27.53)</b>	<b>(0.94)</b>
<b>CASH AND CASH EQUIVALENTS:</b>		
As at the beginning of the year (Refer Note 15 A)	62.78	63.76
Unrealised Foreign Exchange Restatement in Cash and Cash Equivalents	(0.02)	(0.04)
As at the end of the year (Refer Note 15 A)	35.23	62.78
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(27.53)</b>	<b>(0.94)</b>
<b>Movement of borrowings:</b>	<b>Year ended March 31, 2022</b>	<b>Year ended March 31, 2021</b>
<b>Opening balance</b>	<b>0.14</b>	<b>317.33</b>
Cashflows (net)	(0.14)	(317.19)
<b>Closing balance</b>	<b>0.00</b>	<b>0.14</b>

**Notes:**

- The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in IND AS 7, 'Statement of Cash Flows.'
- The accompanying notes 1 to 56 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

**Vijay Mathur**  
 Partner  
 M. No. 046476

Mumbai: May 19, 2022

**Nisaba Godrej**  
 Executive Chairperson  
 DIN : 00591503

**Sameer Shah**  
 Chief Financial Officer

For and on behalf of the Board

**Sudhir Sitapati**  
 Managing Director & CEO  
 DIN: 09197063

**Rahul Botadara**  
 Company Secretary and Compliance-  
 Officer

## Standalone Statement of Changes in Equity for the year ended March 31, 2022

### (a) Equity share capital

₹ Crore

	Note No.	
<b>As at April 1, 2020</b>		102.23
Changes in equity share capital during the year		0.02
<b>As at March 31, 2021</b>		<b>102.25</b>
Changes in equity share capital during the year	19	0.01
<b>As at March 31, 2022</b>		<b>102.26</b>

### (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	
<b>Balance at April 1, 2021</b>	<b>1,418.61</b>	<b>154.05</b>	<b>9.14</b>	<b>4,675.88</b>	<b>(0.75)</b>	<b>6,256.93</b>
Profit for the year	-	-	-	1,479.15	-	1,479.15
Remeasurements of defined benefit plans (net of tax)	-	-	-	0.82	-	0.82
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,479.97</b>	<b>-</b>	<b>1,479.97</b>
Premium Received on Allotment of Shares / Exercise of Share options	6.32	-	(6.32)	-	-	-
Deferred employee compensation expense	-	-	11.96	-	-	11.96
<b>Balance at March 31, 2022</b>	<b>1,424.93</b>	<b>154.05</b>	<b>14.78</b>	<b>6,155.85</b>	<b>(0.75)</b>	<b>7,748.86</b>

	Reserves & Surplus				Other Comprehensive Income	Total
	Securities Premium	General Reserve	Other reserves	Retained Earnings	Effective portion of Cash Flow Hedges	
<b>Balance at April 1, 2020</b>	<b>1,407.36</b>	<b>154.05</b>	<b>14.30</b>	<b>3,450.43</b>	<b>(0.75)</b>	<b>5,025.39</b>
Profit for the year	-	-	-	1,224.34	-	1,224.34
Remeasurements of defined benefit plans (net of tax)	-	-	-	1.11	-	1.11
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,225.45</b>	<b>-</b>	<b>1,225.45</b>
Premium Received on Allotment of Shares / Exercise of Share options	11.25	-	(11.25)	-	-	-
Deferred employee compensation expense	-	-	6.09	-	-	6.09
<b>Balance at March 31, 2021</b>	<b>1,418.61</b>	<b>154.05</b>	<b>9.14</b>	<b>4,675.88</b>	<b>(0.75)</b>	<b>6,256.93</b>

The accompanying notes 1 to 56 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

**Vijay Mathur**

Partner

M. No. 046476

Mumbai: May 19, 2022

**Nisaba Godrej**

Executive Chairperson

DIN : 00591503

**Sameer Shah**

Chief Financial Officer

For and on behalf of the Board

**Sudhir Sitapati**

Managing Director & CEO

DIN: 09197063

**Rahul Botadara**

Company Secretary and Compliance-Officer

**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 4<sup>th</sup> 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, 2022 were approved for issue in accordance with the resolution of the Board of Directors on May 19, 2022.

**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

Goodnight 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 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 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 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.

### **I) 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:**

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date.

Right-of-use asset (ROU):

The right-of-use asset is initially measured at cost. Cost comprises of the initial

amount of the lease liability adjusted for any lease payments made at or before the commencement date, any initial direct costs incurred by the lessee, an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located less any lease incentives received.

After the commencement date, a lessee shall measure the right-of-use asset applying cost model, which is Cost less any accumulated depreciation and any accumulated impairment losses and also adjusted for certain re-measurements of the lease liability.

Right-of-use asset is depreciated using straight-line method from the commencement date to the end of the lease term. If the lease transfers the ownership of the underlying asset to the company at the end of the lease term or the cost of the right-of-use asset reflects company will exercise the purchase option, ROU will be depreciated over the useful life of the underlying asset, which is determined based on the same basis as property, plant and equipment.

**Lease liability:**

Lease liability is initially measured at the present value of lease payments that are not paid at the commencement date. Discounting is done using the implicit interest rate in

the lease, if that rate cannot be readily determined, then using company's incremental borrowing rate. Incremental borrowing rate is determined based on entity's borrowing rate adjusted for terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprises of fixed payments (including in substance fixed payments), variable lease payments that depends on an index or a rate, initially measured using the index or rate at the commencement date, amount expected to be payable under a residual value guarantee, the exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

Lease liability is measured at amortised cost using the effective interest method. Lease liability is re-measured when there is a change in the lease term, a change in its assessment of whether it will exercise a purchase, extension or termination option or a revised in-substance fixed lease payment, a change in the amounts expected to be payable under a residual value

guarantee and a change in future lease payments arising from change in an index or rate.

When the lease liability is re-measured corresponding adjustment is made to the carrying amount of the right-of-use asset. If the carrying amount of the right-of-use asset has been reduced to zero it will be recorded in statement of profit and loss.

Right-of-use asset and lease liabilities are presented separately in the balance sheet.

Company has elected not to recognise right-of-use assets and lease liabilities for short term leases. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

**Lessor**

At the commencement or modification of a contract, that contains a lease component, company allocates the consideration in the contract, to each lease component, on the basis of its relative standalone prices.

At the inception of the lease, it is determined whether it is a finance lease or an operating lease. If the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset, then it is a financial lease, otherwise it is an operating lease.

If the lease arrangement contains lease and non-lease components, then the consideration in the contract is allocated using the principles of IND AS 115. The company tests for the impairment losses at the year end. Payment received under operating lease is recognised as income on straight line basis, over the lease term.

**n) Income Tax**

Income tax expense/ income comprises current tax expense /income and deferred tax/ expense income. It is recognised in the statement of profit and loss except to the extent that it relates to items recognised directly in equity or in Other comprehensive income, in which case, the tax is also recognized directly in equity or other comprehensive income, respectively.

*Current Tax*

Current tax comprises the expected tax payable or recoverable on the taxable profit or loss for the year and any adjustment to the tax payable or recoverable in respect of previous years. It is measured using tax rates enacted or substantively enacted by the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretations and establishes provisions where appropriate.

- Current tax assets and liabilities are offset only if, the Company has a legally enforceable right to set off the recognised amounts; and
- Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

*Deferred Tax*

Deferred Income tax is recognised in respect of temporary difference between the carrying amount of assets and liabilities for financial reporting purpose and the amount considered for tax purpose.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised such reductions are reversed when it becomes probable that sufficient taxable profits will be available.

Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has

become probable that future taxable profits will be available against which they can be recovered.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- i. the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- ii. the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Deferred tax asset / liabilities in respect of temporary differences which originate and reverse during the tax holiday period are not recognised. Deferred tax assets / liabilities in respect of temporary

differences that originate during the tax holiday period but reverse after the tax holiday period are recognised.

Minimum Alternate Tax (MAT) credit is recognised 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 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 standards or amendments to the existing standards. There is no such notification which would have been applicable to the Company from 1 April, 2022.

### Note 3 : Property, Plant and Equipment

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	
<b>Year ended March 31, 2022</b>											
<b>Gross Carrying Amount</b>											
Opening Gross Carrying Amount	0.51	14.42	187.70	34.66	462.89	14.55	11.52	19.09	32.53	90.26	868.13
Additions	-	-	1.81	1.57	73.98	0.65	3.03	1.60	6.07	-	88.71
(Disposals)	-	-	(1.49)	(0.49)	(13.52)	(0.09)	(3.45)	(0.22)	(4.42)	-	(23.68)
Other adjustments	-	-	(0.10)	0.10	(0.04)	0.01	-	0.03	-	-	-
<b>Closing Gross Carrying Amount</b>	<b>0.51</b>	<b>14.42</b>	<b>187.92</b>	<b>35.84</b>	<b>523.31</b>	<b>15.12</b>	<b>11.10</b>	<b>20.50</b>	<b>34.18</b>	<b>90.26</b>	<b>933.16</b>
<b>Accumulated Depreciation</b>											
Opening Accumulated Depreciation	-	3.79	25.55	20.97	216.34	7.18	6.66	10.10	25.10	8.85	324.54
Depreciation charge during the year	-	0.16	5.15	4.31	46.22	1.43	1.99	2.40	4.98	1.50	68.14
(Disposals)	-	-	(0.42)	(0.49)	(8.42)	(0.08)	(2.74)	(0.25)	(4.39)	-	(16.79)
Other adjustments	-	-	(1.13)	0.02	0.05	0.02	-	0.10	-	-	(0.94)
<b>Closing Accumulated Depreciation</b>	<b>-</b>	<b>3.95</b>	<b>29.15</b>	<b>24.81</b>	<b>254.19</b>	<b>8.55</b>	<b>5.91</b>	<b>12.35</b>	<b>25.69</b>	<b>10.35</b>	<b>374.95</b>
<b>Net Carrying Amount</b>	<b>0.51</b>	<b>10.47</b>	<b>158.77</b>	<b>11.03</b>	<b>269.12</b>	<b>6.57</b>	<b>5.19</b>	<b>8.15</b>	<b>8.49</b>	<b>79.91</b>	<b>558.21</b>
<b>Year ended March 31, 2021</b>											
<b>Gross Carrying Amount</b>											
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	-	-	-	-	-	-	-	-	-	-	-
<b>Closing Gross Carrying Amount</b>	<b>0.51</b>	<b>14.42</b>	<b>187.70</b>	<b>34.66</b>	<b>462.89</b>	<b>14.55</b>	<b>11.52</b>	<b>19.09</b>	<b>32.53</b>	<b>90.26</b>	<b>868.13</b>
<b>Accumulated Depreciation</b>											
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
<b>Closing Accumulated Depreciation</b>	<b>0.00</b>	<b>3.79</b>	<b>25.55</b>	<b>20.97</b>	<b>216.34</b>	<b>7.18</b>	<b>6.66</b>	<b>10.10</b>	<b>25.10</b>	<b>8.85</b>	<b>324.54</b>
<b>Net Carrying Amount</b>	<b>0.51</b>	<b>10.63</b>	<b>162.15</b>	<b>13.69</b>	<b>246.55</b>	<b>7.37</b>	<b>4.86</b>	<b>8.99</b>	<b>7.43</b>	<b>81.41</b>	<b>543.59</b>

## Note 3A : Capital Work-In-Progress

## Capital work-in-Progress ageing schedule

As At March 31, 2022

₹ Crore

Capital work in progress ageing	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	48.79	-	-	-	48.79
Projects temporarily suspended	-	-	-	-	-
CWIP -assets not categorised as projects	-	-	-	-	27.83
<b>Total</b>	<b>48.79</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>76.62</b>

As At March 31, 2021

₹ Crore

Capital work in progress ageing	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	18.46	-	-	-	18.46
Projects temporarily suspended	-	-	-	-	-
CWIP -assets not categorised as projects	-	-	-	-	14.50
<b>Total</b>	<b>18.46</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32.96</b>

**NOTE :**

- a) There are no projects whose completion is overdue or exceeded the cost as compared to its original plan.
- b) There are no suspended projects.

