

EMERGING  
**STRONGER**

ANNUAL  
REPORT | **2020**



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# BOARD OF DIRECTORS



**Adi Godrej**  
Chairman



**Nadir Godrej**  
Managing Director



**Tanya Dubash**  
Executive Director &  
Chief Brand Officer

**Jamshyd Godrej**



**Vijay Crishna**



**Nitin Nabar**  
Executive Director &  
President (Chemicals)



**Kavas Petigara**



**Mathew Eipe**



**Monaz Noble**



**Ganapati Yadav**



**Keki Elavia**



**Aspy Cooper**



# Corporate Information

|   |   |  |
|---|---|--|
| <b>AUDITORS</b>                                       | : | BSR & Co. LLP, Chartered Accountants   |
| <b>BOARD COMMITTEES</b>                               |   |  |
| Audit Committee                                       | : | Mr. Kavas Petigara (Chairman)<br>Mr. Aspy Cooper<br>Mr. Mathew Eipe<br>Mr. Nitin Nabar   |
| Nomination &<br>Remuneration Committee                | : | Mr. Kavas Petigara (Chairman)<br>Mr. Mathew Eipe<br>Mr. Aspy Cooper  |
| Stakeholders Relationship<br>Committee                | : | Mr. Adi Godrej (Chairman)<br>Mr. Nadir Godrej<br>Ms. Tanya Dubash<br>Mr. Nitin Nabar<br>Mr. Aspy Cooper  |
| Corporate Social<br>Responsibility Committee          | : | Mr. Nadir Godrej (Chairman)<br>Ms. Tanya Dubash<br>Mr. Nitin Nabar<br>Mr. Kavas Petigara   |
| Risk Management Committee                             | : | Mr. Nadir Godrej (Chairman)<br>Ms. Tanya Dubash<br>Mr. Nitin Nabar   |
| Management Committee                                  | : | Mr. Adi Godrej (Chairman)<br>Mr. Nadir Godrej<br>Mr. Aspy Cooper<br>Ms. Tanya Dubash<br>Mr. Nitin Nabar  |
| <b>CHIEF FINANCIAL OFFICER</b>                        | : | Mr. Clement Pinto  |
| <b>COMPANY SECRETARY &amp;<br/>COMPLIANCE OFFICER</b> | : | Ms. Tejal Jariwala   |
| <b>REGISTERED OFFICE</b>                              | : | Godrej One, Pirojshanagar, Eastern Express<br>Highway, Vikhroli (East), Mumbai 400 079.<br>Phone: 022-2518 8010, 2518 8020, 2518 8030<br>Fax: 022-2518 8066<br>Website: <a href="http://www.godrejindustries.com">www.godrejindustries.com</a><br>CIN: L24241MH1988PLC097781 |

**REGISTRARS & TRANSFER AGENT**

: Computech Sharecap Limited  
147, Mahatma Gandhi Road, Opp. Jahangir  
Art Gallery, Fort, Mumbai 400 001.  
Phone: 022 - 2263 5000, 2263 5001  
Fax: 022 - 2263 5001  
E-Mail: [helpdesk@computechsharecap.in](mailto:helpdesk@computechsharecap.in)  
Website: [www.computechsharecap.com](http://www.computechsharecap.com)

**FACTORIES**

Ambernath : Plot No.N-73, Additional Ambernath  
Industrial Area, Anand Nagar, Village Jambivali,  
Taluka Ambernath (East), District Thane,  
Maharashtra, Pin - 421 506.  
Phone: 0251 - 2624000

Valia : Burjorjinagar, Plot No. 3, Village Kanerao,  
Taluka - Valia, District Bharuch,  
Gujarat - 393 135.  
Phone: 02643 - 270756 to 270760  
Fax: 02643 - 270018

Wadala : L.M. Nadkarni Marg, Near M.P.T. Hospital,  
Wadala (East), Mumbai 400 037.  
Phone: 022 - 2415 4816, 2414 8770  
Fax: 022 - 2414 6204

Dombivali : Plot No: W-61, MIDC Phase II,  
Sagaon, Sonarpada, Dombivali - East,  
Thane, Maharashtra, 421204.  
Phone: 0251 - 2871177

**BANKERS**

Central Bank of India  
State Bank of India  
Bank of India  
HDFC Bank Limited  
Citibank N.A.  
HSBC Limited  
DBS Bank Limited  
Kotak Mahindra Bank Limited  
Axis Bank Limited

# CHAIRMAN'S STATEMENT



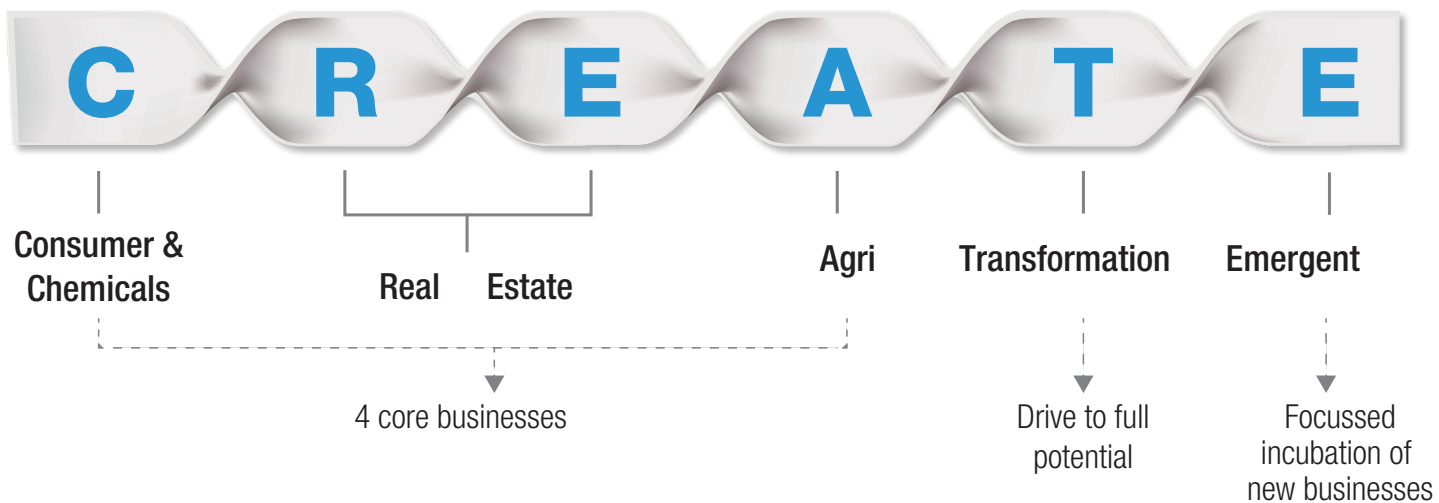
Dear Shareholders,

I am delighted to share with you the events and developments of your Company during course of the Financial Year 2019-20. The overall performance of your Company has witnessed a growth in consolidated Net Profit by 6%.

The year gone by is representative of the value Godrej Industries continues to create for all its stakeholders. As a conglomerate with diverse business interest, growth at consolidated level is pursued through competitively growing your Company's core businesses, building an environment to achieve transformation while also nurturing and investing in emergent businesses of the future. This approach of your Company's business strategy is captured in the approach called CREATE which stands for:

**Adi Godrej**  
Chairman





I would like to summarize the performance for each dimension of your Company's CREATE strategy:

## C – Consumer and Chemicals

### Consumer (GCPL)

GCPL is a leading emerging markets company. As part of the 123-year young Godrej Group, GCPL is fortunate to have a proud legacy built on the strong values of trust, integrity and respect for others. At the same time, it is growing fast and has exciting, ambitious aspirations. Besides its strong financial strength and innovative, much-loved products, GCPL remains a good company. GCPL is also bringing together the passion and purpose to make a difference through the 'Good & Green' approach to create a more inclusive and greener India.

In line with our 3 by 3 approach to international expansion at GCPL, it is building a presence in 3 emerging markets (Asia, Africa, Latin America) across 3 categories (home care, personal care, hair care). GCPL ranks among the largest household insecticide and hair care players in emerging markets. In household insecticides, GCPL is the leader in India and Indonesia and is expanding its footprint in Africa. It is the leader in serving the hair care needs of women of African descent and the number one player in hair colour in India and Sub-Saharan Africa, and among the leading players in Latin America. GCPL ranks number two in soaps in India, is the number one player in air fresheners in India and Indonesia, and a leader in wet tissues in Indonesia.

I am confident that with our clear strategic focus, differentiated product portfolio, superior execution and top-notch team, we will continue to deliver industry-leading results in the future.

### Chemicals

Our Chemicals business had a good fiscal with operating profit increasing by 6% over the previous year. The chemicals business continued its strong focus on cost control and operational efficiencies. The Chemicals business has done well across product categories and has done well in the value-added products category.

I am happy to share that our Chemicals business received the CII's National award for Excellence in Energy Management 2019. Our Chemicals business also bagged the Golden Peacock award for Environmental management and for HR Excellence. Our Valia Factory received the "Par-Excellence" Award at the National Convention of Quality Concepts (NCQC).

## **R E – Real Estate (GPL)**

In FY19-20, Godrej Properties Limited (GPL) has achieved the highest ever sales in its history, making the Company India's largest publicly listed developer by value of real estate sales. GPL achieved sales volume of 8.8 million square feet and booking value of ₹ 5,915 Crore in FY19-20. This is a growth of 11% from FY18-19 in booking value.

Total Income and Net Profit for FY19-20 stood at ₹ 2,915 Crore and ₹ 267 Crore respectively.

Sustainable development is an important part of GPL's vision and received several recognitions for the efforts on environment and safety such as ranked 5<sup>th</sup> in Asia by GRESB (Global Real Estate Sustainability Benchmark) 2019 – An industry-driven organization which assesses Environmental, Social and Governance (ESG) performance.

The Company received 57+ awards in FY19-20, reflecting its commitment towards being amongst the top 3 real estate companies in India.

While the real estate sector is likely to be significantly impacted for the next few months, we believe there will be continued opportunities for credible developers with strong brands as the process of consolidation that has been underway in the sector gathers pace.

## **A – Agri Business (GAVL)**

FY19-20 has been a challenging year for Godrej Agrovet Limited (GAVL). The difficult commodity environment was further impacted by the COVID pandemic.

In the animal feed segment volume growth was modest at 2.9% for the year ended. However, despite modest growth, GAVL's animal feeds segment revenue and segment result grew by 22% and 20%, respectively for FY19-20 driven by price hikes taken across product categories. Crop protection segment performance continues to remain healthy with a revenue growth of 11% for FY19-20. With new product launches, GAVL not only enhanced its product portfolio, but also entered new crops and new segments.

The vegetable oil segment of GAVL was impacted by lower prices of crude palm oil and palm kernel oil during the first half of the year which is the peak season for its business. In the dairy segment, revenues were flat. However, the focus remains on strengthening the Jersey brand and increasing the share of value added products.

Godrej Tyson Foods Limited (GTFL), which is in the Poultry segment, was impacted in the fourth quarter due to false rumors of linking poultry with COVID 19. The business will focus on increasing the product portfolio in the 'Yummiez' product range.

Currently, the Indian agricultural value chain offers immense business opportunities to enhance productivity as practices are largely unorganized. However, GAVL is well placed to capitalize on these opportunities given its presence across unpenetrated & unorganized segments of the agri-value chain and its strong focus on research & development.

## **T – Transformation**

As a Group, your Company believes in inclusive growth that aims at enhancing the competitiveness of the businesses while simultaneously advancing the economic and social conditions of the communities in which it operates. This focus is implemented Group wide through the 'Godrej Good and Green' initiative.

Godrej Group stands in solidarity with efforts to overcome COVID-19.

We stand in solidarity with our people and Governments and the many efforts to ensure public health and safety. We will try to the best of our capabilities to serve our customers, employees, communities and countries, and especially support health personnel, government workers, and everyone working tirelessly to curb the spread of this pandemic.

To start with, we as a group has earmarked fund of ₹ 50 Crore for community support and relief initiatives in India. This is an initial outlay and we hope to supplement it over time. The initiatives will be in the areas of medical equipment supply, product innovations and supply and support at factories and construction sites.

## **E – Emergent Businesses**

Over the many years, your Company has incubated new businesses and grown them successfully.

We believe that we can positively impact and help in building the 'Food Security in the Country'. We through Godrej Maxximilk, a subsidiary of GAVL is engaged in in-vitro production of high-quality cows that aid dairy farmers produce top-quality milk, which help in increasing their yield by a significant proportion. We will also through our Core Businesses look for opportunities to cater to the new demand / awareness in the area of personal hygiene and general hygiene.

To conclude, we had a good year. We remain encouraged and confident of achieving our long term objectives of inclusive, sustainable and profitable growth. As we look ahead, I feel confident of strong growth in the medium to long term.

I am confident that our disciplined strategy, prudent approach, focus on agile execution and our committed team will enable us to improve performance further and create greater shareholder value.

I would like to take this opportunity to thank all our employees for their contribution in the continued success of Godrej Industries. I would also like to extend my gratitude towards our business partners, associates, vendors and also the Central, State governments and government agencies for their sustained support. I would also like to express my sincere appreciation to all of our shareholders for your continued faith, trust, encouragement and support.

Yours sincerely,

**Adi Godrej**

Chairman, Godrej Industries Limited



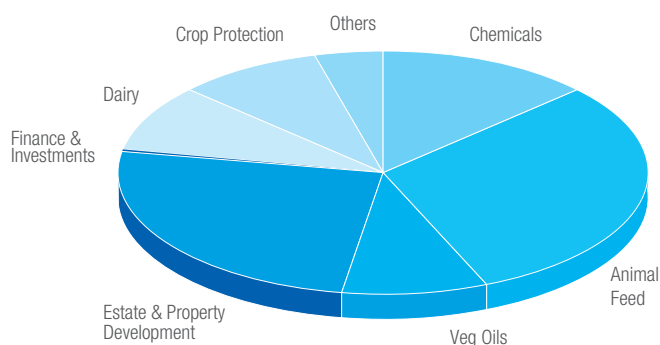
# FINANCIAL HIGHLIGHTS

# Financial Highlights

₹ Crore

| FINANCIAL HIGHLIGHTS - CONSOLIDATED   | 2019-20 | 2018-19 |
|---|---------|---------|
| Total Income <sup>+</sup>   | 12,151  | 11,759  |
| Profit before Finance Costs, Depreciation and Amortisation and Tax & including Share of Profit of Associates <sup>+</sup> | 1,808   | 1,757   |
| Depreciation and Amortisation expense   | 234     | 163     |
| Finance Costs   | 493     | 508     |
| Tax   | 273     | 222     |
| Non-Controlling Interest  | 256     | 274     |
| Net Profit (Attributable to Owners of the Company)  | 552     | 590     |
| <sup>+</sup> Including other income and exceptional items   |         |         |

**Total Income 2019-20**



**Break-up of Total Income\***

|                               | ₹ Crore       |
|-------------------------------|---------------|
| Chemicals                     | 1,595         |
| Animal Feed                   | 3,717         |
| Veg Oils                      | 1,094         |
| Estate & Property Development | 3,080         |
| Finance & Investments         | 26            |
| Dairy                         | 1,066         |
| Crop Protection               | 1,096         |
| Others                        | 477           |
| <b>Total</b>                  | <b>12,151</b> |

\* net of intersegment income

The background of the page features a complex geometric pattern. It consists of a network of thin, light gray lines that intersect to form a variety of triangles and polygons of different sizes. Some of these shapes are filled with a light gray color, while others are empty. Scattered throughout the network are small, solid blue circles, some of which are positioned at the vertices of the triangles. The overall effect is a modern, abstract, and technical aesthetic.

# NOTICE TO SHAREHOLDERS

# Notice to Shareholders

NOTICE is hereby given that the 32<sup>nd</sup> (THIRTY SECOND) Annual General Meeting of the Members of GODREJ INDUSTRIES LIMITED will be held on Thursday, August 13, 2020 at 3.00 p.m. (IST) through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following business:

## Ordinary Business:

### 1. Adoption of Financial Statements for the Financial Year ended March 31, 2020

To consider and adopt the Audited Financial Statements (including Standalone and Consolidated Financial Statements) of the Company for the Financial Year ended March 31, 2020 and the Board’s Report and Statutory Auditor’s Report thereon.

### 2. Appointment of Mr. Adi Godrej as a Director, liable to retire by rotation, who has offered himself for re-appointment

To consider and if thought fit, to pass, the following as an ORDINARY RESOLUTION:

“**RESOLVED THAT** pursuant to provisions of Section 152 and other applicable provisions of the Companies Act, 2013, the approval of the Members of the Company, be and is hereby accorded to the re-appointment of Mr. Adi Godrej (DIN: 00065964) as a “Director”, to the extent that he is required to retire by rotation.”

### 3. Appointment of Mr. Vijay Crishna as a Director, liable to retire by rotation, who has offered himself for re-appointment

To consider and if thought fit, to pass, the following as an ORDINARY RESOLUTION:

“**RESOLVED THAT** pursuant to provisions of Section 152 and other applicable provisions of the Companies Act, 2013, the approval

of the Members of the Company, be and is hereby accorded to the re-appointment of Mr. Vijay Crishna (DIN: 00066267) as a “Director”, to the extent that he is required to retire by rotation.”

## Special Business:

### 4. Approval for appointment of Ms. Monaz Noble as an Independent Director of the Company

To consider and if thought fit, to pass, the following as an ORDINARY RESOLUTION:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and 161 read with Schedule IV, and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory amendment(s) / modification(s) / re-enactment(s) thereof), consent of the Members be and is hereby accorded for the appointment of Ms. Monaz Noble (DIN: 03086192) as a “Non-Executive Independent Director” of the Company, not liable to retire by rotation, for a term of 5 (Five) years with effect from May 1, 2020 upto April 30, 2025.”

### 5. Ratification of Remuneration of M/s. R. Nanabhoy & Co., Cost Accountants appointed as the “Cost Auditors” of the Company

To consider and if thought fit, to pass, the following as an ORDINARY RESOLUTION:

“**RESOLVED THAT** pursuant to Section 148 and all applicable provisions of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory amendment(s), modification(s) or re-

enactment(s) thereof), the remuneration payable to M/s. R. Nanabhoy & Co., Cost Accountants, Mumbai (Firm Registration No.: 000010), appointed as the Cost Auditors of the Company, to conduct an audit of the cost records of the Company for the Financial Year ending on March 31, 2021, at ₹ 3,50,000/- (Rupees Three Lakh Fifty Thousand Only) plus Goods and Service Tax and reimbursement of out-of-pocket expenses, be and is hereby approved and ratified.

**RESOLVED FURTHER THAT** the Board of Directors of the Company and / or the Chief Financial Officer and / or the Company Secretary and Compliance Officer be and are hereby severally authorized to take all such steps, as may be necessary, proper or expedient, to give effect to this resolution and to do all such acts, deeds, matters and things as may be incidental thereto.”

Date and Place: May 22, 2020, Mumbai

By Order of the Board of Directors  
of Godrej Industries Limited

Tejal Jariwala  
Company Secretary & Compliance Officer  
(FCS 9817)

**Registered Office:**

Godrej One, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai 400 079, Maharashtra.

Tel.: +91 22 2518 8010

Fax: +91 22 25188066

Website: [www.godrejindustries.com](http://www.godrejindustries.com)

Email: [investor@godrejinds.com](mailto:investor@godrejinds.com)

CIN: L24241MH1988PLC097781

**NOTES:**

1. The Company's Statutory Auditors, M/s. BSR & Co. LLP, Chartered Accountants, (Registration number 101248W/W-100022), were appointed for a period of 5 (Five) consecutive years at the 29<sup>th</sup> (Twenty Ninth) Annual General Meeting ("AGM") of the Members held on August 11, 2017 at a remuneration as decided by the Board of Directors of the Company.

Their appointment was subject to ratification by the Members at every subsequent AGM held after the AGM held on August 11, 2017. Pursuant to the amendments made to Section 139 of the Companies Act, 2013 ("the Act") by the Companies (Amendment) Act, 2017, effective from May 7, 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors was withdrawn from the statute. In view of the same, the Members of the Company at the 30<sup>th</sup> (Thirtieth) AGM held on August 13, 2018 had approved ratification of appointment of M/s. BSR & Co. LLP as the Statutory Auditors of the Company for the remaining period, i.e., from the conclusion of 30<sup>th</sup> (Thirtieth) AGM held on August 13, 2018 upto the conclusion of the 34<sup>th</sup> (Thirty Fourth) AGM. Therefore, the approval of the Members for continuance of their appointment at this AGM is not being sought. The Statutory Auditors had given a confirmation to the effect that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as Statutory Auditors. The remuneration payable to the Statutory Auditors shall be determined by the Board of Directors based on the recommendation of the Audit Committee.

2. In view of the outbreak of the COVID-19 pandemic, social distancing norms to be followed and the continuing restriction on movement of persons at several places in the country and pursuant to General Circular Nos.14/2020, 17/2020 and 20/2020 dated April 8, 2020, April 13, 2020 and May 5, 2020, respectively, issued by the Ministry of Corporate Affairs ("MCA Circulars") and Circular No. SEBI/HO/CFD/ CMD1/CIR /P/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India ("SEBI Circular") and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 32<sup>nd</sup> (Thirty Second) AGM of the Company is being conducted through Video Conference



(VC) / Other Audio Visual Means (OAVM), which does not require physical presence of Members at a common venue. In terms with the Secretarial Standards on General Meetings (SS-2) issued by The Institute of Company Secretaries of India, the venue of the the 32<sup>nd</sup> (Thirty Second) AGM shall be deemed to be the Registered Office of the Company situated at “Godrej One”, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai-400079, Maharashtra.

3. Since this AGM is being held pursuant to the MCA circulars through VC/OAVM, physical attendance of Members has been dispensed with and there is no provision for the appointment of proxies. Accordingly, the facility for appointment of proxies by the Members under Section 105 of the Act will not be available for the 32<sup>nd</sup> (Thirty Second) AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, in terms of the provisions of Section 112 and Section 113 of the Act, representatives of the Members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
4. Participation of Members through VC /OAVM will be reckoned for the purpose of quorum for the AGM as per section 103 of the Act.
5. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/ JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM and vote on its behalf. The said Resolution/Authorization can be sent to the Company at [investor@godrejinds.com](mailto:investor@godrejinds.com).
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order

of names will be entitled to vote.