## Note 3B : 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, 2022 is ₹ 45.89 crore (previous year ₹ 43.33 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

	As at March 31, 2022	₹ Crore As at March 31, 2021
<b>Gross carrying amount</b>		
Opening Gross carrying amount	55.32	17.54
Additions	0.00	46.18
(Disposals)	-	(8.40)
<b>Closing Gross carrying amount</b>	<b>55.32</b>	<b>55.32</b>
<b>Accumulated Depreciation</b>		
Opening Accumulated Depreciation	13.47	10.09
Depreciation charge during the year	12.01	11.78
(Disposals)	-	(8.40)
<b>Closing Accumulated Depreciation</b>	<b>25.48</b>	<b>13.47</b>
<b>Net Carrying Amount</b>	<b>29.84</b>	<b>41.85</b>

##### (b) Lease liabilities

	As at March 31, 2022	₹ Crore As at March 31, 2021
Less than one year	12.61	14.34
One to three years	22.64	34.34
Three years to five years	0.00	0.91
More than five years	0.23	0.24
<b>Total undiscounted lease liabilities as at 31 March</b>	<b>35.48</b>	<b>49.83</b>

	As at March 31, 2022	₹ Crore As at March 31, 2021
<b>Lease liabilities (discounted)</b>		
Non-current	20.42	31.44
Current	11.03	11.98
<b>TOTAL</b>	<b>31.45</b>	<b>43.42</b>

## (c) Amounts recognized in statement of profit and loss

	₹ Crore	
Short-term leases	Year ended March 31, 2022	Year ended March 31, 2021
Expenses relating to short-term leases	45.89	43.33
<b>TOTAL</b>	<b>45.89</b>	<b>43.33</b>

## (d) Cash outflow for leases

	₹ Crore	
	Year ended March 31, 2022	Year ended March 31, 2021
Total cash outflow for leases	14.35	13.97
<b>TOTAL</b>	<b>14.35</b>	<b>13.97</b>

## B] As a lessor:

## (a) Amounts recognized in statement of profit and loss

	₹ Crore	
	Year ended March 31, 2022	Year ended March 31, 2021
Operating lease income	10.97	10.77

## (b) Undiscounted lease payments to be received after

	₹ Crore	
	Year ended March 31, 2022	Year ended March 31, 2021
Less than one year	10.86	10.86
One to three years	22.63	32.59
Three years to five years	0.00	0.91
<b>Total undiscounted lease payments</b>	<b>33.49</b>	<b>44.36</b>

## Note 4 : Intangible Assets

₹ Crore

	Other Intangible assets					Total Other Intangible assets
	Goodwill	Trademarks and Brands *	Computer Software	Technical Knowhow	Product registrations	
<b>Year ended March 31, 2022</b>						
<b>Gross Carrying Amount</b>						
Opening Gross Carrying Amount	2.48	791.56	57.62	0.10	0.33	849.61
Additions	-	-	5.08	-	-	5.08
Disposals	-	-	(0.01)	-	-	(0.01)
<b>Closing Gross Carrying Amount</b>	<b>2.48</b>	<b>791.56</b>	<b>62.69</b>	<b>0.10</b>	<b>0.33</b>	<b>854.68</b>
<b>Accumulated Amortisation</b>						
Opening Accumulated Amortisation	-	0.30	46.95	0.10	0.05	47.40
Amortisation recognised for the year	-	0.01	5.94	-	0.07	6.02
Disposals	-	-	(0.01)	-	-	(0.01)
<b>Closing Accumulated Amortisation</b>	<b>-</b>	<b>0.31</b>	<b>52.88</b>	<b>0.10</b>	<b>0.12</b>	<b>53.41</b>
<b>Closing Net Carrying Amount</b>	<b>2.48</b>	<b>791.25</b>	<b>9.81</b>	<b>-</b>	<b>0.21</b>	<b>801.27</b>
<b>Year ended March 31, 2021</b>						
<b>Gross Carrying Amount</b>						
Opening Gross Carrying Amount	2.48	791.56	55.62	0.10	-	847.28
Additions	-	-	2.00	-	0.33	2.33
Disposals	-	-	-	-	-	-
<b>Closing Gross Carrying Amount</b>	<b>2.48</b>	<b>791.56</b>	<b>57.62</b>	<b>0.10</b>	<b>0.33</b>	<b>849.61</b>
<b>Accumulated Amortisation</b>						
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	-	-	-	-	-	-
<b>Closing Accumulated Amortisation</b>	<b>-</b>	<b>0.30</b>	<b>46.95</b>	<b>0.10</b>	<b>0.05</b>	<b>47.40</b>
<b>Closing Net Carrying Amount</b>	<b>2.48</b>	<b>791.26</b>	<b>10.67</b>	<b>-</b>	<b>0.28</b>	<b>802.21</b>

### Note :

\* Includes brands amounting to ₹ 791.25 crore (31-Mar-21 ₹ 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, 2022	As at January 31, 2021
Annual growth rate	5-6%	6-9%
Terminal Growth Rate	5%	5%
Royalty relief rate	12%	12%
Pre- tax discount rate	10.70%	11.00%

The pre-tax discount rate is based on risk free rate, beta variant adjusted for market premium and company specific risk factors.

According to Ind AS 36 "Impairment of Assets", the annual impairment test for intangible assets with indefinite useful life may be performed at any time during an annual period, provided the test is performed at the same time every year. The Company has decided to perform impairment test for 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 2022 (31 March 2021: Nil)

## Note 4A : Intangible Assets Under Development

### Intangible assets under development ageing schedule

#### As At March 31, 2022

₹ Crore					
Intangible assets under development ageing	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
CWIP -assets not categorised as projects	-	-	-	-	1.69
<b>Total</b>	-	-	-	-	<b>1.69</b>

#### As At March 31, 2021

₹ Crore					
Intangible assets under development ageing	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
CWIP -assets not categorised as projects	-	-	-	-	4.46
<b>Total</b>	-	-	-	-	<b>4.46</b>

#### NOTE :

- There are no projects whose completion is overdue or exceeded the cost as compared to its original plan.
- There are no suspended projects.

## Note 5 : Investments In Subsidiaries And Associates

₹ Crore

	Face Value	Numbers		Amounts	
		As At March 31, 2022	As At March 31, 2021	As At March 31, 2022	As At March 31, 2021
Unquoted, fully paid up:					
Carried at cost					
<b>(a) Investments in Equity Instruments</b>					
<b>(i) Subsidiary Companies</b>					
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	15,51,90,990	13,62,40,553	1,357.80	865.50
Godrej East Africa Holdings Ltd.	USD 1	10,94,50,001	10,94,50,001	808.25	808.25
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	13,56,00,000	928.63	928.63
Godrej Consumer Care Ltd.	₹ 10	1,00,00,000	-	10.00	-
Godrej Consumer Products Limited Employees' Stock Option Trust*	-	-	-	-	-
<b>(ii) Associate Company</b>					
Bhabhani Blunt Hairdressing Pvt Ltd. (Refer Note 38)	₹ 10	-	4,967	-	20.04
Less : Provision for Diminution in the Value of Investments				-	(9.61)
				<b>4,409.40</b>	<b>3,917.53</b>
<b>(b) Investments in Compulsorily Convertible Debentures of Associate Company</b>					
Bhabhani Blunt Hairdressing Pvt Ltd. (Refer Note 38)	₹ 10	-	3,060	-	12.00
Less : Provision for Diminution in the Value of Investments				-	(5.77)
			<b>TOTAL</b>	<b>4,409.40</b>	<b>3,923.76</b>
Aggregate Amount of Unquoted Investments				4,409.40	3,923.76
Aggregate Provision for Impairment in the Value of Investments				-	(15.38)

Refer note 43 for percentage holding of the Company in subsidiaries and associates

\* Amounts less than 0.01 crores

### Note:

As per the Company's policy, investments include the fair value of financial guarantees issued as security for loans taken by subsidiaries. The details of such fair values included in the investments above is as shown below:

	₹ Crore	
	As at March 31, 2022	As at March 31, 2021
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
<b>TOTAL</b>	<b>68.18</b>	<b>68.18</b>

## Note 6 : Other Investments (Non-Current)

	As at March 31, 2022	As at March 31, 2021
₹ Crore		
<b>Unquoted, fully paid up</b>		
At amortised cost		
Investments in Deposits with Non-Banking Financial Companies	25.20	-
<b>At Fair Value through Profit or Loss</b>		
Investment in Equity Instruments*	-	-
Godrej One Premises Management Pvt Ltd.* (1400 equity shares of ₹ 10 each)		
<b>TOTAL</b>	<b>25.20</b>	<b>-</b>
Aggregate Amount of Unquoted Investments	25.20	-
Aggregate Amount of Quoted Investments	-	-
Aggregate Market Value of Quoted Investments	-	-
Aggregate Provision for Impairment in the Value of Investments	-	-

\* Amounts less than 0.01 crores

## Note 7 : Non-Current Loans

	As at March 31, 2022	As at March 31, 2021
₹ Crore		
Unsecured, Considered Good, Unless Otherwise Stated		
Loans to Employees	0.03	0.04
<b>TOTAL</b>	<b>0.03</b>	<b>0.04</b>

## Note 8 : Other Non-Current Financial Assets

	As at March 31, 2022	As at March 31, 2021
₹ Crore		
Financial Guarantee Fee Receivables	4.78	8.12
Security Deposits	18.64	18.23
<b>TOTAL</b>	<b>23.42</b>	<b>26.35</b>

## Note 9 : Tax Reconciliations

## Tax expense recognised in the Statement of Profit and Loss

	Year ended March 31, 2022	Year ended March 31, 2021
₹ Crore		
<b>Current Tax</b>		
Current tax on profits for the year	306.44	293.31
Deferred tax (Net) Others	11.45	(14.88)
MAT Credit Recognised (adjustment on account of previous period audit)	(37.23)	(2.89)
MAT credit utilised	2.64	94.04
<b>Total income tax expense</b>	<b>283.30</b>	<b>369.58</b>

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 :**

	Year ended March 31, 2022	Year ended March 31, 2021
On remeasurements of defined benefit plans		
Current tax	-	-
Deferred tax	(0.44)	(0.60)
<b>Total</b>	<b>(0.44)</b>	<b>(0.60)</b>

₹ Crore

**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:

	Year ended March 31, 2022	Year ended March 31, 2021
Profit before income taxes	1,762.45	1,593.92
Indian statutory income tax rate	34.94%	34.94%
Expected income tax expense	615.87	556.98
<b>Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:</b>		
Deduction under Sec 80IC and 80IE	(290.67)	(200.51)
Effect of other tax offsets	4.16	4.77
Tax effects of amounts which are not deductible for taxable income	7.71	11.23
Tax effect on divestment of investment in associate	(16.54)	-
Adjustments for current tax of prior periods (Excess MAT utilised) (Refer note (e))	(37.23)	(2.89)
<b>Total income tax expense</b>	<b>283.30</b>	<b>369.58</b>

₹ Crore

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):**

	As at March 31, 2022	As at March 31, 2021
Property, Plant and Equipment	(22.67)	(22.41)
Intangible assets	(193.27)	(189.38)
<b>Total deferred tax liabilities</b>	<b>(215.94)</b>	<b>(211.79)</b>

₹ Crore

**Deferred Tax Assets:**

	As at March 31, 2022	As at March 31, 2021
Defined benefit obligations	17.53	20.72
Provisions	38.15	41.68
Others	0.71	1.73
MAT credit	509.46	474.87
<b>Total deferred tax assets</b>	<b>565.85</b>	<b>539.00</b>
<b>Net Deferred tax (Liabilities) / Assets</b>	<b>349.91</b>	<b>327.21</b>

₹ Crore

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)
<b>As at 31<sup>st</sup> March 2020</b>	(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
<b>At 1<sup>st</sup> April 2021</b>	<b>(22.41)</b>	<b>(189.38)</b>	<b>20.72</b>	<b>41.68</b>	<b>1.73</b>	<b>474.87</b>	<b>327.21</b>
(Charged)/Credited :							
- to profit or loss	(0.26)	(3.89)	(2.75)	(3.53)	(1.02)	34.59	23.14
- to other comprehensive income	-	-	0.44	-	-	-	0.44
<b>As at 31<sup>st</sup> March 2022</b>	<b>(22.67)</b>	<b>(193.27)</b>	<b>17.53</b>	<b>38.15</b>	<b>0.71</b>	<b>509.46</b>	<b>349.91</b>

Liabilities for Current Tax (Net)	As at March 31, 2022	As at March 31, 2021
Liabilities for Current Tax (Net)	0.96	0.96
[Net of advance tax of ₹ 128.87 crore (31-Mar-21 ₹ 128.87 crore)]		
<b>TOTAL</b>	<b>0.96</b>	<b>0.96</b>

- (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, 2022 the tax liability with respect to the dividends proposed is Nil (31-Mar-21 : 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 recognised MAT credit of ₹ 34.59 crore (31-Mar-21 : ₹ (91.15) crore). Company has re-assessed its utilization of MAT credit, considering business projections, benefits available from tax holiday, remaining period for such benefits etc based on which there is reasonable certainty of utilizing the balance credit of ₹ 509.46 crore (31-Mar-21 : ₹ 474.87 crore) in future years against the normal tax expected to be paid in those years.