7. The Register of Members and Share Transfer Books will remain closed from Thursday, August 6, 2020 to Thursday, August 13, 2020 (both days inclusive) for the purpose of the AGM.
8. The Explanatory Statement pursuant to Section 102 of the Act in respect of business as set out in the Notice is annexed hereto.
9. The details required under Regulation 26(4) and 36(3) of the Listing Regulations and Secretarial Standards on General Meetings (SS-2) issued by The Institute of Company Secretaries of India, in respect of the Directors / persons proposed to be appointed / re-appointed at this AGM form a part of this Notice.
10. The Company's Registrar and Share Transfer Agents for its Share Registry Work are Computech Sharecap Limited, having their office at 147, Mahatma Gandhi Road, 3rd Floor, Opp. Jehangir Art Gallery, Fort, Mumbai – 400001, Maharashtra.

#### **DISPATCH OF ANNUAL REPORT THROUGH EMAIL AND REGISTRATION OF EMAIL IDs:**

11. In compliance with MCA Circular No. 20/2020 dated May 5, 2020 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and owing to the difficulties involved in dispatching of physical copies of the Financial Statements including Board's Report, Auditor's report or other documents required to be attached therewith (together referred to as “Annual Report”), the Annual Report for Financial Year 2019-20 and Notice of AGM are being sent in electronic mode to Members whose e-mail address(es) are registered with the Company or the Depository Participant(s) and no physical copies will be dispatched to the Members.

Therefore, Members are requested and

encouraged to register / update their email addresses, with their Depository Participant (in case of Shares held in dematerialised form) or with Computech Sharecap Limited, our Registrar and Share Transfer Agents (RTA) (in case of Shares held in physical form).

12. Members holding shares in physical mode and who have not updated their email addresses with the Company / Depository Participant(s) / RTA are requested to update their email addresses by writing to the Company's RTA, Computech Sharecap Limited with subject line "Request to update email id" at [helpdesk@computechsharecap.in](mailto:helpdesk@computechsharecap.in). Members are requested to submit request letter mentioning the Folio No. and Name of Shareholder along with scanned copy of the Share Certificate (front and back) and self-attested copy of PAN card and any document (such as Driving License, Passport, Bank Statement, AADHAR) supporting the registered address of the Member, for updation of email address. Members holding shares in dematerialised mode are requested to register / update their email addresses with their Depository Participant(s). The Company and RTA shall co-ordinate with Central Depository Services (India) Limited (CDSL) and provide the login credentials to the above mentioned Members, subject to receipt of the required documents and information from the Members.
13. The Notice of AGM along with Annual Report for Financial Year 2019-20, is available on the website of the Company at [www.godrejindustries.com](http://www.godrejindustries.com), on the website of Stock Exchanges, i.e., BSE Limited ([www.bseindia.com](http://www.bseindia.com)) and the National Stock Exchange of India Limited ([www.nseindia.com](http://www.nseindia.com)) and on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com).
14. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the Directors are interested under

Section 189 of the Companies Act, 2013 will be available electronically for inspection by the Members on the website of the Company at [www.godrejindustries.com](http://www.godrejindustries.com) during the time of the AGM.

15. **Green Initiative:** To support the Green Initiative, Members who have not registered their e-mail address are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.
16. **Nomination:** Pursuant to Section 72 of the Act, Members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 with the Company's RTA. In respect of shares held in electronic / demat form, the Members may please contact their respective depository participant(s).
17. The Ministry of Corporate Affairs has notified provisions relating to unpaid / unclaimed dividend under Sections 124 and 125 of the Act and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016. As per these Rules, dividends which are not encashed / claimed by the Members for a period of 7 (seven) consecutive years shall be transferred to the Investor Education and Protection Fund (IEPF) Authority. The IEPF Rules mandate the companies to transfer the shares of Members whose dividends remain unpaid / unclaimed for a period of 7 (Seven) consecutive years to the demat account of IEPF Authority. Hence, the Company urges all the Members to encash / claim their respective dividend during the prescribed period. The details of the unpaid / unclaimed amounts lying with the Company as on August 13, 2019 (date of last AGM) are available on the website of the Company. The Members whose dividend / shares as transferred to the IEPF Authority can now claim their shares from the Authority by following the Refund Procedure as detailed on the website of IEPF Authority [www.iepf.gov.in](http://www.iepf.gov.in).

During the year, the Company transferred

unclaimed dividend of ₹ 6,62,864/- (Rupees Six Lakh Sixty Two Thousand Eight Hundred Sixty Four Only) and no shares were required to be transferred to IEPF.

| Dividend for the Financial Year ended | Date of Dividend Declaration | Due Date for Transfer |
|---------------------------------------|------------------------------|-----------------------|
| 31.03.2013                            | 10.08.2013                   | 15.09.2020            |
| 31.03.2014                            | 09.08.2014                   | 16.09.2021            |
| 31.03.2015                            | 11.08.2015                   | 17.09.2022            |
| 31.03.2016*                           | 08.03.2016*                  | 14.04.2023            |
| 31.03.2017                            | 11.08.2017                   | 17.09.2024            |
| 31.03.2018                            | 13.08.2018                   | 19.09.2025            |
| 31.03.2019                            | 13.08.2019                   | 19.08.2026            |

\*Interim Dividend

18. **Submission of PAN:** The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form, who have not updated their PAN with the Company are therefore requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the RTA of the Company or directly to the Company.

Shareholders are requested to note that furnishing of Permanent Account Number (PAN) is now mandatory in the following cases:-

- Transferees and Transferors PAN Cards for transfer of shares
- Legal Heirs'/Nominees' PAN Card for transmission of shares
- Surviving joint holders' PAN Cards for deletion of name of deceased Shareholder, and
- Joint Holders' PAN Cards for transposition of shares.

19. **Share Transfer permitted only in Demat:** As per Regulation 40 of the Listing Regulations, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019. In view of the above

and to avail the benefits of dematerialisation and ease portfolio management, Members are requested to consider dematerialization of shares held by them in physical form.

20. **Voting:** All persons whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date, i.e. August 6, 2020 only shall be entitled to vote at the AGM by availing the facility of remote e-voting or by voting at the AGM.

#### I) INSTRUCTIONS FOR SHAREHOLDERS FOR VOTING THROUGH ELECTRONIC MEANS PRIOR TO AGM

- Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of Listing Regulations (as amended) and MCA Circulars, the Company is providing facility of remote e-voting to its Members in respect of the businesses to be transacted at the AGM. For this purpose, the Company has entered into an agreement with CDSL for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by Shareholders using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
- The Members who have cast their vote by remote e-voting prior to the AGM may also attend / participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
- Mr. Kalidas Vanjpe, Practicing Company Secretary (Membership no. FCS 7132) or failing him Mr. Ashok Ramani (Membership No. FCS 6808) of M/s. A. N. Ramani & Co., Company Secretaries have been appointed as the Scrutinizers to scrutinize the remote e-voting process as well as the e-voting process to be conducted at the AGM, in a fair and transparent manner.

4. The Scrutinizer, after scrutinizing the e-voting completed at the Meeting and through remote e-voting will not later than 48 (Forty-Eight) hours of conclusion of the Meeting, make the Scrutinizer's Report and submit the same to the Chairman or a person duly authorised by the Chairman. The Results shall be declared within 48 (Forty-Eight) hours after the conclusion of the AGM.

The Results declared along with the consolidated Scrutinizer's Report shall be placed on the website of the Company, viz., [www.godrejindustries.com](http://www.godrejindustries.com) immediately after the Results are declared and will simultaneously be communicated to CDSL, viz., [www.evotingindia.com](http://www.evotingindia.com) and the Stock Exchanges, viz., BSE Limited and the National Stock Exchange of India Limited, where the Equity Shares of the Company are listed.

5. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and is holding shares as of the cut-off date, i.e., Thursday, August 6, 2020 may obtain the login details in the manner as mentioned below.

**The instructions for Shareholders voting electronically are as under:**

- (i) The voting period begins on Sunday, August 9, 2020 at 9.00 a.m. (IST) and ends on Wednesday, August 12, 2020 at 5.00 p.m. (IST). During this period Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, i.e., Thursday, August 6, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The Shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on "Shareholders" module.
- (iv) Now Enter your User ID

- a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
  - (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any Company, then your existing password is to be used.
  - (vii) If you are a first time user then follow the steps given below.

**For Shareholders holding shares in Demat Form and Physical Form**

|  |  |
|--|--|
| PAN  | Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first five letters "NPGIL" and the 5 digits of the sequence number provided to you in the email.</li> </ul> |
| Dividend Bank Details OR Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>                |

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, Shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders

- for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN: **Godrej Industries Limited**, on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL’s mobile app “m-Voting”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [investor@godrejinds.com](mailto:investor@godrejinds.com), if they have voted from individual tab and not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”)

and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.

(xxi) All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, Central Depository Services (India) Limited (CDSL), A Wing, 25<sup>th</sup> Floor, Marathon Futorex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.

## II) INSTRUCTIONS FOR SHAREHOLDERS VOTING ELECTRONICALLY DURING THE AGM ARE AS UNDER:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those Shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the Shareholders through the e-voting available during the AGM and if the same Shareholders have not participated in the Meeting through VC/OAVM facility, then the votes cast by such Shareholders shall be considered invalid as the facility of e-voting during the Meeting is available only to the Shareholders attending the Meeting.
4. Shareholders who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

## III) INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system.
2. Shareholders may access the same at <https://www.evotingindia.com> under Shareholders / Members login by using the remote e-voting credentials. The link for VC/OAVM will be available in Shareholder / Members login where the EVSN of Company will be displayed. Click on live streaming appearing beside the EVSN.
3. The Shareholders can join the AGM in the VC/OAVM mode 30 (thirty) minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to the Shareholders on first come first served basis.
4. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.

### **Suggested System requirements for best VC experience:**

Internet connection – broadband, wired or wireless (3G or 4G/LTE), with a speed of 5 Mbps or more  
Microphone and speakers – built-in or USB plug-in or wireless Bluetooth  
**Browser:** Google Chrome : Version 72 or latest  
Mozilla Firefox: Version 72 or latest  
Microsoft Edge Chromium: Version 72 or latest  
Safari: Version 11 or latest  
Internet explorer: Not Supported

Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Members may send in their queries at least a week in advance to the Company at [investor@godrejinds.com](mailto:investor@godrejinds.com) to facilitate clarifications during the Meeting.
6. Shareholders can post questions through Q&A feature available in the VC. Shareholders can exercise these options once the floor is open for Shareholder queries.
7. Shareholders who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number to [investor@godrejinds.com](mailto:investor@godrejinds.com) from Monday, August 3, 2020 (9:00 a.m. IST) to Wednesday, August 12, 2020 (5:00 p.m. IST).
8. Those Shareholders who have registered themselves as a speaker will only be allowed to express their views / ask questions during the Meeting.

Members who need assistance before or during the AGM, can contact CDSL by sending an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.

21. As the AGM shall be conducted through VC / OAVM, the Route Map is not annexed to this Notice.
22. The Resolutions shall be deemed to be passed on the date of the Meeting, i.e. on Thursday, August 13, 2020, subject to receipt of the requisite number of votes in favour of the Resolutions.

Date and Place: May 22, 2020, Mumbai

By Order of the Board of Directors  
of Godrej Industries Limited

Tejal Jariwala  
Company Secretary & Compliance Officer  
(FCS 9817)

**Registered Office:**

Godrej One, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai 400 079, Maharashtra.  
Tel.: +91 22 2518 8010  
Fax: +91 22 25188066  
Website: [www.godrejindustries.com](http://www.godrejindustries.com)  
Email: [investor@godrejinds.com](mailto:investor@godrejinds.com)  
CIN: L24241MH1988PLC097781

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013.**

The following Explanatory Statement sets out all the material facts relating to the Special business mentioned under Item Nos. 4 to 5 of the accompanying Notice dated May 22, 2020.

**Item No. 4:**

The Nomination and Remuneration Committee and the Board of Directors through Circular Resolutions passed dated April 13, 2020 and April 14, 2020 respectively, had recommended appointment of Ms. Monaz Noble as the “Non-Executive Independent Director” of the Company, subject to the approval of the Members, for a term of 5 (Five) consecutive years effective from May 1, 2020 up to April 30, 2025.

The Company has received the consent to act as Director from Ms. Monaz Noble and also her declaration confirming that she is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 as well as Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

Ms. Monaz Noble is independent of the management of the Company and in the opinion of the Board of Directors of the Company, she fulfils the conditions specified in the Companies Act, 2013 and the Rules framed thereunder for

appointment as an Independent Director of the Company.

A copy of the draft letter of appointment in respect of Independent Director setting out the terms and conditions would be available electronically for inspection by the Members on the website of the Company at [www.godrejindustries.com](http://www.godrejindustries.com).

The brief profile of Ms. Monaz Noble, along with her other details, are provided elsewhere in this Notice. The Board is of the opinion that Ms. Monaz Noble's expertise in the fields of funding strategy, risk management, board governance international business development and vast experience in Finance function of various companies would be an asset to the Company's development and progress.

**Brief profile of Ms. Monaz Noble is as under:**

Ms. Monaz Noble is the Chief Financial Officer of Novartis Global Service Centre, Hyderabad and Novartis Business Services, India. She is on the Board of Novartis India Limited as a Non-Executive Director and as an Independent Director on the Board of IDBI Federal Life Insurance Company Limited.

Ms. Monaz Noble joined Novartis in 2010 and progressed through roles of increasing responsibilities. In her last role as the Whole Time Director & CFO of Novartis India Limited, she was responsible for providing the Board and Audit Committee with guidance relating to finance and corporate governance, investor relations and compliances with Companies Act, Listing Agreement, etc. At the overall country level, she is responsible for funding strategy, risk management and statutory audited accounts.

Prior to Novartis, she was with Cadbury India Limited, where she was the Company Secretary and held various responsibilities in the areas of tax, treasury, value based management strategy,

integrated portfolio management, board governance, investor relations, planning and international business development. Throughout her career, she has led various mergers & acquisitions and legal entity structuring assignments, which has given her rich experience on the perspectives of regulators, management, and investors.

She holds a Bachelor of Commerce Degree and is a Master of Management Studies with specialization in Finance from Mumbai University, India. She is also an Associate Member of 'The Institute of Company Secretaries of India' and 'The Institute of Cost Accountants of India'.

This Explanatory Statement may also be regarded as a disclosure under Regulation 36(3) of the Listing Regulations. Detailed disclosure in terms of Regulation 36(3) of the Listing Regulations is given elsewhere in this Notice.

Other than Ms. Monaz Noble and her relatives, none of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the proposed Resolution as set out in Item No. 4 of this Notice.

The Board recommends the Ordinary Resolution as set out at Item No. 4 of the Notice for approval by the Members.

**Item no. 5**

The Board of Directors of the Company, based on recommendations of the Audit Committee, has appointed M/s. R. Nanabhoy & Co., Cost Accountants, Mumbai, as the "Cost Auditors" of the Company for the Financial Year 2020-21, pursuant to Section 148 of the Companies Act, 2013 ("the Act") and other applicable provisions of the Act, the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014, at its Meeting held on May 22, 2020.



Pursuant to Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration of ₹ 3,50,000/- (Rupees Three Lakh Fifty Thousand Only) per annum, exclusive of applicable tax(es) and reimbursement of out-of-pocket expenses, if any, payable to the Cost Auditors, as recommended by the Audit Committee and approved by the Board of Directors, shall require subsequent ratification by the Members.

Based on the certification received from the Cost Auditors, it may be noted that:-

- a. the Cost Auditors do not suffer from any disqualifications as specified under Section 141(3) of the Act;
- b. their appointment is in accordance with the limits specified in Section 141(3)(g) of the Act;
- c. none of their Partners is in the whole-time employment of any Company; and
- d. they are an independent firm of Cost Accountants holding valid certificate of practice and are at arm's length relationship with the Company, pursuant to Section 144 of the Act.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the proposed Resolution set out in Item No. 5.

The Board recommends the Ordinary Resolution set forth in Item No. 5 for approval of the Members.

Date and Place: May 22, 2020, Mumbai

By Order of the Board of Directors  
of Godrej Industries Limited

Tejal Jariwala  
Company Secretary & Compliance Officer  
(FCS 9817)

**Registered Office:**

Godrej One, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai 400 079, Maharashtra

Tel.: +91 22 2518 8010

Fax: +91 22 25188066

Website: [www.godrejindustries.com](http://www.godrejindustries.com)

Email: [investor@godrejinds.com](mailto:investor@godrejinds.com)

CIN: L24241MH1988PLC097781

## Brief Resume of Directors seeking appointment/re-appointment

[Pursuant to Regulation 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

| Name of the Director  | Mr. Adi Godrej   | Mr. Vijay Crishna   | Ms. Monaz Noble  |
|---|--|---|--|
| Age   | 78 years   | 75 years  | 52 years   |
| Nationality   | Indian   | Indian  | Indian   |
| Date of appointment   | March 7, 1988  | January 3, 1995   | May 1, 2020  |
| Qualification   | B.S., M.S. from Massachusetts Institute of Technology, U.S.A.  | B.A. (Eco.)   | Bachelor of Commerce Degree and Master of Management Studies with specialization in Finance from Mumbai University, India. Associate Member of 'The Institute of Company Secretaries of India' and 'The Institute of Cost Accountants of India'.         |
| Nature of expertise in specific functional area   | Engineering and Management   | Economics   | Finance and Governance   |
| Directorships held in other companies (excluding Foreign Companies and Section 8 Companies) | <p><b><u>Listed Public Companies:</u></b></p> <ul style="list-style-type: none"> <li>- Godrej Consumer Products Limited</li> </ul> <p><b><u>Public Companies:</u></b></p> <ul style="list-style-type: none"> <li>- Godrej &amp; Boyce Manufacturing Company Limited</li> </ul> | <p><b><u>Listed Public Companies:</u></b></p> <ul style="list-style-type: none"> <li>- Godrej Agrovet Limited</li> <li>- Precision Wires India Limited</li> </ul> <p><b><u>Public Companies:</u></b></p> <ul style="list-style-type: none"> <li>- Godrej &amp; Boyce Manufacturing Company Limited</li> </ul> | <p><b><u>Listed Companies:</u></b></p> <ul style="list-style-type: none"> <li>- Novartis India Limited</li> </ul> <p><b><u>Public Companies:</u></b></p> <ul style="list-style-type: none"> <li>- IDBI Federal Life Insurance Company Limited</li> </ul> |

| Name of the Director   | Mr. Adi Godrej   | Mr. Vijay Crishna   | Ms. Monaz Noble   |
|--|--|---|---|
| Chairmanships / Memberships of Committees held in Committees of other companies                              | <b><u>Godrej Consumer Products Limited:</u></b><br>Member of Stakeholders' Relationship Committee                          | <b><u>Godrej &amp; Boyce Manufacturing Company Limited:</u></b><br>Chairman of Corporate Social Responsibility Committee and Member of Stakeholders' Relationship Committee | <b><u>Novartis India Limited:</u></b><br>Member of Stakeholders' Relationship Committee and Corporate Social Responsibility Committee<br><br><b><u>IDBI Federal Life Insurance Co. Ltd.:</u></b><br>Chairperson of Corporate Social Responsibility Committee and Member of Audit Committee, Policyholder Protection Committee and Nomination and Remuneration Committee |
| Relationship with other Directors, Manager and other Key Managerial Personnel of the Company <i>inter-se</i> | - Brother of Mr. Nadir Godrej, Managing Director<br>- Father of Ms. Tanya Dubash, Executive Director & Chief Brand Officer | None  | None  |
| No. of shares held by Director:<br><br>By Self:<br><br>As a beneficial owner of:                             | 6,07,692<br><br>1,15,07,016<br>(as a Trustee of ABG Family Trust)  | 3,878<br><br>98,92,463<br>(as a Trustee of SGC Family Trust)<br><br>1<br>(as a Trustee of VMC Family Trust)   | 300<br><br>Nil  |
| Number of Meetings of the Board attended during the year (Financial Year 2019-20)                            | 5  | 4   | Not Applicable  |
| Number of Meetings of the Board attended during the year (Financial Year 2020-21, i.e. upto May 22, 2020)    | 1  | 0   | 1   |



# BOARD'S REPORT



# Board's Report

To the Members,

Your Company's Directors have pleasure in presenting the Board's Report along with the Audited Financial Statements for the Financial Year ended March 31, 2020.

## Review of Operations

Your Company's performance during the Financial Year as compared with that during the previous Financial Year is summarized below:

| Particulars  | (₹ Crore)           | (₹ Crore)           |
|--|---------------------|---------------------|
|  | Year Ended March 31 | Year Ended March 31 |
|  | 2020                | 2019                |
| Revenue from Operations  | 1,968.72            | 2,144.37            |
| Exceptional Items  | (25.62)             | (243.79)            |
| Other Income   | 60.93               | 42.11               |
| <b>Total Income</b>  | <b>2,004.03</b>     | <b>1,942.69</b>     |
| Total Expenditure other than Finance Costs and Depreciation and Amortisation | 1,675.73            | 1,750.24            |
| Profit before Finance Costs, Depreciation and Amortisation                   | 328.30              | 192.45              |
| Depreciation and Amortisation  | 68.62               | 54.30               |
| Profit before Finance Costs and Tax  | 259.68              | 138.15              |
| Finance Costs (net)  | 228.99              | 239.59              |
| Profit / (loss) before Tax   | 30.69               | (101.44)            |
| Provision for Current Tax  | (0.07)              | -                   |
| Provision for Deferred Tax   | (0.05)              | (0.07)              |
| <b>Net Profit / (loss)</b>   | <b>30.81</b>        | <b>(101.37)</b>     |
| Other comprehensive income   | (1.96)              | (0.60)              |
| Total comprehensive income   | 28.85               | (101.97)            |
| Surplus brought forward  | 560.48              | 723.10              |
| Adjustment for Impact on account of adoption of Ind AS 116                   | (5.00)              | -                   |
| <b>Profit after Tax available for appropriation</b>                          | <b>584.33</b>       | <b>621.13</b>       |
| Appropriation  |                     |                     |
| Dividend on Equity Shares  | 38.69               | 58.87               |
| Tax on Distributed Profit  | -                   | 1.78                |
| Transfer to General Reserve  | -                   | -                   |
| <b>Surplus Carried Forward</b>   | <b>545.64</b>       | <b>560.48</b>       |