- (e) During the year ended March 31, 2022, the Company has reassessed tax benefits under section 80IE of the Income tax Act for financial year 2020-21 based on which incremental Minimum alternate tax credit of ₹ 33.2 crore has been recognised in the Standalone Financial Statements.
- (f) New provision inserted in the income tax act (Sept 2019) with effect from fiscal year 2019-20, allows any domestic company to pay income tax at the rate of 25.17% subject to condition they will not avail any incentive or exemptions. The lower rate is an option and companies can continue to account based on the old rates. The Company has plants located in North-east region enjoying income tax exemption, and the effective rate based on the tax exemption plants is lower than 25.17%, so company decided to not opt for lower rate in FY 2021-22.
- (g) Based on internal projections the company plans to opt for the lower tax rate in FY 2024-25 and onwards. Accordingly company has reversed deferred tax assets/liabilities recognised in earlier years at the tax rates enacted during the period, to the extent they are likely to reverse after 31<sup>st</sup> March 2024. The impact of such reversal during the year was ₹ 1.11 crore (31-Mar-21 : ₹ 0.42 crore).

## Note 10 : Other Non-Current Assets

	As at March 31, 2022	₹ Crore As at March 31, 2021
Capital Advances (Refer Note below)		
Considered Good	37.11	8.66
Considered Doubtful	1.00	1.00
Less: Provision for Doubtful Advances	(1.00)	(1.00)
Advances other than capital advances		
Balances with Government Authorities (deposits paid under protest)	39.86	37.90
Other non-current assets (includes prepaid expenses)		
Considered Good	0.89	0.54
<b>TOTAL</b>	<b>77.86</b>	<b>47.10</b>

### Note:

Capital Advances include ₹ 0.05 crore (31-Mar-2021 ₹ 0.05 crore) paid to Related Parties.

## Note 11 : Non-Current Tax Assets (Net)

	As at March 31, 2022	₹ Crore As at March 31, 2021
Advance Tax	45.96	40.68
[Net of Provision for taxation - ₹ 2582.84 crore (31-Mar-21 ₹ 2278.21 crore)]		
<b>TOTAL</b>	<b>45.96</b>	<b>40.68</b>

(Refer Note 9 for tax reconciliations)

## Note 12 : Inventories

	As at March 31, 2022	₹ Crore As at March 31, 2021
(Valued at lower of cost and net realizable value)		
Raw Materials (Including Packing Materials)	354.54	263.47
Goods-in Transit	22.01	24.48
	<b>376.55</b>	287.95
Work-in-Progress	57.02	49.34
Finished Goods	305.01	292.49
Stock-in-Trade	38.62	61.80
Stores and Spares	13.64	11.25
<b>TOTAL</b>	<b>790.84</b>	<b>702.83</b>

### NOTE :

During the year ended March 31, 2022 an amount of ₹ 10.99 crore (31-Mar-21 ₹ 22.40 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-21 Nil)

## Note 13 : Investments (Current)

	As at March 31, 2022	₹ Crore As at March 31, 2021
<b>Unquoted, fully paid up</b>		
<b>At Fair Value through Profit or Loss</b>		
Investments in Mutual Funds	311.60	129.47
<b>At amortised cost</b>		
Investments in Deposits with Non-Banking Financial Companies	277.63	459.65
Investments in Commercial Papers with Non-Banking Financial Companies	49.98	-
<b>Quoted, fully paid up</b>		
Investments in Non-convertible Debentures with Non-Banking Financial Companies	127.19	55.30
	<b>766.40</b>	<b>644.42</b>
Aggregate Amount of Unquoted Investments	639.21	589.12
Aggregate Amount of Quoted Investments	127.19	55.30
Aggregate Market Value of Quoted Investments	127.19	55.30

## Note 14 : Trade Receivables

	As at March 31, 2022	₹ Crore As at March 31, 2021
<b>Secured</b>		
Considered Good - Secured	0.48	0.65
	<b>0.48</b>	<b>0.65</b>
<b>Unsecured</b>		
Trade receivables- considered good	336.44	246.81
Trade receivables- credit impaired	12.45	14.46
Less: Allowance for Bad and Doubtful Debts	(12.45)	(14.46)
<b>TOTAL</b>	<b>336.92</b>	<b>247.46</b>

Refer note 43 &amp; 49B

**Note :**

There are no outstanding trade receivables which resulted into significant increase in credit risk apart from receivables which are impaired and provided.

## Trade receivables ageing schedule

As At March 31, 2022

₹ Crore

Trade receivables outstanding from Due date	Not due	Upto 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables- considered good	214.00	106.23	6.38	6.73	3.57	0.01	336.92
Undisputed trade receivables- which have significant increase in risk	-	-	-	-	-	-	-
Undisputed trade receivables- credit impaired	-	-	5.34	1.91	1.17	2.15	10.57
Disputed trade receivables- considered good	-	-	-	-	-	-	-
Disputed trade receivables- which have significant increase in risk	-	-	-	-	-	-	-
Disputed trade receivables- credit impaired	0.01	0.01	0.08	0.18	0.17	1.43	1.88
Provision for bad and doubtful debts	-	-	-	-	-	-	(12.45)
<b>Total</b>	<b>214.01</b>	<b>106.24</b>	<b>11.80</b>	<b>8.82</b>	<b>4.91</b>	<b>3.59</b>	<b>336.92</b>

As At March 31, 2021

₹ Crore

Trade receivables outstanding from Due date	Not due	Upto 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables- considered good	199.96	36.42	4.58	3.79	2.32	0.38	247.45
Undisputed trade receivables- which have significant increase in risk	-	-	-	-	-	-	-
Undisputed trade receivables- credit impaired	-	0.01	5.36	3.69	0.98	2.03	12.07
Disputed trade receivables- considered good	-	-	-	-	-	-	-
Disputed trade receivables- which have significant increase in risk	-	-	-	-	-	-	-
Disputed trade receivables- credit impaired	-	0.77	0.05	0.20	0.16	1.22	2.40
Provision for bad and doubtful debts	-	-	-	-	-	-	(14.46)
<b>Total</b>	<b>199.96</b>	<b>37.20</b>	<b>9.99</b>	<b>7.68</b>	<b>3.46</b>	<b>3.63</b>	<b>247.46</b>

There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.

## Note 15 A : Cash and Cash Equivalents

	As at March 31, 2022	₹ Crore As at March 31, 2021
Balances with Banks		
- In Current Accounts	33.52	18.46
- Deposits with less than 3 months original maturity	-	42.02
	33.52	60.48
Cheques, Drafts on Hand	1.62	2.21
Cash on Hand	0.09	0.09
<b>TOTAL</b>	<b>35.23</b>	<b>62.78</b>

**Note :**

- a) There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

## Note 15 B : Other Bank Balances

	As at March 31, 2022	₹ Crore As at March 31, 2021
Deposits with maturities more than 3 months but less than 12 months (Refer Note below)	294.56	4.41
In Unpaid Dividend Accounts	15.18	16.52
<b>TOTAL</b>	<b>309.74</b>	<b>20.93</b>

**Note:**

- (a) The fixed deposits include deposits under lien against bank guarantees ₹ 4.23 crore (31-Mar-21 ₹ 4.22 crore).

## Note 16 : Current Loans

	As at March 31, 2022	₹ Crore As at March 31, 2021
Unsecured, Considered Good, Unless Otherwise Stated		
Loans to Employees	0.05	0.06
<b>TOTAL</b>	<b>0.05</b>	<b>0.06</b>

## Note 17 : Other Current Financial Assets

	As at March 31, 2022	₹ Crore As at March 31, 2021
Financial guarantee fee receivable	4.97	8.33
Refunds/Incentives receivables from Govt. Authorities (Excise duty/GST)		
Considered Good	29.84	55.50
Considered Doubtful	22.56	20.07
Less: Provision for Doubtful Advances	(22.56)	(20.07)
	29.84	55.50
Derivative assets - forward exchange contracts	0.11	0.27
Others (includes receivables of insurance claims, exports incentives)	2.55	10.17
Security Deposits	0.68	1.16
<b>TOTAL</b>	<b>38.15</b>	<b>75.43</b>

## Note 18 : Other Current Assets

	As at March 31, 2022	As at March 31, 2021
Balances with Government Authorities (GST)	145.02	115.81
Contract assets (Right to receive inventory)	9.82	7.37
Other Advances (includes prepaid expenses, vendor advances)		
Considered Good	49.01	25.81
Considered Doubtful	0.32	0.65
Less: Provision for Doubtful Advances	(0.32)	(0.65)
<b>TOTAL</b>	<b>203.85</b>	<b>148.99</b>

## Note 19 : Equity Share Capital

	As at March 31, 2022	As at March 31, 2021
<b>Authorised</b>		
1,030,000,000 Equity Shares (31-Mar-21: 1,030,000,000) of ₹ 1 each	103.00	103.00
10,000,000 Preference Shares (31-Mar-21: 10,000,000) of ₹ 1 each	1.00	1.00
<b>Issued</b>		
1,022,612,203 Equity Shares (31-Mar-21: 1,022,517,397) of ₹ 1 each	102.26	102.25
<b>Subscribed and Fully Paid up</b>		
1,022,581,079 Equity Shares (31-Mar-21: 1,022,486,273) of ₹ 1 each fully paid up	102.26	102.25
<b>TOTAL</b>	<b>102.26</b>	<b>102.25</b>

### Notes:

- During the year, the Company has issued 94,806 equity shares (31-Mar-21 : 1,69,921) under the Employee Stock Grant Scheme.
- 31,124 Rights Issue equity shares (31-Mar-21 : 31,124 equity shares) are kept in abeyance due to various suits filed in courts / forums by third parties. No claims in respect of these shares have been received by the company.
- 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, 2022		As at March 31, 2021	
	No. of Shares	₹ Crore	No. of Shares	₹ Crore
Shares outstanding at the beginning of the year	1,02,24,86,273	102.25	1,02,23,16,352	102.23
Add : Shares Issued on exercise of employee stock grant scheme	94,806	0.01	1,69,921	0.02
<b>Shares outstanding at the end of the year</b>	<b>1,02,25,81,079</b>	<b>102.26</b>	<b>1,02,24,86,273</b>	<b>102.25</b>

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, 2022 the amount of per share dividend recognised as distribution to equity shareholders was Nil (31-Mar-21 ₹ Nil).

e) Details of shareholders holding more than 5% shares in the Company:

Name of the Shareholder	As at March 31, 2022		As at March 31, 2021	
	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	27.43%

f) **Shares Reserved for issue under options**

The Company has 6,16,102 (31-Mar-21 year 1,87,421) equity shares reserved for issue under Employee Stock Grant Scheme as at March 31, 2022. (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.