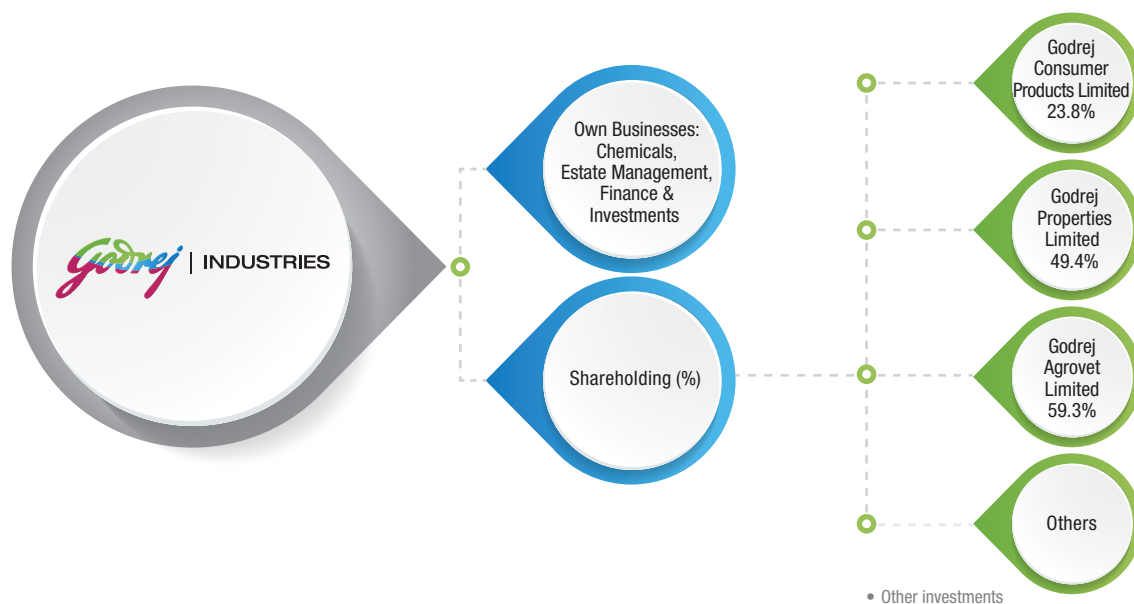
## Share Capital

The Paid-up Equity Share Capital as on March 31, 2020 was ₹ 33,64,66,016/- (Rupees Thirty Three Crore Sixty Four Lakh Sixty Six Thousand Sixteen Only) divided into 33,64,66,016 (Thirty Three Crore Sixty Four Lakh Sixty Six Thousand Sixteen) Equity Shares of Face Value of ₹ 1/- (Rupee One Only) each. During the Financial Year under review, your Company has allotted 81,649 (Eighty One Thousand Six Hundred Forty Nine) Equity Shares of Face Value of ₹ 1/- (Rupee One Only) each pursuant to exercise of Options by the employees of the Company under Godrej Industries Limited- Employee Stock Grant Scheme, 2011 (ESGS 2011).

## Dividend

In terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Dividend Distribution Policy of the Company is appended as '**Annexure A**' to this Report and the same is also made available on the website of the Company. The same can be accessed on <http://www.godrejindustries.com/listing-compliance.aspx>

## Business Structure



## Industry Structure and Development

The World Economic Outlook (WEO) update, global economic growth has been downgraded to 2.4% in 2019, which is its slowest pace since the global financial crisis of 2008. The decline in growth is the outcome of rising trade tensions between large economies, rising uncertainty surrounding trade and geopolitical issues; along with individual macroeconomic problems such as low productivity growth in emerging economies and aging population in advanced economies. To add to the existing issues, the pandemic outbreak has changed the scenario dramatically. The crisis is the result of the needed containment measures and forced policymakers to take extreme steps in the form of huge fiscal stimuli to encourage economic activity. With a considerable uncertainty around the world, the pandemic, its macroeconomic fallout, and the associated impact on financial and commodity markets, the World Economic Outlook has estimated global growth to decline by 5.2% in 2020 before recovering by 4.2% in 2021.

The global economies are facing a synchronized slowdown, resulting from a variety of factors affecting

the world. The outbreak of coronavirus 2019 (COVID19) has globally disrupted people's lives, interrupted businesses and jeopardized decades of development progress.

The Indian economy decelerated sharply in the fourth quarter at 3.1%, lowest in almost 17 years amidst the COVID19 outbreak, after growing at 4.1% in Q3 FY20. As per the Central Statistics Office (CSO), GDP growth for FY20 stood at an 11-year low of 4.2% lower than the government projection of 5.0% in both first and second advance estimates. The country's fiscal deficit worsened to 4.59% of GDP, much beyond the targeted 3.8% of GDP and expected to worsen further with the dip in tax collection and revenue shortage due to the subsequent effects of lockdown on the economy. The core sector contracted by a record 38% in April as the lockdown hit all eight infrastructure sectors. According to the CSO, country's factory output growth contracted to 0.7% in FY20, as against expansion of 3.8% in FY19. Consumer durables output, an indicator of urban demand, contracted by 8.4% in FY20, compared with a growth of 5.5% in FY19.

According to the Asian Development Bank, amidst the COVID19, India's GDP growth is projected to slow to 4.0% in FY2021 before recovering sharply to 6.2% in FY2022, on the assumption of recovery from the pandemic in the second half of 2020. With the lockdown scenario, consumption and investments are expected to be severely impacted in the first quarter. The gross fixed capital formation is likely to decline with rising risk perception and uncertainty around the pandemic. RBI has cut the repo rate by 75 bps to 4.4% in March 2020 and further by 40 bps to 4.0% in May'20, which is the lowest ever and rolled out a range of measures to preserve financial stability and counter the economic impact of COVID19.

Indian real estate sector has been trying to get back on its foot and come to terms with multiple reforms and changes brought in by demonetization, RERA, GST, IBC, NBFC crisis and the subvention scheme ban. While it was a tough task for the sector to align itself with these new regulations, the measures have been instrumental to bring transparency, accountability and fiscal discipline over the last few years. Prior to COVID19, the real estate sector was expected to grow to USD 650 billion and contribute around 13% of India's GDP by 2025 (from around 6-7% in 2017), according to ANAROCK Research.

While the pandemic outbreak could temporarily disrupt the sector. According to industry estimates, 90% of the workforce employed in real estate and construction sector is engaged in the core construction activities, while the rest 10% is involved in other ancillary activities. Since majority of the workers are immigrants, labour shortage could possibly pose a major challenge for the sector post COVID19 lockdown. However, there are certain green-shoots in this adverse situation. The recent liquidity crisis has worsened the situation for smaller players which were anyway finding it difficult to adhere to new norms laid by RERA leading to a new wave of consolidation. The consolidation phase is likely to get accelerated further with the COVID19 outbreak and many weak players may cease to exist. Larger established players with strong access to funding are expected to gain market share further. Also, the current situation is expected to open up a lot of business development opportunities for well capitalized developers.

For the Financial Year 2019-20, agriculture sector is expected to grow at 4.1% compared to low growth rate of 2.4% seen in the previous Financial Year, thanks to the strong Rabi season. Outbreak of COVID-19 has affected the agriculture sector in mid-March 2020, but, the impact was limited. Cumulative rainfall during the monsoon season was 110% of the Long Period Averages (LPA; highest in last 25 years), but was erratic and unevenly distributed both geographically and periodically. Therefore, the production of food-grains was adversely impacted during the Kharif season, however, sowing in the Rabi season was up by 10% due to good water reservoir levels and high soil moisture content. As a result, food grain production for the FY2019-20 is estimated at 295.67 million tonnes compared to previous year production of 285.21 million tonnes.

For FY2020-21, while the outbreak of COVID-19 has caused supply chain disruption and limited availability of labour, the impact on the agriculture sector is expected to be lower than other sectors. Further, agriculture sector is expected to recover faster, once economic activity picks up. Also, macro indicators for Indian

agriculture sector are favourable with normal monsoon expectation, high reservoir levels, improved soil moistures and remunerative crop-prices. Indian Meteorological Department (IMD) in its recent monsoon forecast has predicted a normal south west monsoon for the year and rainfall is expected to be at 102% of the LPA (with a model error of +/- 4%). IMD highlights that 'El Nino' conditions will remain weak during the monsoon in the current year. This comes as a relief amid the ongoing health crisis, as normal monsoon should support agricultural growth in FY2020-21. Nevertheless, the spatial and temporal distribution of rains will remain crucial for timely sowing and harvesting.

Government's recently announced measures for the agriculture sector can immensely benefit the sector, especially in the long-run. Setting up of central law for interstate trade, changes to Essential Commodities Act and creating of a legal framework to facilitate farmers to directly engage with procurers are measures which can attract private sector participation and can result in higher income for the farmer. It will lead to creation of better infrastructure and will increase efficiency levels, however, timely implementation of the measures is critical.

The demand for Oleo-chemicals is increasing in personal care industry as consumers are becoming aware of the environmental benefits and cost effectiveness offered by oleo-chemicals. Consumer preference is increasing in using eco-friendly biodegradable products in FMCG goods like detergents, soaps etc. Fatty Acids, Fatty Alcohol, and Specialty Chemicals used by this segment is growing at healthy rate. Demand of hygiene and cleaning product is expected to grow which is helping surfactant and Specialty Chemicals demand. Commodity fatty acid demand is majorly driven by automobile industry is showing signs of slowdown. Demand of Glycerine from pharmaceutical sector is looks good and its growth is driven by domestic consumption.

## **Management Discussion and Analysis Report**

The Management Discussion and Analysis Report on the operations of the Company, as required under the Listing Regulations is appended as '**Annexure B**' to this Report.

## **Subsidiary and Associate Companies**

### **Godrej Agrovet Limited (GAVL)**

Agriculture sector in the Financial Year 2019-20 was expected to grow at 4.0% compared to the low growth rate of 2.4% seen in the previous Financial Year. Outbreak of COVID-19 impacted the sector in March 2020. However, the impact was limited, as agriculture forms part of essential commodities. During the year, while Kharif season was impacted by erratic and uneven distribution of rainfall (both geographically and periodically), Rabi season was better than the previous year due to good water reservoir levels and high soil moisture content.

GAVL recorded consolidated total income growth of 17.4% for the Financial Year 2019-20. Low output prices in the vegetable oil business during the peak season and high raw materials costs in the food businesses (dairy and poultry and processed products) lowered the profitability in the first nine months. Further, rumours of linking COVID-19 spread to poultry and poultry consumption was affected which led to lower volumes, prices and profitability of the animal feed business and the poultry business for the fourth quarter.

#### **Animal Feeds:**

GAVL's performance in the animal feed segment was strong as segment revenue and segment result grew by 20.1% and 19.6%, respectively in the Financial Year 2019-20. This is, despite, the business being severely impacted by the false rumour of linking coronavirus to consumption of egg and chicken which adversely impacted the demand for poultry feed in the fourth quarter. In terms of volume growth, for the first nine



Agri  
Input



Oil Palm



# GODREJ AGROVET



Godrej  
Tyson  
Foods



Animal  
Feed

Dairy  
Products



months the growth was around 7.9%, but 11.3% decline in the fourth quarter. This pulled down the annual growth rate to around 2.9%. Nevertheless, for full Financial Year, fish feed and layer feed posted strong volume growth and shrimp feed volumes also grew over the previous year.

#### **Crop Protection:**

GAVL's crop protection business had two key launches in the current year. 'Hitweed Maxx' an in-house developed cotton herbicide which is a one-stop solution for controlling all major weeds on the cotton crop and 'Hanabi' an in-licensing arrangement product which is used for managing mites in tea plantation. In addition, GAVL also launched other products which will help in increasing the product portfolio. Standalone segment revenue grew by 3.3%, but segment result declined marginally by 3.9%. This was due to lower volumes compared to the previous year, especially of the higher margin specialty products. Also, placements in the month of March-2020 got severely impacted due to Covid-19, resulting in drop in volumes for the month.

#### **Vegetable Palm:**

In the vegetable oil segment, while the Fresh fruit bunches arrival increased by 14.6% year-on-year in the Financial Year 2019-20, decline in Crude Palm Oil and Palm Kernel Oil prices during the peak season (June to September) impacted the profitability. Crude Palm Oil and Palm Kernel oil prices declined by 16% and 32%, respectively, during the first half of the year. As a result, segment revenues and segment results declined by 0.9% and 21.2%, respectively, in Financial Year 2019-20.

#### **Review of Operations / State of Affairs of the Subsidiaries of GAVL:**

##### **Astec LifeSciences Limited (Astec) & its Subsidiaries:**

GAVL's agrochemical subsidiary – Astec's performance remained robust with total income growing by 20.9% year-on-year. Revenue growth was mainly driven by enterprise sales. Contract manufacturing business has also grown compared to the previous year.

##### **Creamline Dairy Products Limited & its Subsidiary:**

In GAVL's dairy subsidiary, Creamline Dairy Products Limited (CDPL) continued to launch new products to increase the share of value added products in our portfolio. This year, launches include new variants of thick shakes, butter milk, yogurts etc. CDPL also launched energy drink named 'Jersey RECHARGE' which is a nourishing milk protein drink targeting the youth. During the Financial Year 2019-20, milk procurement prices were very high throughout the year and despite taking price hikes, entire cost increase could not be passed on to end consumer.

##### **Godrej Tyson Foods Limited (GTFL):**

GAVL operates in the poultry and processed food segment through its subsidiary GTFL in which GAVL increased its stake to 51% as on March 27, 2019. Therefore, this was the first year of full consolidation of the financials of GTFL. This year has been a difficult year for the poultry businesses, especially the live bird segment. During the first nine months, the live bird business was impacted by supply side glut which kept output prices low, while input prices of key raw materials remained very high. Fourth quarter performance was further impacted by rumours of coronavirus being spread through chicken consumption.

##### **Godrej Maxximilk Private Limited:**

In the current year, Godrej Agrovet Limited increased its shareholding in Godrej Maxximilk Private Limited to 74.0%. The subsidiary is engaged in in-vitro production of high-quality cows that aid dairy farmers produce top-quality milk, thereby increasing their yield by a significant proportion.

##### **Joint Venture of GAVL:**

##### **ACI Godrej Agrovet Private Limited, Bangladesh:**

In GAVL's 50:50 joint venture with Advanced Chemical Industries Limited (ACI), Bangladesh named ACI Godrej Agrovet Private Limited, performance significantly improved over the previous year. This was on account of strong volume growth in all segments, i.e. cattle, poultry and aqua feed.

# GODREJ PROPERTIES



## Godrej Properties Limited (GPL)

For the Financial Year under review GPL's total income stood at ₹ 2915 Crore and net profit stood at ₹ 267 Crore.

GPL added 10 new projects with 19 million sq. ft. saleable area potential in aggregate located across Bangalore, National Capital Region and Mumbai. One of the key achievements of GPL was acquisition of 26 acres land parcel in Central Delhi from the Railway Land Development Authority with a saleable potential of 3.3 million sq. ft. GPL added plotted development in Faridabad, making it the first deal in the city. The projects added are in line with GPL's long term strategy of focusing on value accretive and risk efficient models. These new projects have further strengthened GPL's project pipeline and will drive its performance in coming years.

GPL has achieved the highest ever sales in its history, making GPL India's largest publicly listed

developer by value of real estate sales. GPL achieved sales volume of 8.8 million square feet and booking value of ₹ 5,915 Crore in FY 20. This is a growth of 11% from FY19 in booking value. That makes it fourth time in last five years that GPL has recorded a booking value in excess of ₹ 5,000 Crore. GPL achieved sale volumes of more than 1 million sq. ft. and sale value of more than ₹ 1000 Crore in all the four focus markets. GPL launched 17 new projects/phases in FY20. Most notable of these were Godrej South Estate, Delhi with booking value of ₹ 510 Crore and Godrej Nurture, Bengaluru with booking value of ₹ 316 Crore. These successful launches were complimented by ₹ 3,048 Crore of sustenance sales in FY20 which is the highest ever reported by GPL and as a result significantly strengthened its relative market position in each of its four key growth markets.

On the operational front, GPL has successfully delivered 5.2 million sq. ft across its projects. GPL has now delivered almost 22 million sq. ft. of real estate in the last five years. Godrej 24 in Pune received its occupation certificate in the fourth quarter within 24 months of starting construction. This is the fastest ever project completion for GPL. GPL's ramp up in project delivery demonstrates that GPL can operate at a large scale and keep

pace with its accelerating sales. Customer Net Promoter Score achieved by GPL also improved significantly over last one year from 26% to 59%. This reflects the improved quality of customer experience and product quality offered to our customers. Sustainable development is an important part of GPL's vision and received several recognitions for the efforts on environment and safety such as ranked 5<sup>th</sup> in Asia by GRESB (Global Real Estate Sustainability Benchmark) 2019 – An industry-driven organization which assesses Environmental, Social and Governance (ESG) performance. The Company received 57+ awards in FY20, reflecting its commitment towards being amongst the top 3 real estate companies in India. Some of the prominent accolades received by GPL were – **“Builder of the Year”** (CNBC Awaaz), **“Real Estate Company of the year”** (Construction Week Awards 2019 ), **“Most Trusted Brands of India”** (Trust Research Advisory's Brand Trust Report 2019), **“Equality and Diversity Champion”** (APREA Property Leaders' Summit). GPL's credit rating by ICRA stands at AA, with continued access to cheaper capital, showcasing confidence in the Company's operations.

### Natures Basket Limited (NBL)

The Board of Directors of your Company had approved the sale / transfer / disposal / divestment of its stake held in Natures Basket Limited to Spencer's Retail Limited (SRL) at its Meeting held on May 17, 2019 which was then approved by the Shareholders by passing a Special Resolution through Postal Ballot dated June 25, 2019. Accordingly, your Company had completed the transfer of NBL to SRL on July 4, 2019. Therefore, NBL ceased to be the subsidiary of the Company with effect from July 4, 2019.

### Godrej Consumer Products Limited (GCPL)

Godrej Consumer Products (GCPL), an associate of your Company, reported total sales of ₹ 9,827 Crore during fiscal year 2019-20 on a consolidated basis as compared to ₹ 10,221 Crore in the previous year. GCPL's net profit for fiscal year 2019-20 decreased

by 36% from ₹ 2,342 Crore in the previous fiscal year to ₹ 1,497 Crore in the current fiscal year 2019-20.

GCPL is a leading emerging markets company. As part of the 123-year young Godrej Group, GCPL is fortunate to have a proud legacy built on the strong values of trust, integrity and respect for others. At the same time, we are growing fast and have exciting, ambitious aspirations.

Today, our Group enjoys the patronage of 1.15 billion consumers globally, across different businesses. In line with our 3 by 3 approach to international expansion at GCPL, we are building a presence in 3 emerging markets (Asia, Africa, Latin America) across 3 categories (home care, personal wash, hair care). GCPL ranks among the largest household insecticide and hair care players in emerging markets. In household insecticides, GCPL are the leader in India, the second largest player in Indonesia and are expanding our footprint in Africa. GCPL is a leader in serving the hair care needs of women of African descent, the number one player in hair colour in India and Sub-Saharan Africa, and among the leading players in Latin America. GCPL ranks number two in soaps in India and is a number one player in air fresheners and wet tissues in Indonesia.

But for us, it is very important that besides our strong financial performance and innovative, much-loved products, GCPL remains a good Company. Approximately 23% of the promoter holding in GCPL is held in trusts that invest in the environment, health and education. GCPL is also bringing together the passion and purpose to make a difference through the 'Good & Green' approach to create a more inclusive and greener India.

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



HAIR CARE

PERSONAL CARE



# GODREJ CONSUMER PRODUCTS

HOME CARE



## Other Subsidiaries

Godrej International Limited (GINL) is incorporated in the Isle of Man and is a wholly owned subsidiary of the Company.

Godrej International Trading & Investments Pte. Ltd. (GITI) is registered and located in Singapore and trades in palm and soya oil as well as in by products.

Financial Year 2019-20 was a very eventful period for most markets – from equities to commodities. Palm and veg oil prices were first hit by a bullish wave which commenced from August 2019 as a result of the previous year's EL NINO dry weather. This bull market came to an abrupt end from mid-January as reports of the Covid 19 Virus began to emerge from China and led to fears of Demand Destruction. The Financial Year ended on a bearish note as economic disruption due to Covid 19 held centre stage. Markets throughout the year were difficult and mercurial with frequent and unexpected changes. Selection of counter party became a problem as many smaller players were forced out of business by violent market changes. Both, GINL and GITI held their own in these difficult circumstances.

Ensemble Holdings and Finance Limited (EHFL), a wholly owned subsidiary of your Company, is a Non-Banking Finance Company. The total income of EHFL for FY20 was ₹ 0.4 Crore as compared to ₹ 2.23 Crore in the previous year. During the year, the National Company Law Tribunal, Mumbai bench vide its Order dated April 22, 2020 has approved the Scheme of Arrangement (Demerger) between EHFL and the Company. Upon coming into effect of the Scheme, the investment undertaking of EHFL stands transferred to and vested in the Company with effect from the Appointed Date, i.e. October 1, 2019.

## Financial Position

The Net Debt Position at the end of the Financial Year stands at ₹ 2,532 Crore as compared to ₹ 2,680 Crore in the previous year. The Net debt equity ratio is 1.55 as compared to 1.63 in the previous year.

Your Company continues to hold the topmost rating of [ICRA] A1+ from ICRA for its commercial paper program (₹ 1,000 Crore) (previous year ₹ 1,000 Crore). ICRA has reaffirmed an [ICRA] A1+ rating for its short term debt instruments / other banking facilities (₹ 800 Crore) (previous year ₹ 800 Crore). This rating of ICRA represents highest-credit quality carrying lowest credit risk. ICRA also reaffirmed [ICRA]AA rating with stable outlook for long-term debt, working capital and other banking facilities (₹ 1,340 Crore) (previous year ₹ 1,340 Crore). In addition to the ICRA's rating for commercial paper programme, CRISIL has also assigned a rating of "CRISIL A1+" to the commercial paper programme of ₹ 1,000 Crore. Instruments with these ratings are considered to have very strong degree of safety regarding timely payment of financial obligations. For the Non-Convertible Debentures (NCD) programme of ₹ 1,500 Crore CRISIL has assigned "CRISIL AA" and ICRA has assigned "ICRA AA" with stable outlook.