k) Details of shares held by promoters

As At March 31, 2022

₹ Crore

Promoter Name	Class of Shares	No. of shares held at the end of the year	No. of shares held at the beginning of the Year	Change during the year	% Change during the year
Godrej Seeds & Genetics Limited	Equity shares of INR 1 each fully paid	28,05,00,000	28,05,00,000	-	-
Godrej Industries Limited		24,28,12,860	24,28,12,860	-	-
Godrej & Boyce Manufacturing Co. Ltd.		7,50,11,445	7,50,11,445	-	-
Rishad Kaikhushru Naoroji & Others (Partners Of Rkn Enterprises)		1,34,38,500	1,34,38,500	-	-
Pheroza Jamshyd Godrej		96,40,700	96,40,700	-	-
Smita Godrej Crishna, Freyan Crishna Bieri And Nyrika Holkar (Trustees Of Fvc Family Trust)		29,01,200	29,01,200	-	-
Smita Godrej Crishna, Freyan Crishna Bieri And Nyrika Holkar (Trustees Of Nvc Family Trust)		29,01,200	29,01,200	-	-
Tanya Dubash And Pirojsha Godrej (Trustees Of Tad Family Trust)		28,43,100	28,43,100	-	-
Nisaba Godrej And Pirojsha Godrej (Trustees Of Ng Family Trust)		28,43,100	28,43,100	-	-
Pirojsha Godrej And Nisaba Godrej (Trustees Of Pg Family Trust)		28,43,100	28,43,100	-	-
Nadir Godrej, Hormazd Godrej And Rati Godrej (Trustees Of Hng Family Trust)		27,52,299	27,52,299	-	-
Sohrab Nadir Godrej		19,01,184	19,01,184	-	-
Burjis Nadir Godrej		19,01,172	19,01,172	-	-
Nadir Godrej, Hormazd Godrej And Rati Godrej (Trustees Of Bng Successor Trust)		13,12,441	13,12,441	-	-
Nadir Godrej, Hormazd Godrej And Rati Godrej (Trustees Of Sng Successor Trust)		13,12,429	13,12,429	-	-
Hormazd Nadir Godrej		4,61,314	4,61,314	-	-
Pirojsha Adi Godrej		3,70,129	3,70,129	-	-
Nisaba Godrej		3,70,087	3,70,087	-	-
Azaar Arvind Dubash		3,70,000	3,70,000	-	-
Adi Barjorji Godrej		1,500	1,500	-	-
Navroze Jamshyd Godrej		77	77	-	-
Rishad Kaikhushru Naoroji		72	72	-	-
Freyan Crishna Bieri		70	70	-	-
Tanya Arvind Dubash		66	66	-	-
Nyrika Holkar		64	64	-	-
Nadir Barjorji Godrej		63	63	-	-
Raika Jamshyd Godrej		50	50	-	-
Jamshyd Godrej And Others (Trustees Of The Raika Godrej Family Trust)	24	24	-	-	
Adi Godrej, Tanya Dubash, Nisaba Godrej And Pirojsha Godrej (Trustees Of Abg Family Trust)	1	1	-	-	
Tanya Dubash And Pirojsha Godrej (Trustees Of Tad Children Trust)	1	1	-	-	

₹ Crore

Promoter Name	Class of Shares	No. of shares held at the end of the year	No. of shares held at the beginning of the Year	Change during the year	% Change during the year
Nisaba Godrej And Pirojsha Godrej (Trustees Of Ng Children Trust)	Equity shares of INR 1 each fully paid	1	1	-	-
Pirojsha Godrej And Nisaba Godrej (Trustees Of Pg Children Trust)		1	1	-	-
Pirojsha Godrej And Nisaba Godrej (Trustees Of Pg Lineage Trust)		1	1	-	-
Nadir Godrej, Hormazd Godrej And Rati Godrej (Trustees Of Nbg Family Trust)		1	1	-	-
Nadir Godrej, Hormazd Godrej And Rati Godrej (Trustees Of Rng Family Trust)		1	1	-	-
Nadir Godrej, Hormazd Godrej And Rati Godrej (Trustees Of Bng Family Trust)		1	1	-	-
Nadir Godrej, Hormazd Godrej And Burjis Godrej (Trustees Of Bng Lineage Trust)		1	1	-	-
Nadir Godrej, Hormazd Godrej And Rati Godrej (Trustees Of Sng Family Trust)		1	1	-	-
Nadir Godrej, Hormazd Godrej And Sohrab Godrej (Trustees Of Sng Lineage Trust)		1	1	-	-
Jamshyd Godrej, Pheroza Godrej And Navroze Godrej (Trustees Of Jng Family Trust)		1	1	-	-
Jamshyd Godrej, Pheroza Godrej And Navroze Godrej (Trustees Of Pjg Family Trust )		1	1	-	-
Jamshyd Godrej, Pheroza Godrej And Navroze Godrej (Trustees Of Rjg Family Trust)		1	1	-	-
Jamshyd Godrej, Pheroza Godrej And Navroze Godrej (Trustees Of Raika Lineage Trust)		1	1	-	-
Jamshyd Godrej, Pheroza Godrej And Navroze Godrej (Trustees Of Njg Family Trust)		1	1	-	-
Jamshyd Godrej, Pheroza Godrej And Navroze Godrej (Trustees Of Navroze Lineage Trust)		1	1	-	-
Smita Godrej Crishna, V M Crishna, F C Bieri And Nyrika Holkar (Trustees Of Sgc Family Trust)		1	1	-	-
Smita Godrej Crishna, V M Crishna, F C Bieri And Nyrika Holkar (Trustees Of Vmc Family Trust)		1	1	-	-
Smita Godrej Crishna, Freyan Crishna Bieri And Nyrika Holkar (Trustees Of Fvc Children Trust)		1	1	-	-
Smita Godrej Crishna, Freyan Crishna Bieri And Nyrika Holkar (Trustees Of Nvc Children Trust)		1	1	-	-

As At March 31, 2021

₹ Crore

Promoter Name	Class of Shares	No. of shares held at the end of the year	No. of shares held at the beginning of the Year	Change during the year	% Change during the year
Godrej Seeds & Genetics Limited	Equity shares of INR 1 each fully paid	28,05,00,000	28,05,00,000	-	-
Godrej Industries Limited		24,28,12,860	24,28,12,860	-	-
Godrej & Boyce Manufacturing Co. Ltd.		7,50,11,445	7,50,11,445	-	-
Rishad Kaikhushru Naoroji (Partners Of Rkn Enterprises)		1,34,38,500	1,34,38,500	-	-
Pheroza Jamshyd Godrej		96,40,700	96,40,700	-	-
Smita Godrej Crishna, Freyan Crishna Bieri And Nyrika Holkar (Trustees Of Fvc Family Trust)		29,01,200	29,01,200	-	-
Smita Godrej Crishna, Freyan Crishna Bieri And Nyrika Holkar (Trustees Of Nvc Family Trust)		29,01,200	29,01,200	-	-
Tanya Dubash And Pirojsha Godrej (Trustees Of Tad Family Trust)		28,43,100	28,43,100	-	-
Nisaba Godrej And Pirojsha Godrej (Trustees Of Ng Family Trust)		28,43,100	28,43,100	-	-
Pirojsha Godrej And Nisaba Godrej (Trustees Of Pg Family Trust)		28,43,100	28,43,100	-	-
Nadir Godrej, Hormazd Godrej And Rati Godrej (Trustees Of Hng Family Trust)		27,52,299	27,52,299	-	-
Sohrab Nadir Godrej		19,01,184	19,01,184	-	-
Burjis Nadir Godrej		19,01,172	19,01,172	-	-
Nadir Godrej, Hormazd Godrej And Rati Godrej (Trustees Of Bng Successor Trust)		13,12,441	13,12,441	-	-
Nadir Godrej, Hormazd Godrej And Rati Godrej (Trustees Of Sng Successor Trust)		13,12,429	13,12,429	-	-
Hormazd Nadir Godrej		4,61,314	4,61,314	-	-
Pirojsha Adi Godrej		3,70,129	3,70,125	4.00	0.00%
Nisaba Godrej		3,70,087	3,70,083	4.00	0.00%
Azaar Arvind Dubash		3,70,000	3,70,000	-	-
Adi Barjorji Godrej		1,500	1,512	(12.00)	-0.79%
Navroze Jamshyd Godrej		77	77	-	-
Rishad Kaikhushru Naoroji		72	72	-	-
Freyan Crishna Bieri		70	70	-	-
Tanya Arvind Dubash		66	62	4.00	6.45%
Nyrika Holkar		64	64	-	-
Nadir Barjorji Godrej		63	63	-	-
Raika Jamshyd Godrej		50	50	-	-
Jamshyd Godrej And Others (Trustees Of The Raika Godrej Family Trust)		24	24	-	-
Adi Godrej, Tanya Dubash, Nisaba Godrej And Pirojsha Godrej (Trustees Of Abg Family Trust)	1	1	-	-	
Tanya Dubash And Pirojsha Godrej (Trustees Of Tad Children Trust)	1	1	-	-	

₹ Crore

Promoter Name	Class of Shares	No. of shares held at the end of the year	No. of shares held at the beginning of the Year	Change during the year	% Change during the year
Nisaba Godrej And Pirojsha Godrej (Trustees Of Ng Children Trust)	Equity shares of INR 1 each fully paid	1	1	-	-
Pirojsha Godrej And Nisaba Godrej (Trustees Of Pg Children Trust)		1	1	-	-
Pirojsha Godrej And Nisaba Godrej (Trustees Of Pg Lineage Trust)		1	1	-	-
Nadir Godrej, Hormazd Godrej And Rati Godrej (Trustees Of Nbg Family Trust)		1	1	-	-
Nadir Godrej, Hormazd Godrej And Rati Godrej (Trustees Of Rng Family Trust)		1	1	-	-
Nadir Godrej, Hormazd Godrej And Rati Godrej (Trustees Of Bng Family Trust)		1	1	-	-
Nadir Godrej, Hormazd Godrej And Burjis Godrej (Trustees Of Bng Lineage Trust)		1	1	-	-
Nadir Godrej, Hormazd Godrej And Rati Godrej (Trustees Of Sng Family Trust)		1	1	-	-
Nadir Godrej, Hormazd Godrej And Sohrab Godrej (Trustees Of Sng Lineage Trust)		1	1	-	-
Jamshyd Godrej, Pheroza Godrej And Navroze Godrej (Trustees Of Jng Family Trust)		1	1	-	-
Jamshyd Godrej, Pheroza Godrej And Navroze Godrej (Trustees Of Pjg Family Trust )		1	1	-	-
Jamshyd Godrej, Pheroza Godrej And Navroze Godrej (Trustees Of Rjg Family Trust)		1	1	-	-
Jamshyd Godrej, Pheroza Godrej And Navroze Godrej (Trustees Of Raika Lineage Trust)		1	1	-	-
Jamshyd Godrej, Pheroza Godrej And Navroze Godrej (Trustees Of Njg Family Trust)		1	1	-	-
Jamshyd Godrej, Pheroza Godrej And Navroze Godrej (Trustees Of Navroze Lineage Trust)		1	1	-	-
Smita Godrej Crishna, V M Crishna, F C Bieri And Nyrika Holkar (Trustees Of Sgc Family Trust)		1	1	-	-
Smita Godrej Crishna, V M Crishna, F C Bieri And Nyrika Holkar (Trustees Of Vmc Family Trust)		1	1	-	-
Smita Godrej Crishna, Freyan Crishna Bieri And Nyrika Holkar (Trustees Of Fvc Children Trust)		1	1	-	-
Smita Godrej Crishna, Freyan Crishna Bieri And Nyrika Holkar (Trustees Of Nvc Children Trust)		1	1	-	-

## Note 20 : Other Equity

	As at March 31, 2022	As at March 31, 2021
Securities Premium	1,424.93	1,418.61
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	13.17	7.53
	14.78	9.14
Retained Earnings	6,155.85	4,675.88
Other Comprehensive Income (Effective portion of cash flow hedges)	(0.75)	(0.75)
<b>TOTAL</b>	<b>7,748.86</b>	<b>6,256.93</b>

## Other Reserves Movement

	As at March 31, 2022	As at March 31, 2021
<b>Capital Investment Subsidy Reserve</b>		
Balance as per last financial statements	0.15	0.15
Closing Balance	0.15	0.15
<b>Capital Redemption Reserve</b>		
Balance as per last financial statements	1.46	1.46
Closing Balance	1.46	1.46
<b>Employee Stock Options Outstanding</b>		
Gross Employee Compensation for Options granted	7.53	12.69
(-) Exercise of Share options	(6.32)	(11.25)
(+) Deferred Employee Compensation Expense (Refer Note 34)	11.96	6.09
Closing Balance	13.17	7.53
<b>TOTAL</b>	<b>14.78</b>	<b>9.14</b>

### 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 accumulated under the heading of cash flow reserve will be reclassified to Statement of Profit and Loss only when the hedged transaction affects the profit or loss or included as a basis adjustment to the non financial hedged item.

**Note 21 : Non-Current Financial Liabilities**

	As at March 31, 2022	₹ Crore As at March 31, 2021
Lease liabilities (refer note 3B)	20.42	31.44
<b>TOTAL</b>	<b>20.42</b>	<b>31.44</b>

**Note 22 : Provisions (Non-Current)**

	As at March 31, 2022	₹ Crore As at March 31, 2021
<b>Provision for Employee Benefits</b>		
Gratuity (Refer Note 45)	51.67	57.42
Compensated Absences	5.76	6.10
<b>TOTAL</b>	<b>57.43</b>	<b>63.52</b>

**Note 23 : Other Non-Current Liabilities**

	As at March 31, 2022	₹ Crore As at March 31, 2021
Unearned premium on guarantees given to subsidiaries	4.64	7.96
Others (includes deferred grants, sundry deposits)	2.29	6.89
<b>TOTAL</b>	<b>6.93</b>	<b>14.85</b>

## Note 24 : Borrowings

	As at March 31, 2022	₹ Crore As at March 31, 2021
Unsecured, Working Capital Loan Repayable on Maturity		
From Banks (Refer Note (a) below)	-	0.14
Other Loans		
Commercial Papers (Refer Note (b) below)	-	-
<b>TOTAL</b>	<b>-</b>	<b>0.14</b>

### Notes:

- a) Short term working capital loan from Bank carries an interest rate of 7.5% (Mar-21: 6.6%) and has been fully paid.
- b) Commercial Paper were listed on the Stock exchange and carried an average interest rate of 3.6%

## Note 25 : Current - Lease Liabilities

	As at March 31, 2022	₹ Crore As at March 31, 2021
Lease liabilities (refer note 3B)	11.03	11.98
<b>TOTAL</b>	<b>11.03</b>	<b>11.98</b>

## Note 26 : Trade Payables

	As at March 31, 2022	₹ Crore As at March 31, 2021
i) MSME	23.24	24.86
ii) Other than MSME (Refer Note 43)	602.06	777.50
<b>TOTAL</b>	<b>625.30</b>	<b>802.36</b>

\* Trade Payables includes invoices discounted by Vendors with banks.  
(Refer Note 49C)

Disclosures pursuant to Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") are as follows:

	As at March 31, 2022	₹ Crore As at March 31, 2021
I The principal amount remaining unpaid to any supplier at the end of the accounting year included in trade payables	23.24	24.86
II Interest due thereon	-	-
<b>Trade payable dues to Micro and small enterprises</b>	<b>-</b>	<b>-</b>
(a) The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(b) The amount of interest due and payable for the period (where the principal has been unpaid but interest under the MSMED Act, 2006 not paid)	-	-
(c) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(d) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	-	-

## Trade payables ageing schedule

As At March 31, 2022

₹ Crore

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) MSME	-	23.07	0.17	-	-	-	23.24
ii) Other than MSME	250.03	228.16	119.31	1.23	1.27	1.30	601.30
iii) Disputed dues -MSME	-	-	-	-	-	-	-
iv) Disputed dues -Others	-	-	-	-	-	0.76	0.76
<b>Total</b>	<b>250.03</b>	<b>251.23</b>	<b>119.48</b>	<b>1.23</b>	<b>1.27</b>	<b>2.06</b>	<b>625.30</b>

As At March 31, 2021

₹ Crore

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) MSME	-	24.86	-	-	-	-	24.86
ii) Other than MSME	321.79	281.53	169.46	2.05	1.44	1.23	777.50
iii) Disputed dues -MSME	-	-	-	-	-	-	-
iv) Disputed dues -Others	-	-	0.00	-	0.00	-	0.00
<b>Total</b>	<b>321.79</b>	<b>306.39</b>	<b>169.46</b>	<b>2.05</b>	<b>1.44</b>	<b>1.23</b>	<b>802.36</b>

## Note 27 : Other Current Financial Liabilities

₹ Crore

	As at March 31, 2022	As at March 31, 2021
Security Deposit Received	4.36	4.06
Employee Benefits Payable	57.93	129.42
Unclaimed Dividends (Refer Note below)	15.18	16.52
Capital creditors and other payables	11.87	10.25
<b>TOTAL</b>	<b>89.34</b>	<b>160.25</b>

(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

	As at March 31, 2022	As at March 31, 2021
Statutory Dues (TDS, Octroi etc)	8.13	8.33
Advance from customers	19.82	23.10
Contractual and constructive obligation	117.89	145.64
Unearned premium on guarantees given to subsidiaries	4.76	8.12
Others (includes PF, deferred revenue)	4.86	3.01
<b>TOTAL</b>	<b>155.46</b>	<b>188.20</b>

## Note 29 : Provisions (Current)

	As at March 31, 2022	As at March 31, 2021
<b>Provision for Employee Benefits</b>		
Gratuity (Refer Note 45)	8.38	8.28
Compensated Absences	1.41	3.25
<b>Other provisions</b>		
Provision for Sales Returns	36.07	32.36
Provision towards Litigations	19.22	18.82
<b>TOTAL</b>	<b>65.08</b>	<b>62.71</b>

Movements in each class of other provisions during the financial year are set out below:

	Sales Returns	Provision towards Litigation
<b>As at April 1, 2020</b>	<b>21.85</b>	<b>12.58</b>
Provisions made during the year	10.51	6.24
Provisions reversed during the year	-	-
<b>As at April 1, 2021</b>	<b>32.36</b>	<b>18.82</b>
Provisions made during the year	3.71	0.40
<b>As at March 31, 2022</b>	<b>36.07</b>	<b>19.22</b>

### 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

	Year ended March 31, 2022	₹ Crore Year ended March 31, 2021
<b>Revenue from contracts with customers</b>		
Sale of Products	6,819.32	6,133.44
Other Operating Revenues		
a) Royalty & Technical Fees	22.46	20.10
b) Miscellaneous Income ( includes Refunds/Incentives from Govt. Authorities)	109.78	100.79
<b>TOTAL</b>	<b>6,951.56</b>	<b>6,254.33</b>

**Notes :****a) Revenue Information**

	Year ended March 31, 2022	₹ Crore Year ended March 31, 2021
<b>Revenue by product categories</b>		
Home care	3,383.99	3,141.61
Personal care	2,682.87	2,310.22
Hair care	752.46	681.61
<b>TOTAL</b>	<b>6,819.32</b>	<b>6,133.44</b>

**b) Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price**

	Year ended March 31, 2022	₹ Crore Year ended March 31, 2021
<b>Revenue as per contracted price</b>	<b>7,100.63</b>	6,415.03
Sales returns	(3.71)	(10.51)
Rebates/Discounts	(277.60)	(271.08)
<b>Revenue from contract with customers</b>	<b>6,819.32</b>	<b>6,133.44</b>

**c) Contract Balances**

	March 31, 2022	₹ Crore March 31, 2021
Trade receivables (Note 14)	336.92	247.46
Contract assets (Note 18)	9.82	7.37
Contract liabilities (Note 28)	19.82	23.10

**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**

	Year ended March 31, 2022	₹ Crore Year ended March 31, 2021
Revenue recognised that was included in the contract liability balance at the beginning of the period	23.10	20.59

## Note 31 : Other Income

	₹ Crore	
	Year ended March 31, 2022	Year ended March 31, 2021
Interest Income on:		
Fixed deposits with Non-Banking Financial Companies at amortised cost	26.48	19.43
Deposits with banks	8.92	2.12
Commercial Papers	0.81	-
On Others	0.17	0.44
Net Gain on Sale of Investments ( Mutual Funds/ Non-convertible debentures)	10.90	14.02
Fair Value Gain/(Loss) on financial assets measured at fair value through profit or loss	0.62	0.53
Other Non-Operating Income		
Net Gain on Foreign Currency Transactions and Translations	0.87	-
Guarantee Commission income	8.17	17.32
Rental Income	10.97	10.77
Miscellaneous Non-operating Income	1.27	0.11
<b>TOTAL</b>	<b>69.18</b>	<b>64.74</b>

## Note 32 : Cost Of Materials Consumed

	₹ Crore	
	Year ended March 31, 2022	Year ended March 31, 2021
<b>Raw material and packing material</b>		
Opening Inventory	287.95	284.97
Add : Purchases (Net)	3,152.53	2,397.28
	3,440.48	2,682.25
Less: Closing Inventory	(376.55)	(287.95)
<b>Cost of Materials Consumed</b>	<b>3,063.93</b>	<b>2,394.30</b>
	<b>TOTAL</b>	

## Note 33 : Changes in Inventories of Finished Goods, Stock-In-Trade and Work-in-Progress

	₹ Crore	
	Year ended March 31, 2022	Year ended March 31, 2021
Opening 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
Less: Closing Inventory		
Finished Goods	305.01	292.49
Stock-in-Trade	38.62	61.80
Work-in-Progress	57.02	49.34
	400.65	403.63
<b>(Increase)/Decrease in Inventories</b>	<b>2.98</b>	<b>(41.20)</b>
	<b>TOTAL</b>	

## Note 34 : Employee Benefits Expense

	Year ended March 31, 2022	Year ended March 31, 2021
Salaries and Wages	302.59	380.27
Compensated Absences	1.05	1.84
Contribution to Provident and Other Funds (Refer Note 45)	21.75	22.45
Share based payments to Employees (Employee Stock Grant Scheme) (Refer Note 46)	11.96	6.09
Staff Welfare Expenses	10.17	6.44
<b>TOTAL</b>	<b>347.52</b>	<b>417.09</b>

₹ Crore

## Note 35 : Finance Costs

	Year ended March 31, 2022	Year ended March 31, 2021
Interest Expense		
Unwinding of interest on liabilities	-	2.29
Interest on lease liabilities	2.37	2.79
Others (mainly includes interest on Short-term borrowings)	5.39	9.86
Other borrowing costs		
Bill discounting Charges	0.11	9.87
<b>TOTAL</b>	<b>7.87</b>	<b>24.81</b>

₹ Crore

## Note 36 : Depreciation and Amortisation Expenses

	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation on property, plant and equipment	68.14	65.49
Depreciation on Right of use assets - buildings	12.01	11.78
Amortisation on intangible assets	5.46	6.11
<b>TOTAL</b>	<b>85.61</b>	<b>83.38</b>

₹ Crore

## Note 37 : Other Expenses

	Year ended March 31, 2022	₹ Crore Year ended March 31, 2021
Consumption of Stores and Spare Parts	13.11	15.24
Power and Fuel	100.67	80.47
Rent (Net) (Refer Note 3B)	45.89	43.33
Repairs and Maintenance		
Plant and Equipment	6.80	5.36
Buildings	4.96	4.87
Others (Net)	31.48	29.28
	43.24	39.51
Insurance	7.19	6.44
Rates and Taxes	10.41	13.96
Processing and Other Manufacturing Charges	188.56	179.62
Travelling and Conveyance	21.36	15.07
Auditors' Remuneration		
As Statutory Auditor	1.86	1.80
For Other audit related services	0.36	0.19
Reimbursement of Expenses	0.03	0.01
	2.25	2.00
Legal and Professional Charges	36.93	35.19
Donations	0.38	1.52
Sales Promotion	63.22	55.58
Advertising and Publicity	501.13	543.52
Selling and Distribution Expenses	78.73	76.58
Freight	276.55	261.48
Net Loss on Sale/ write off of Fixed Assets	3.36	9.09
Net Loss on Foreign Currency Transactions and Translations	-	1.57
Provision for Doubtful Debts / Advances	-	10.32
CSR expenditure (Note 47)	30.49	34.08
Miscellaneous Expenses (Net) (Refer Note (a) below)	59.58	50.51
<b>TOTAL</b>	<b>1,483.05</b>	<b>1,475.08</b>