## Report on Performance and Financial Position of Subsidiary Companies:

Report on Performance and Financial Position of each of the Subsidiaries, Associates, Joint Venture companies in Form AOC-1, forms a part of the consolidated Financial Statements.

## Loans, Guarantees & Investments

As required to be reported pursuant to the provisions of Section 186 and Section 134(3)(g) of the Companies Act, 2013, the particulars of loans, guarantees or investments by the Company under the aforesaid provisions during the Financial Year 2019-20 have been provided in the Notes to the Standalone Financial Statements.

## Related Party Transactions

In compliance with the Listing Regulations, the Company has a policy on Materiality of Related Party Transactions and dealing with Related Party Transactions (RPT Policy). The RPT Policy can be accessed on the website of the Company, viz.

<http://www.godrejindustries.com/listing-compliance.aspx>.

All Related Party Transactions entered into by your Company during the Financial Year 2019-20 were on an arm's length basis and were in the ordinary course of business. There were no materially significant Related Party Transactions entered into by the Company with Promoters, Directors, Key Managerial Personnel or other related parties which may have a potential conflict with the interest of the Company. Requisite prior approval of the Audit Committee of the Board of Directors was obtained for Related Party Transactions. Therefore, disclosure of Related Party Transactions in Form AOC-2 as per the provisions of Section 134(3)(h) and Section 188 of the Companies Act, 2013 read with the Rule 8(2) of the Companies (Accounts) Rules, 2014 is not applicable. Attention of Members is also drawn to the disclosure of transactions with related parties set out in Note No.40 of Standalone Financial Statements, forming part of the Annual Report. None of the Directors had any pecuniary relationships or transactions vis-à-vis the Company. Further, the Company has not entered into any transactions with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the Company during the Financial Year 2019-20.

### **Manufacturing Facilities**

Your Company has manufacturing units at Ambernath, Valia, Wadala and Dombivili.

Ambernath factory is currently certified as per latest ISO standards, i.e., ISO 9001:2015 (QMS), ISO 14001:2015 (EMS) and ISO 45001:2018 (OH&S). This year the factory was working for IATF (Automotive certification for tyre industries) and Responsible care certification. Ambernath plant has been awarded silver rating on Ecovadis Platform and is also a member of SEDEX.

The Valia factory is ISO - 9001:2015, ISO 14001:2015 and ISO 18001:2007 certified. It has been recently certified with a new ISO standard i.e. ISO 50001:2018 for Energy Management System. It is among a few across India for getting certified as per new 2018 standard guidelines. This year it has received FDA certification for Sodium Lauryl Sulfate

(SLS) Powder which will help the Company to label its product as per IP/BP/USP. In new product domain, the unit has started commercial production for disodium Lauryl Sulfoacetate and PEG 150 Distearate for Home & Personal Care segment and Glyceryl Mono Laurate and Glyceryl Caprylic Caprylate for Animal Feed segment.

Majority of the finished products at both locations are Kosher certified and some are also REACH registered to meet the EU regulation. The Company is also a member of RSPO (Roundtable for Sustainable Palm Oil) and a respondent of Climate Change Discloser in CDP.

Vegoils Division (Wadala), is a vegetable oil refining facility in Mumbai for manufacturing edible oils and Vanaspati. It has a continuous refinery to process vegetable oils like Sunflower oil, Groundnut oil and Vanaspati. Factory is ISO 22000-2005 certified and also possesses Kosher and Halal certificate. This Factory also produces and sells Pharmaceutical Grade Refined Groundnut oil (Arachis oil) and Refined Sunflower Oil to pharmaceuticals companies for their application. This Factory produces and packs variety of edible oils such as Sesame oil, Refined Sunflower oil, Refined Groundnut oil, Refined Rice Bran oil, RBD Palm Olein oil and Vanaspati in various pack sizes.

The Dombivili unit has flexibility of producing multiple value added products, mainly fatty esters and amide, used in personal and home care products.

### **Research and Development (R&D)**

During the year under consideration, R&D has continued its innovations quest in the processes / product ranges and also came up with many new concept advanced ingredients mainly based on the Oleo feedstocks and having applications in Home, Personal care, Animal Nutrition and Agricultural fields. The performance of few of them is being examined internally in our own applications and some of them are under trials at external laboratories and research labs. Fatty acids based fuel lubricity blends and Polymer applications

blends were optimized further and introduced to the petroleum and fuel lubricity customers thus securing newer avenues for our fatty acids portfolio. In the new products category, R&D continues its efforts in developing improved and customized specialty mild surfactants, bio-surfactants and home & personal care ingredients and their blends, mainly through in house process development. The list of new specialty ingredients being developed are obtained through interactions of our R & D and Sales/Marketing teams, with various customers and their R & Ds, as well as general market scouting. Our current emphasis for the new development is “Go Green” and accordingly we are focusing more and more on the totally biodegradable ingredients/ Blends replacing the chemicals ingredients. One of our important developments, was the mild surfactant category termed as “Sulfate Free”, which could be the future ready product.

### Human Resource Development and Industrial Relations

During the year under review, industrial relations at all plant locations remained harmonious. Your Company emphasizes on the safety & engagement of people working in its premises. Structured safety meetings & recognition events were held through the year. The total number of persons employed in your Company as on March 31, 2020 were 1,046.

### Business Responsibility Report

The Business Responsibility Report highlighting your Company’s sustainability initiatives is appended as ‘Annexure C’. This Report describes the initiatives taken by the Company from an environment, social and governance perspective.

### Employee Stock Grant Scheme 2011 (ESGS)

The details of the grants allotted under Godrej Industries Limited - Employee Stock Grant Scheme, 2011 (ESGS 2011), as also the disclosures in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, have

been uploaded on the website of the Company at [www.godrejindustries.com](http://www.godrejindustries.com).

The Nomination and Remuneration Committee of the Board of Directors administers and monitors the ESGS 2011. The Board of Directors confirm that the ESGS 2011 has been implemented in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the resolution passed by the Members. The Board further confirms that there have been no changes in the ESGS 2011 Scheme during the Financial Year 2019-20. The Certificate, obtained from M/s. BSR & Co. LLP, Statutory Auditors in this regard, shall be kept open for inspection by the Members at the ensuing 32<sup>nd</sup> (Thirty Second) Annual General Meeting (AGM).

### Fixed Deposits

The details of deposits covered under Chapter V of the Companies Act, 2013, i.e., deposits within the meaning of Rule 2(1)(c) of the Companies (Acceptance of Deposits) Rules, 2014 during the Financial Year 2019-20 are as follows:

| Sr. No. | Particulars  | Details (₹ Crore) |
|---------|--|-------------------|
| (i)     | Deposits accepted during the Year  | Nil               |
| (ii)    | Deposits remained unpaid or unclaimed during the Year:<br>Matured Deposits with the Company  | 0.36              |
| (iii)   | Whether there has been any default in repayment of deposits or payment of interest thereon during the Year and if so, number of such cases and total amount involved:<br>a. At the beginning of the Year:<br>b. Maximum during the Year:<br>c. At the end of the Year: | Nil<br>Nil<br>Nil |
| (iv)    | Details of deposits which are not in compliance with the requirements of Schedule V of the Companies Act   | Nil               |

Your Company is currently not accepting public deposits and has not accepted any deposits from its Directors during the Financial Year 2019-20.



## Directors

### (a) Re-appointment of Managing Director

Upon recommendation of the Nomination and Remuneration Committee of the Board of Directors and as approved by the Board of Directors at their Meetings held on February 13, 2020, Mr. Nadir Godrej (DIN: 00066195) was re-appointed as the “Managing Director” of your Company for a period of 3 (Three) starting from April 1, 2020 upto March 31, 2023, on the terms and conditions which were approved by the Members by passing a Special Resolution through Postal Ballot, results of which were declared on March 27, 2020.

### (b) Appointment / Resignation / Cessation of tenure of Independent Directors

The tenure of directorship of 3 (Three) Independent Directors of the Company, viz., Mr. Saleem Ahmadullah (DIN: 00037137), Mr. Amit Choudhury (DIN: 00557547) and Mr. Kersi Dastur (DIN: 00050199), who were appointed as the “Independent Directors” of the Company for a term of 5 (Five) years, i.e. from August 9, 2014 to August 8, 2019, had come to an end and accordingly, they ceased to be the Independent Directors of the Company with effect from close of business hours on August 8, 2019. The Shareholders of the Company at the 31<sup>st</sup> (Thirty First) Annual General Meeting held on August 13, 2019 approved:

- (a) appointment of Ms. Rashmi Joshi (DIN: 06641898) as the “Independent Director” on the Board of Directors of your Company for a term of 5 (five) years starting from March 15, 2019 to March 14, 2024;
- (b) appointment of Mr. Mathew Eipe (DIN: 00027780) and Dr. Ganapati Yadav (DIN: 02235661) as the “Independent Directors” on the Board of Directors of your Company for a term of 5 (Five) years starting from May 13, 2019 upto May 12, 2024;
- (c) re-appointment of Mr. Keki Elavia (DIN: 00003940) as the “Independent Director”

on the Board of Directors of your Company for his second term starting from August 9, 2019 upto March 31, 2021; and

- (d) re-appointment of Mr. Kavas Petigara (DIN: 00066162) as the “Independent Director” on the Board of Directors of your Company for his second term starting from August 9, 2019 upto July 8, 2023.

Further, Ms. Rashmi Joshi (DIN: 06641898), who was appointed as the Director of the Company with effect from March 15, 2019 had resigned from the position of the “Non-Executive Independent Director” of the Company, due to personal reasons, with effect from March 27, 2020. The Board hereby confirms that as per the confirmation received from Ms. Rashmi Joshi, there were no material reasons for her resignation other than those mentioned in her resignation letter dated March 27, 2020.

Also, upon recommendation of the Nomination and Remuneration Committee and as approved by the Board of Directors through Circular Resolution passed dated April 13, 2020 and April 14, 2020 respectively, Ms. Monaz Noble (DIN: 03086192) was appointed as the “Additional (Non-Executive Independent) Director” on the Board of Directors of your Company for a term of 5 (Five) years starting from May 1, 2020 upto April 30, 2025, which is subject to approval of the Members at the ensuing 32<sup>nd</sup> (Thirty Second) AGM.

### (c) Directors liable to retire by rotation

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 and the Company’s Articles of Association, Mr. Adi Godrej (DIN: 00065964) and Mr. Vijay Crishna (DIN: 00066267) Directors of the Company are liable to retire by rotation at the ensuing 32<sup>nd</sup> (Thirty Second) AGM, and being eligible, have offered themselves for re-appointment.

### (d) Resolutions to be passed at the ensuing AGM

Appropriate resolutions for appointment of Ms.

Monaz Noble as the “Non-Executive Independent Director” and for re-appointment of Mr. Adi Godrej and Mr. Vijay Crishna as the Directors of the Company liable to retire by rotation, are being moved at the ensuing 32<sup>nd</sup> (Thirty Second) AGM, which the Board recommends for your approval.