### 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

	Year ended March 31, 2022	Year ended March 31, 2021
Impairment (reversal) / provision	(15.38)	15.38
Net gain on sale of investment in Associate	(42.83)	-
<b>TOTAL</b>	<b>(58.21)</b>	<b>15.38</b>

₹ Crore

### Note :

The Company divested its entire stake in Bhabani Blunt Hair Dressing Private Limited on March 16<sup>th</sup>, 2022, and the right to use the BBLUNT™ brand name to manufacture and sell BBLUNT branded products business during the year in line with the overall strategy of sharpening the strategic focus on the core business portfolio. Total consideration received by GCPL on closing of the transaction is ₹ 78.65 crore (Net)

## Note 39 : Earnings Per Share

	Year ended March 31, 2022	Year ended March 31, 2021
<b>Net Profit After Tax (₹ Crore)</b>	<b>1,479.15</b>	<b>1,224.34</b>
Number of Shares outstanding at the beginning of the year	1,02,24,86,273	1,02,23,16,352
Add : Shares Issued during the year	94,806	1,69,921
Number of Shares outstanding at the end of the year	1,02,25,81,079	1,02,24,86,273
<b>Weighted Average Number of Equity Shares</b>		
For calculating Basic EPS	1,02,25,45,027	1,02,24,35,634
<b>Effect of dilution:</b>		
Shared based payments	1,19,419	1,17,084
For calculating Diluted EPS	1,02,26,64,446	1,02,25,52,718
<b>Earnings Per Share</b>		
<b>(Face Value ₹ 1)</b>		
Basic (₹)	14.47	11.97
Diluted (₹)	14.46	11.97

## Note 40 : Commitments

Estimated value of contracts remaining to be executed on capital account to the extent not provided for : ₹ 40.97 crore (31-Mar-21 ₹ 45.66 crore), net of advances there against of ₹ 37.11 crore (31-Mar-21 ₹ 8.66 crore)

## Note 41 : Dividend

During the year 2021-22, no interim dividend has been paid.

## Note 42 : Contingent Liabilities

		₹ Crore	
		As at March 31, 2022	As at March 31, 2021
<b>a)</b>	<b>CLAIMS FOR EXCISE DUTIES, TAXES AND OTHER MATTERS</b>		
i)	Excise duty and service tax matters	56.73	51.06
ii)	Sales tax and VAT matters	65.07	62.28
iii)	Income-tax matters	12.78	12.78
iv)	Other matters	3.00	3.00
<b>b)</b>	<b>GUARANTEES GIVEN ON BEHALF OF SUBSIDIARIES</b>		
i)	Guarantee amounting to Nil (31-Mar-21 USD 14.30 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
ii)	Guarantee amounting to Nil (31-Mar-21 USD 39.59 million) given by the Company to Bank of Tokyo Mitsubishi UFJ Ltd (London) against loan provided to Godrej SON Holdings, Inc.	-	289.45
iii)	Guarantee amounting to USD 50.50 million (31-Mar-21 USD 50.50 million) given by the Company to Standard Chartered Bank Mauritius towards SBLC line given to Godrej Tanzania Holdings Limited	382.75	369.21
iv)	Guarantee amounting to Nil (31-Mar-21 USD 1.20 million) given by the Company to DBS Bank Limited towards IRS taken by Godrej Consumer Products Holdings Mauritius Ltd.	-	8.77
v)	Guarantee amounting to USD 36.75 million (31-Mar-21 Nil) given by the Company to Sumitomo Mitsui Banking Corporation (Singapore) towards Banking facility taken by Godrej SON Holdings, Inc.	278.54	-
vi)	Guarantee amounting to USD 49.58 million (31-Mar-21 USD 148.72 million) given by the Company to HSBC (Singapore) against loan provided to Godrej Mauritius Africa Holdings Ltd.	375.80	1,087.29
vii)	Guarantee amounting to Nil (31-Mar-21 3.50 million) given by the Company to DBS Bank Limited towards IRS taken by Godrej Mauritius Africa Holdings Ltd.	-	25.59
viii)	Guarantee amounting to USD 24.20 million (31-Mar-21 USD 24.20 million) given by the Company to Sumitomo Mitsui Banking Corporation (Singapore) towards Banking facility taken by Godrej Mauritius Africa Holdings Ltd.	183.42	176.93
ix)	Guarantee amounting to Nil (31-Mar-21 USD 0.75 million) given by the Company to Sumitomo Mitsui Banking Corporation (Singapore) towards IRS taken by Godrej Mauritius Africa Holdings Ltd.	-	5.48
		<b>1,220.51</b>	<b>2,067.27</b>
<b>c)</b>	<b>OTHER GUARANTEES</b>		
i)	Guarantees issued by banks [secured by bank deposits under lien with the bank ₹ 4.23 crore	37.92	13.39
ii)	Guarantee given by the Company to Yes Bank for credit facilities extended to M/s. Broadcast Audience Research Council	-	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
		<b>38.22</b>	<b>14.49</b>

	As at March 31, 2022	₹ Crore As at March 31, 2021
<b>d) CLAIMS AGAINST THE COMPANY NOT ACKNOWLEDGED AS DEBT:</b>		
i) Claims by various parties on account of unauthorized, illegal and fraudulent acts by an employee.	<b>32.22</b>	32.22
ii) Others	<b>0.06</b>	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, 2022	% Holding as at March 31, 2021
Belaza Mozambique LDA	Mozambique	<b>100%</b>	100%
Canon Chemicals Limited	Kenya	<b>100%</b>	100%
Charm Industries Limited	Kenya	<b>100%</b>	100%
Consell (under voluntary Liquidation)	Argentina	<b>100%</b>	100%
Cosmetica National	Chile	<b>100%</b>	100%
Darling Trading Company Mauritius Limited	Mauritius	<b>100%</b>	95%
Deciral S.A.	Uruguay	<b>100%</b>	100%
DGH Phase Two Mauritius	Mauritius	<b>100%</b>	90%
DGH Tanzania Limited	Mauritius	<b>100%</b>	100%
DGH Uganda (under voluntary liquidation)	Mauritius	<b>51%</b>	51%
Frika Weave (Pty) Ltd	South Africa	<b>100%</b>	100%
Godrej (UK) Ltd	UK	<b>100%</b>	100%
Godrej Africa Holdings Limited	Mauritius	<b>100%</b>	100%
Godrej Consumer Care Limited (w.e.f. January 4, 2022)	India	<b>100%</b>	0%
Godrej Consumer Products Limited Employees' Stock Option Trust	India	<b>100%</b>	100%
Godrej Consumer Holdings (Netherlands) B.V.	Netherlands	<b>100%</b>	100%
Godrej Consumer Investments (Chile) Spa	Chile	<b>100%</b>	100%
Godrej Consumer Products (Netherlands) B.V.	Netherlands	<b>100%</b>	100%
Godrej Consumer Products Bangladesh Limited	Bangladesh	<b>100%</b>	100%
Godrej Consumer Products Dutch Cooperatief UA	Netherlands	<b>100%</b>	100%
Godrej Consumer Products Holding (Mauritius) Limited	Mauritius	<b>100%</b>	100%

Name of the Subsidiary	Country	% Holding as at March 31, 2022	% Holding as at March 31, 2021
Godrej Consumer Products International FZCO	Dubai,UAE	100%	95%
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 Holdings (Chile) Limitada	Chile	100%	100%
Godrej Household Products (Bangladesh) Pvt. Ltd.	Bangladesh	100%	100%
Godrej Household Products Lanka (Pvt). Ltd.	Sri Lanka	100%	100%
Godrej Indonesia IP Holdings Ltd	Mauritius	100%	100%
Godrej Mauritius Africa Holdings Limited	Mauritius	100%	100%
Godrej Mid East Holding Limited	Dubai,UAE	100%	100%
Godrej Netherland B.V.	Netherlands	100%	100%
Godrej Nigeria Limited	Nigeria	100%	100%
Godrej Peru SAC (under voluntary liquidation)	Peru	100%	100%
Godrej SON Holdings Inc.	USA	100%	100%
Godrej South Africa Proprietary Limited	South Africa	100%	100%
Godrej Tanzania Holdings Limited	Mauritius	100%	100%
Godrej West Africa Holdings Limited	Mauritius	100%	95%
Hair Credentials Zambia Limited	Zambia	100%	100%
Hair Trading (Offshore) S.A.L.	Lebanon	51%	51%
Indovest Capital (Ceased on December 27, 2021)	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%
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%
Style Industries Ltd	Kenya	100%	90%
Style Industries Uganda Limited (Ceased on August 3, 2021)	Uganda	51%	51%
Subinite (Pty) Ltd	South Africa	100%	95%
Weave Ghana	Ghana	100%	100%
Weave IP Holdings Mauritius Pvt. Ltd.	Mauritius	100%	95%
Weave Mozambique Limitada	Mozambique	100%	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, 2022	% Holding as at March 31, 2021
Bhabani Blunt Hairdressing Pvt Limited (Note 38)	India	0%	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) Godrej Projects Development Private Limited
- vi) Godrej One Premises Management Private Limited

**f) Key Management Personnel and Relatives**

- i) Mr. Adi Godrej Chairman Emeritus (till September 30,2021)
- ii) Ms. Nisaba Godrej Executive Chairperson (Chairperson & Managing director from October 18,2021) / Daughter of Mr. Adi Godrej / Sister of Mr. Pirojsha Godrej and Ms. Tanya Dubash
- iii) Mr. Vivek Gambhir Managing Director & CEO (From April 1, 2020 to June 30, 2020), Whole-time Director from July 1, 2020 to September 30, 2020)
- iv) Mr. Sudhir Sitapati Managing Director & CEO (From October 18, 2021)
- v) Mr. V. Srinivasan Chief Financial Officer and Company Secretary (till August 31, 2021)
- vi) Mr. Sameer Shah Chief Financial Officer (From September 1, 2021)
- vii) Mr. Rahul Botadara Company Secretary and Compliance Officer(From September 1, 2021)
- viii) Mr. Pirojsha Godrej Non-Executive Director / Son of Mr. Adi Godrej / Brother of Ms. Nisaba Godrej and Ms. Tanya Dubash
- ix) Mr. Nadir Godrej Non-Executive Director/ Brother of Mr. Adi Godrej
- x) Ms. Tanya Dubash Non-Executive Director/ Daughter of Mr. Adi Godrej /Sister of Mr. Pirojsha Godrej and Ms. Nisaba Godrej
- xi) Mr. Jamshyd Godrej Non Executive Director
- xii) Mr. Aman Mehta Independent Director (Up to August 31, 2021)
- xiii) Mr. Omkar Goswami Independent Director
- xiv) Ms. Ireena Vittal Independent Director
- xv) Mr. Narendra Ambwani Independent Director
- xvi) Ms. Ndidi Nwuneli Independent Director
- xvii) Ms. Pippa Armerding Independent Director
- xviii) Mr. Sumeet Narang Independent Director

xix)	Mr. Burjis Godrej	Son of Mr. Nadir Godrej
xx)	Ms. Rati Godrej	Wife of Mr. Nadir Godrej
xxi)	Mr. Sohrab Godrej	Son of Mr. Nadir Godrej
xxii)	Mr. Hormazd Godrej	Son of Mr. Nadir Godrej
xxiii)	Mr.Navroze Godrej	Son of Mr. Jamshyd Godrej
xxiv)	Mr. Azaar Arvind Dubash	Son of Ms. Tanya Dubash

**g) Post employment Benefit Trust where the reporting entity exercises significant influence**

- i) Godrej Consumer Products Employees' Provident Fund

## B) The Related Party Transactions are as under :

	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, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
Sale of Goods	114.20	96.03	0.13	0.08	33.47	12.25	1.49	1.02	-	-	-	-	149.29	109.38
Sale of Capital Asset	-	-	-	-	0.01	-	-	-	-	-	-	-	0.01	-
Purchase of Materials and Spares	3.53	4.77	-	-	81.57	65.54	7.04	3.82	-	-	-	-	92.14	74.13
Purchase of Fixed Asset including Assets under Construction	-	-	-	-	-	-	0.24	-	-	-	-	-	0.24	-
Advance Paid	-	-	-	-	-	-	-	-	-	-	9.50	-	9.50	-
Advance received back	-	-	-	-	-	-	-	-	-	-	9.50	-	9.50	-
Royalty and Technical Fees Received	22.46	20.10	-	-	-	-	-	-	-	-	-	-	22.46	20.10
Royalty and Technical Fees Paid	0.13	0.15	0.55	0.41	-	-	-	-	-	-	-	-	0.68	0.56
Establishment & Other Expenses Paid (Including provision for doubtful debts if any)	2.75	2.05	0.10	0.12	23.40	21.49	5.71	6.03	-	-	-	-	31.96	29.69
Expenses Recovered	18.43	18.04	0.00	-	1.24	1.33	0.01	0.07	-	-	-	-	19.68	19.44
Investments Made	502.30	981.36	-	-	-	-	-	-	-	-	-	-	502.30	981.36
Investments Sold / Redeemed	-	-	32.04	-	-	-	-	-	-	-	-	-	32.04	-
Guarantees Given / (Cancelled)	278.54	374.69	-	-	-	-	-	-	-	-	-	-	278.54	374.69
Guarantee Commission Income	8.17	17.32	-	-	-	-	-	-	-	-	-	-	8.17	17.32
Income from Business Support Services	12.45	10.16	-	-	-	-	-	-	-	-	-	-	12.45	10.16
Commission on Profits and Sitting Fees	-	-	-	-	-	-	-	-	3.17	3.51	-	-	3.17	3.51
Lease Rentals Received	-	-	-	-	11.03	10.98	-	-	-	-	-	-	11.03	10.98
Lease Rentals Paid	-	-	-	-	18.73	17.89	-	-	-	-	-	-	18.73	17.89
Loans given	-	29.42	-	-	-	-	-	-	-	-	-	-	-	29.42
Loans repaid	-	29.42	-	-	-	-	-	-	-	-	-	-	-	29.42
Contribution during the year (Including Employees' Share)	-	-	-	-	-	-	-	-	-	-	17.39	15.76	17.39	15.76
Short Term Employment Benefits	-	-	-	-	-	-	-	-	13.31	18.05	-	-	13.31	18.05
Post Employment Benefits	-	-	-	-	-	-	-	-	0.49	1.64	-	-	0.49	1.64
Other Long Term Benefits	-	-	-	-	-	-	-	-	0.03	-	-	-	0.03	-
Share Based Payment	-	-	-	-	-	-	-	-	1.16	5.17	-	-	1.16	5.17
<b>TOTAL</b>	<b>962.96</b>	<b>1,583.51</b>	<b>32.82</b>	<b>0.61</b>	<b>169.45</b>	<b>129.48</b>	<b>14.49</b>	<b>10.94</b>	<b>18.16</b>	<b>28.37</b>	<b>36.39</b>	<b>15.76</b>	<b>1,234.27</b>	<b>1,768.67</b>

₹ Crore

## Outstanding Balances

₹ Crore

	Receivables		Payables		Guarantees Outstanding - Given / (Taken)		Commitments	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Subsidiary Companies	96.13	75.04	1.30	1.41	1,220.51	2,067.27	-	-
Associate Company	0.00	0.03	-	0.14	-	-	-	-
Investing Entity in which the reporting entity is an associate	3.06	1.37	10.09	5.74	(26.88)	(26.88)	-	-
Common Control	0.66	0.40	0.49	0.41	(1.21)	(1.21)	0.24	0.53
Key Management Personnel and Relatives	-	-	2.36	2.58	-	-	-	-
<b>TOTAL</b>	<b>99.85</b>	<b>76.84</b>	<b>14.24</b>	<b>10.28</b>	<b>1,192.42</b>	<b>2,039.18</b>	<b>0.24</b>	<b>0.53</b>

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, 2022		As at March 31, 2021	
	In Million	INR crores	In Million	INR crores
Forward Contracts to Purchase (USD) - nominal amounts [0 contract (31-Mar-21: 3 contracts)]	\$-	0.00	\$1.95	14.27
Forward Contracts to Sales (USD) - nominal amounts [2 contracts (31-Mar-21: 0 contract)]	\$7.50	56.84	\$-	-
Forward Contracts to Sales (EURO) - nominal amounts [4 contracts (31-Mar-21: 1 contract)]	€ 2.00	16.84	€ 1.00	8.58

## 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, 2022.

	As at March 31, 2022	₹ Crore As at March 31, 2021
Plan assets at period end, at fair value	170.68	175.93
Provident Fund Corpus	168.26	174.09
Valuation assumptions under Deterministic Approach:		
Weighted Average Yield	8.45%	8.44%
Weighted Average Yield to Maturity	8.57%	8.61%
Guaranteed Rate of Interest	8.10%	8.50%

**c) Amounts Recognised as Expense:**

**i) Defined Contribution Plan**

Employer's Contribution to Provident Fund including contribution to Family Pension Fund amounting to ₹ 12.72 crore (previous year ₹ 13.13 crore) has been included in Note 34 under Contribution to Provident and Other Funds.

**ii) Defined Benefit Plan**

Gratuity cost amounting to ₹ 8.60 crore (previous year ₹ 8.83 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:**

	As at March 31, 2022	₹ Crore As at March 31, 2021
<b>i) Change in Present Value of Obligation</b>		
Present value of the obligation at the beginning of the year	66.33	65.91
Current Service Cost	4.49	4.62
Interest Cost	4.15	4.24
Actuarial (Gain) / Loss on Obligation- Due to Change in Demographic Assumptions	(1.42)	-
Actuarial (Gain) / Loss on Obligation- Due to Change in Financial Assumptions	(0.39)	0.53
Actuarial (Gain) / Loss on Obligation- Due to Experience	0.54	(2.24)
Benefits Paid	(11.66)	(6.73)
Present value of the obligation at the end of the year	62.04	66.33
<b>ii) Change in Plan Assets</b>		
Fair value of Plan Assets at the beginning of the year	0.61	0.52
Interest Income	0.04	0.03
Return on plan assets excluding interest income	(0.01)	(0.01)
Contributions by the Employer	13.00	6.80
Benefits Paid	(11.66)	(6.73)
Fair value of Plan Assets at the end of the year	1.99	0.61
<b>iii) Amounts Recognised in the Balance Sheet:</b>		
Present value of Obligation at the end of the year	62.04	66.33
Fair value of Plan Assets at the end of the year	1.99	0.61
Net Liability recognised in the Balance Sheet	60.05	65.72
<b>iv) Amounts Recognised in the Statement of Profit and Loss:</b>		
Current Service Cost	4.49	4.62
Interest Cost/Income on Obligation/ Plan assets (Net)	4.11	4.21
Net Cost Included in Personnel Expenses	8.60	8.83
<b>v) Recognised in other comprehensive income for the year</b>		
Actuarial (Gain) / Loss on Obligation	(1.27)	(1.72)
Return on plan assets excluding interest income	0.01	0.01
Recognised in other comprehensive income	(1.26)	(1.71)
<b>vi) Weighted average duration of Present Benefit Obligation</b>	<b>5 years</b>	<b>6 years</b>
<b>vii) Estimated contribution to be made in next financial year</b>	<b>8.38</b>	<b>8.28</b>
<b>viii) Major categories of Plan Assets as a % of total Plan Assets</b>		
Insurer Managed Funds	100%	100%
<b>ix) Actuarial Assumptions</b>		
i) Discount Rate	6.41% P.A.	6.26% P.A.
ii) Salary Escalation Rate	9.00% P.A.	9.00% P.A.
iii) Mortality	<b>Indian Assured Lives Mortality (2006-08) Ultimate</b>	
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**

	As at March 31, 2022	₹ Crore As at March 31, 2021
<b>Projected Benefits Payable in Future Years From the Date of Reporting</b>		
Within the next 12 months	10.56	13.31
2 <sup>nd</sup> Following Year	8.84	6.71
3 <sup>rd</sup> Following Year	8.14	7.96
4 <sup>th</sup> Following Year	7.95	6.60
5 <sup>th</sup> Following Year	6.58	7.68
Sum of Years 6 To 10	25.34	25.77

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, 2022		March 31, 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(2.47)	2.70	(2.96)	3.29
Future salary growth (1% movement)	2.61	(2.43)	3.17	(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 1/3<sup>rd</sup> 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 2021	15,72,851	Vested in the proportion of 1/3 <sup>rd</sup> 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, 2022	As at March 31, 2021
<b>Outstanding at the beginning of the year</b>	<b>1,87,421</b>	<b>2,90,133</b>
Add: Granted during the year	5,78,514	97,653
Less: Exercised during the year	94,806	1,69,921
Less: Forfeited/ lapsed during the year	55,027	30,444
<b>Outstanding at the end of the year</b>	<b>6,16,102</b>	<b>1,87,421</b>

Weighted average remaining contractual life of options as at 31<sup>st</sup> March, 2022 was ₹ 2.97 years (31-Mar-21 ₹ 0.94 years).

Weighted average equity share price at the date of exercise of options during the year was ₹ 958.87 (previous year ₹ 654.46).

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, 2022	As at March 31, 2021
Risk-free interest rate (%)	5.34%	4.12%
Expected life of options (years)	3.65	2.00
Expected volatility (%)	34.73%	38.12%
Dividend yield	0.00%	1.20%
The price of the underlying share in market at the time of option grant (₹)	977.30	666.58

- 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 ₹ 30.46 crore (previous year ₹ 28.04 crore):

	Year ended March 31, 2022	₹ Crore Year ended March 31, 2021
Amount required to be spent by the company during the year	30.46	28.04
Amount of expenditure incurred on CSR activities	24.25	34.08
Shortfall at the end of the year	6.21	-
<b>Movement of provision</b>		
Opening	-	-
Add Provision during the year	6.24	-
Closing	6.24	-

### Reason for Shortfall

- i) The MoUs for projects such as Salon-I and EMBED were from June 2021 to May 2022 in line with MCA's direction in January 2021 (that CSR Committees must approve new projects annually) and hence the project period is yet to be completed and the funds were therefore not disbursed.
- ii) Pondicherry waste management project and the horticulture to briquette project in Assam were delayed due to Covid19 related issues and local government alignment and permissions.

### Nature of CSR Activities

- i) COVID 19 second wave - disaster management, including relief, rehabilitation and reconstruction activities for various states
- ii) Community development initiatives like providing clean water and improving sanitation; promoting education; promoting rural development
- iii) Livelihood enhancement projects, women's empowerment
- iv) environment sustainability etc
- v) Promoting public health

GCPL has deposited the unspent CSR amount of ₹ 6.24 crore to the specified bank account post year end and before April 30, 2022

## 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, 2022	Carrying amount / Fair Value				Fair value Hierarchy			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
<b>Non Current</b>								
Deposits with Non-Banking Financial Companies	-	-	25.20	25.20	-	25.20	-	25.20
Loans	-	-	0.03	0.03	-	-	-	-
Other non-current financial assets	-	-	23.42	23.42	-	-	-	-
<b>Current</b>								
Investments								
Non-convertible Debentures with Non-Banking Financial Companies	-	-	127.19	127.19	127.19	-	-	127.19
Mutual Funds	311.60	-	-	311.60	-	311.60	-	311.60
Commercial papers	-	-	49.98	49.98	-	49.98	-	49.98
Deposits with Non-Banking Financial Companies	-	-	277.63	277.63	-	277.63	-	277.63
Trade receivables	-	-	336.92	336.92	-	-	-	-
Cash and cash equivalents	-	-	35.23	35.23	-	-	-	-
Other bank balances	-	-	309.74	309.74	-	-	-	-
Loans	-	-	0.05	0.05	-	-	-	-
Refunds/Incentives receivables from government authorities	-	-	29.84	29.84	-	-	-	-
Derivative assets - forward exchange contracts	0.11	-	-	0.11	-	0.11	-	0.11
Other current financial assets	-	-	8.20	8.20	-	-	-	-
<b>TOTAL</b>	<b>311.71</b>	<b>-</b>	<b>1,223.43</b>	<b>1,535.14</b>	<b>127.19</b>	<b>664.52</b>	<b>-</b>	<b>791.71</b>
<b>Financial liabilities</b>								
<b>Non Current</b>								
Lease liabilities	-	-	20.42	20.42	-	-	-	-
<b>Current</b>								
Lease liabilities	-	-	11.03	11.03	-	-	-	-
Trade and other payables	-	-	625.30	625.30	-	-	-	-
Other Current Financial Liabilities	-	-	89.34	89.34	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>746.09</b>	<b>746.09</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

There are no transfers between levels 1 and 2 during the year

₹ 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
<b>Financial assets</b>								
<b>Non Current</b>								
Loans	-	-	0.04	0.04	-	-	-	-
Other Non-Current Financial Assets	-	-	26.35	26.35	-	-	-	-
<b>Current</b>								
Non-convertible Debentures with Non-Banking Financial Companies	-	-	55.30	55.30	55.30	-	-	55.30

₹ 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
Mutual Funds	129.47	-	-	129.47	-	129.47	-	129.47
Commercial papers	-	-	-	-	-	-	-	-
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	-	-	0.06	0.06	-	-	-	-
Refunds/Incentives receivables from Govt. Authorities	-	-	55.50	55.50	-	-	-	-
Derivative assets - forward exchange contracts	0.27	-	-	0.27	-	0.27	-	0.27
Other Current Financial Assets	-	-	19.66	19.66	-	-	-	-
<b>TOTAL</b>	<b>129.74</b>	<b>-</b>	<b>947.73</b>	<b>1,077.47</b>	<b>55.30</b>	<b>589.39</b>	<b>-</b>	<b>644.69</b>
<b>Financial liabilities</b>								
<b>Non Current</b>								
Lease liabilities	-	-	31.44	31.44	-	-	-	-
<b>Current</b>								
Borrowings	-	-	0.14	0.14	-	-	-	-
Lease liabilities	-	-	11.98	11.98	-	-	-	-
Trade and other payables	-	-	802.36	802.36	-	-	-	-
Other current financial liabilities	-	-	160.25	160.25	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>1,006.17</b>	<b>1,006.17</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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, 2022 is as below:

₹ Crore

	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022
	GBP	USD	EURO	AED
<b>Financial assets</b>				
Cash and cash equivalents	-	1.04	-	-
Trade and other receivables	-	97.49	31.52	-
Less: Forward contracts for trade receivables	-	(56.84)	(16.84)	-
Other Non-Current Financial Assets	-	4.78	-	-
Other Current Financial Assets	-	4.97	-	-
	-	<b>51.44</b>	<b>14.68</b>	-
<b>Financial liabilities</b>				
Trade and other payables	(0.16)	4.54	27.44	-
Less: Forward contracts for trade payables	-	-	-	-
Other Non-current financial liabilities	-	-	-	-
Other Current Financial Liabilities	-	-	-	-
	<b>(0.16)</b>	<b>4.54</b>	<b>27.44</b>	-
<b>Net exposure</b>	<b>0.16</b>	<b>46.90</b>	<b>(12.76)</b>	-

**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
<b>Financial assets</b>				
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	-	-
	-	<b>97.57</b>	<b>16.95</b>	-
<b>Financial liabilities</b>				
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	-	-	-	-
	<b>(0.10)</b>	<b>96.17</b>	<b>0.87</b>	-
<b>Net exposure</b>	<b>0.10</b>	<b>1.40</b>	<b>16.08</b>	-

The following significant exchange rates have been applied during the year.

	Year-end spot rate as at	
	March 31, 2022	March 31, 2021
INR		
GBP INR	99.55	100.95
USD INR	75.81	73.50
EUR INR	84.66	86.10
ZAR INR	-	4.94
AED INR	-	19.91
JPY INR	0.62	0.66

#### Sensitivity analysis

A reasonably possible 5% strengthening (weakening) of GBP/USD/EURO/AED against the Indian Rupee at March 31 would have affected the measurement of financial instruments denominated in GBP/USD/EURO/AED and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Effect in INR	Profit or loss	
	Strengthening	Weakening
March 31, 2022		
5% movement		
GBP	0.01	(0.01)
USD	2.34	(2.34)
EUR	(0.64)	0.64
	1.71	(1.71)

₹ Crore

Effect in INR	Profit or loss	
	Strengthening	Weakening
March 31, 2021		
5% movement		
USD	0.07	(0.07)
EUR	0.80	(0.80)
	0.87	(0.87)

₹ Crore

## B. MANAGEMENT OF CREDIT RISK:

Credit risk refers to the risk of default on its obligations by a counterparty to the Company resulting in a financial loss to the Company. The Company is exposed to credit risk from its operating activities (trade receivables) and from its investing activities including investments in mutual funds, commercial papers, deposits with banks and financial institutions and Non-convertible debentures, foreign exchange transactions (including derivatives) and financial instruments.

Credit risk from trade receivables is managed through the Company's policies, procedures and controls relating to customer credit risk management by establishing credit limits, credit approvals and monitoring creditworthiness of the customers to which the Company extends credit in the normal course of business. Outstanding customer receivables are regularly monitored. The Company has no concentration of credit risk as the customer base is widely distributed.

Credit risk from investments of surplus funds is managed by the Company's treasury in accordance with the Board approved policy and limits. Investments of surplus funds are made only with those counterparties who meet the minimum threshold requirements prescribed by the Board. The Company monitors the credit ratings and financial strength of its counter parties and adjusts its exposure accordingly. Derivatives are entered into with banks as counter parties, which have high credit ratings assigned by rating agencies.

Management believes that the unimpaired amounts that are past due are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available. The Company uses an allowance matrix to measure the expected credit loss of trade receivables from individual customers which comprise of large number of small balances.

The movement in the allowance for impairment in respect of trade receivables is as follows

	As at March 31, 2022	₹ Crore As at March 31, 2021
Opening balance	14.46	5.49
Impairment loss (released) /recognised during the year	(2.01)	8.97
Closing balance	12.45	14.46

### 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.

March 31, 2022	₹ Crore Contractual cash flows			
	Total	Less than 1 Year	1-3 years	More than 3 years
<b>Non-derivative financial liabilities</b>				
Lease liabilities	35.48	12.61	22.64	0.23
Borrowings	-	-	-	-
Trade payables	625.30	625.30	-	-
Other Financial Liabilities	89.34	89.34	-	-
<b>Total</b>	<b>750.12</b>	<b>727.25</b>	<b>22.64</b>	<b>0.23</b>
<b>Derivative financial liabilities</b>				
Forward exchange contracts				
- Outflow	-	-	-	-
- Inflow	73.68	73.68	-	-

₹ Crore

March 31, 2021	Contractual cash flows			
	Total	Less than 1 Year	1-3 years	More than 3 years
<b>Non-derivative financial liabilities</b>				
Lease liabilities	49.83	14.34	34.34	1.15
Borrowings	0.14	0.14	-	-
Trade payables	802.36	802.36	-	-
Other Financial Liabilities	160.25	160.25	-	-
<b>Total</b>	<b>1,012.58</b>	<b>977.09</b>	<b>34.34</b>	<b>1.15</b>
<b>Derivative financial liabilities</b>				
Forward exchange contracts				
- Outflow	14.27	14.27	-	-
- Inflow	8.58	8.58	-	-

## Note 50 : Ratio Analysis And Its Elements

	As At March 31, 2022	As At March 31, 2021
Current ratio (Current Assets/ Current Liabilities )	2.62	1.55
Debt-Equity ratio (Non-Current + Current Borrowings )/ Total Equity)	-	0.00
Debt service coverage ratio (PAT + Finance Cost + Depreciation and Amortization expense + Profit/Loss on sale of Fixed assets) / (Finance Cost + Repayment Lease liabilities + Repayment of Long Term borrowings))	79.43	37.28
Return on Equity Ratio ( Net Profits after taxes – Preference Dividend)/Average Share holder's Equity	0.21	0.21
Inventory turnover (in times)-(Net Sale of products/ Average Inventory)	9.13	9.02
Trade Receivables Turnover ratio (in times)-(Net Sale of products/ Average trade receivables)	23.34	22.18
Trade Payables turnover Ratio ( Total Purchases / Avg. Trade payables)	4.87	2.69
Net working Capital turnover Ratio ( Net Sales / Working Capital)	4.45	9.07
Net Profit Ratio (Net Profit After Taxes /Net Sale of products)	0.22	0.20
Return on Capital Employed ( Earnings Before interest and Taxes / Capital Employed)	18.1%	28.3%
<b>Return on Investment :-</b>		
Fixed Deposits with Banks	4.78%	3.59%
Fixed Deposits with NBFCs	5.04%	5.83%
Non - Convertible Debentures	4.44%	6.81%
Mutual Funds	3.59%	3.15%
Commercial Papers	4.72%	-

### Reasons for Change in Ratios :

- Change in Return on investment on Fixed Deposits with Banks is due to lower average holding period in 2020-2021.
- Change in Return on investment on Non-convertible debentures is due to falling interest rates in 2021-2022.
- Current Ratio - Current assets have increased due to increase in Deposits with Bank & NBFCs in the current year ( ₹ 309.74 crore in CY vs ₹ 20.93 crore in PY).
- Return on Capital employed - Tangible Network is increased due to Investment in Subsidiaries in Current year by ₹ 502 crore.
- Total payables Turnover Ratio - Average Trade Payables decreased in current year ( ₹ 714 crore in CY vs ₹ 1023 crore in PY).
- Net working Capital Turnover Ratio - Current assets have increased due to increase in Deposits with Bank & NBFCs in the current year ( ₹ 309.74 crore in CY vs ₹ 20.93 crore in PY).
- Debt service Coverage Ratio - Due to decrease in Finance Cost in current year ( ₹ 19.84 crore in CY vs ₹ 35.99 crore in PY).

## Note 51 : Utilisation Of Borrowed Funds And Share Premium

To the best of our knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

## Note 52 : Utilisation Of Borrowed Funds

To the best of our knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

## Note 53 : Struck Off Companies

Name of struck off company	Nature of transactions	Transactions during the year March 31, 2022	Balance outstanding as at March 31, 2022	Relationship with the Struck off company
3H Health And Hygiene Pvt. Ltd	Payables	0.02	-	Vendor

Name of struck off company	Nature of transactions	Transactions during the year March 31, 2021	Balance outstanding as at March 31, 2021	Relationship with the Struck off company
3H Health And Hygiene Pvt. Ltd	Payables	0.05	-	Vendor

## Note 54 : 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 55 : 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 56 : General

Previous period figures have been regrouped / reclassified wherever necessary, to confirm to current period's classification in order to comply with the requirements of the amended Schedule III of the Companies Act, 2013.

As per our report of even date attached  
**For B S R & Co. LLP**  
 Chartered Accountants  
 Firm Registration No. 101248W/W-100022

**Vijay Mathur**  
 Partner  
 M. No. 046476

Mumbai: May 19, 2022

**Nisaba Godrej**  
 Executive Chairperson  
 DIN : 00591503

**Sameer Shah**  
 Chief Financial Officer

For and on behalf of the Board

**Sudhir Sitapati**  
 Managing Director & CEO  
 DIN: 09197063

**Rahul Botadara**  
 Company Secretary and Compliance-  
 Officer