#### (e) Composition of Board of Directors

As on the date of this Board’s Report, i.e., as on May 22, 2020 your Company’s Board of Directors comprises of the following Directors:

| Name of the Director | Director Identification Number (DIN) | Category  |
|----------------------|--------------------------------------|---|
| Mr. Adi Godrej       | 00065964                             | Chairman and Non-Executive Non-Independent Director |
| Mr. Jamshyd Godrej   | 00076250                             | Non-Executive Non-Independent Director              |
| Mr. Nadir Godrej     | 00066195                             | Managing Director                                   |
| Mr. Aspy Cooper      | 00026134                             | Non-Executive Independent Director                  |
| Mr. Vijay Crishna    | 00066267                             | Non-Executive Non-Independent Director              |
| Mr. Mathew Eipe      | 00027780                             | Non-Executive Independent Director                  |
| Mr. Keki Elavia      | 00003940                             | Non-Executive Independent Director                  |
| Mr. Kavas Petigara   | 00066162                             | Non-Executive Independent Director                  |
| Ms. Tanya Dubash     | 00026028                             | Executive Director & Chief Brand Officer            |
| Mr. Nitin Nabar      | 06521655                             | Executive Director & President Chemicals            |
| Dr. Ganapati Yadav   | 02235661                             | Non-Executive Independent Director                  |
| Ms. Monaz Noble      | 03086192                             | Non-Executive Independent Director                  |

#### (f) Declaration of Independence from Independent Directors

Your Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In terms of provisions of Section 134(3)(d) of the Companies Act, 2013, the Board of Directors of your Company have taken note of these declarations of independence received from all the Independent Directors and have undertaken due assessment of the veracity of the same. The Board of Directors is of the opinion that the Independent Directors of your Company possess requisite qualifications, experience, expertise (including proficiency) and they hold the highest standards of integrity that enables them to discharge their duties as the Independent Directors of your Company. Further, in compliance with Rule 6(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014, all Independent Directors of the Company have registered themselves with the Indian Institute of Corporate Affairs.

#### (g) Board Meetings

The Meetings of the Board of Directors are pre-scheduled and intimated to all the Directors in advance in order to help them plan their schedule. However, in case of special and urgent business needs, approval is taken either by convening Meetings at a shorter notice with consent of the Directors or by passing resolutions through circulation.

The Board of Directors of your Company met 5 (Five) times during the Financial Year 2019-20 (i.e. on May 13, 2019, May 17, 2019, August 13, 2019, November 12, 2019 and February 13, 2020). The maximum gap between two Board Meetings did not exceed 120 (One Hundred and Twenty) days. The details of Board Meetings and the attendance record of the Directors are provided in the Report on Corporate Governance section of the Annual Report.

## **(h) Performance Evaluation of the Board of Directors, its individual members, and its Committees**

In terms with the Policy for Evaluation of the Performance of the Board of Directors of the Company, we conducted a formal Board Effectiveness Review, as part of our efforts to evaluate the performance of our Board and identify areas that need improvement, in order to enhance the effectiveness of the Board, its Committees, and Individual Directors. This was in line with the requirements of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Corporate HR team of Godrej Industries Limited and Associate Companies (GILAC) worked directly with the Chairperson and the Nomination and Remuneration Committee of the Board to design and execute this process. It was later adopted by the Board. Each Board Member completed a confidential online questionnaire, sharing vital feedback on how the Board currently operates and how its effectiveness could be improved. The survey comprised of below sections and compiled feedback and suggestions on:

- Board Processes (including Board composition, strategic orientation and team dynamics);
- Individual Committees;
- Individual Board Members;
- the Chairman; and
- Declaration of independence from Independent Directors

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

The following reports were created as part of the evaluation:

- Board Feedback Report;
- Individual Board Member Feedback Report;
- Chairman's Feedback Report

Further, the performance evaluation criteria for Independent Directors included a check on their fulfilment of the independence criteria and their independence from the management.

The overall Board Feedback Report was facilitated by Mr. Adi Godrej, Chairman with Independent Directors. The Directors were not only vocal regarding the Board functioning effectively but also identified areas that showed scope for improvement. Feedback from the Committees and Individual Board Members was shared with the Chairman. Following his evaluation, a Chairman's Feedback Report was compiled.

## **(i) Nomination and Remuneration Policy:**

The Company's Nomination and Remuneration Policy for Directors, Key Managerial Personnel, and other employees can be accessed on the Company's website at <http://www.godrejindustries.com/listing-compliance.aspx>. The Company's total rewards framework aims at holistically using elements such as

fixed and variable compensation, long-term incentives, benefits and perquisites, and non-compensation elements (career development, work-life balance, and recognition). The Non-Executive Directors receive sitting fees in accordance with the provisions of the Companies Act, 2013.

On the recommendation of the Nomination and Remuneration Committee, the Board had framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The details of the Board Appointment Policy are stated below:

#### **Board Appointment Policy - Godrej Industries Limited (the “Company”)**

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

The Company recognises merit and continuously seeks to enhance the effectiveness of its Board. The Company believes that for effective corporate governance, it is important that the Board has the appropriate balance of skills, experience and diversity of perspectives.

Board appointments will be made on merit basis and candidates will be considered against objective criteria with due regard for the benefits of diversity on the Board. The Board believes that such merit-based appointments will best enable the Company to serve its stakeholders.

The Board will review this Policy on a regular basis to ensure its effectiveness.

#### **Talent Management and Succession Planning**

Your Company has the talent management process in place with an objective of developing a robust talent pipeline for the organisation which includes the senior leadership team.

As part of our Talent Management Process called Total Talent Management, we identify critical positions and assess the succession coverage for them annually. During this process, we also review the supply of talent, identify high potential employees and plan talent actions to meet the organisation’s talent objectives. We continue to deploy leadership development initiatives to build succession for key roles.

#### **Total Rewards Philosophy**

The policy of your Company on Director’s appointment and remuneration of the Directors, Key Managerial Personnel and other employees including criteria for determining qualifications, positive attributes, independence of a Director, is stated below:

## **TOTAL REWARDS PHILOSOPHY GODREJ INDUSTRIES LIMITED (the “Company”)**

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

### **Highlights**

The rewards framework offers you the flexibility to customise different elements, basis need. It is also integrated with our performance and talent management processes and designed to ensure sharply differentiated rewards for our best performers.

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

### **Total Compensation**

The total compensation has three components:

1. 'Fixed Compensation' comprises of basic salary and retirement benefits, like provident fund and gratuity
2. 'Flexible Compensation' is a fixed pre-determined component of the compensation.
3. 'Variable Compensation (Performance Linked Variable Remuneration)' rewards one for delivering superior business results and individual performance. It is designed to provide a significant upside earning potential without cap for over achieving business results. It has a 'Collective' component, which is linked to the achievement of specified business results, measured by Economic Value Added or other related metrics, relative to the target set for a given Financial Year and an 'Individual' component, based on the performance, as measured by the performance management process.

### **Long Term Incentives (Employee Stock Grant Scheme)**

This scheme aims at driving a culture of ownership and focus on long-term results. It is applicable to senior managers. Under this scheme, performance based stock grants are awarded on the basis of performance.

## **(j) Familiarisation Programmes**

Familiarisation programmes for the Independent Directors were conducted during the Financial Year 2019-20. Apart from this, there were quarterly business presentations by Mr. Clement Pinto, Chief Financial Officer of the Company. The details of familiarization programmes pursuant to Regulation 25(7) of the Listing Regulations is uploaded on the Company's website, viz. <http://www.godrejindustries.com/listing-compliance.aspx>

## Key Managerial Personnel

There have been no changes in the Key Managerial Personnel of the Company during the Financial Year 2019-20.

### Details of Directors / Key Managerial Personnel who were appointed or have resigned during the Financial Year 2019-20

| Name of the Director | Date of appointment / resignation  |
|----------------------|--|
| Dr. Ganapati Yadav   | Appointment as "Independent Director" for 5 years with effect from May 13, 2019 to May 12, 2024    |
| Mr. Mathew Eipe      | Appointment as "Independent Director" for 5 years with effect from May 13, 2019 to May 12, 2024    |
| Mr. Kavas Petigara   | Re-appointment as "Independent Director" with effect from August 9, 2019 upto July 8, 2023         |
| Mr. Keki Elavia      | Re-appointment as "Independent Director" with effect from August 9, 2019 upto March 31, 2021       |
| Mr. Nadir Godrej     | Re-appointment as "Managing Director" for 3 years with effect from April 1, 2020 to March 31, 2023 |
| Ms. Rashmi Joshi     | Resigned from directorship with effect from March 27, 2020   |

## Auditors and Auditors' Report

### Statutory Auditors

M/s. BSR & Co. LLP, Chartered Accountants (Firm Registration Number: 101248W/W-100022) have been appointed as the Statutory Auditors of the Company at the 29<sup>th</sup> (Twenty Ninth) Annual General Meeting (AGM) of the Members held on August 11, 2017, pursuant to Sections 139 to 144 of the Companies Act, 2013 and Rules 3 to 6 of the Companies (Audit And Auditors) Rules, 2014, for a term of 5 (Five) years, to hold office from the conclusion of the 29<sup>th</sup> (Twenty Ninth) AGM, till the conclusion of the 34<sup>th</sup> (Thirty Fourth) AGM, on a remuneration as may be decided by the Board of Directors. Their appointment was subject to ratification by the Members at every subsequent AGM held after the AGM held on August 11, 2017. Pursuant to the amendments made to Section 139

of the Companies Act, 2013 by the Companies (Amendment) Act, 2017, effective from May 7, 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors was withdrawn from the statute. In view of the same, the Members of the Company at the 30<sup>th</sup> (Thirtieth) AGM held on August 13, 2018 had approved ratification of appointment of M/s. BSR & Co. LLP as the Statutory Auditors of the Company for the remaining period, i.e., from the conclusion of 30<sup>th</sup> (Thirtieth) AGM held on August 13, 2018 upto the conclusion of the 34<sup>th</sup> (Thirty Fourth) AGM. Therefore, the approval of the Members for continuance of their appointment at this AGM is not being sought. The Statutory Auditor's Report on the Financial Statements for the Financial Year ended on March 31, 2020 does not contain any qualification, reservation, adverse remark or disclaimer.

### Cost Auditors

M/s. R. Nanabhoy & Co., Cost Accountants, Mumbai (Firm Registration No.: 000010) were appointed by the Board of Directors as the Cost Auditors of the Company for all the applicable products pursuant to the provisions of Section 148 of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014, for the Financial Year 2019-20. They are required to submit the report within 180 (One Hundred and Eighty) days from the end of the accounting year.

Further, upon recommendation of the Audit Committee, the Board of Directors at their Meetings held on May 22, 2020 have approved re-appointment of M/s. R. Nanabhoy & Co., Cost Accountants, being eligible, as the Cost Auditors of the Company for the Financial Year 2020-21 at a remuneration of ₹ 3,50,000/- (Rupees Three Lakh Fifty Thousand Only) plus applicable taxes and out of pocket expenses, subject to ratification of the said remuneration by the Members at the ensuing 32<sup>nd</sup> (Thirty Second) Annual General Meeting pursuant to Section 148 of the Companies Act, 2013.

The Company has maintained the necessary accounts and records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 pertaining to Cost Audit.

## Secretarial Auditors

Pursuant to provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company's Board of Directors had appointed M/s. A. N. Ramani & Co., Practicing Company Secretaries (Certificate of Practice No.:9577), to conduct Secretarial Audit of the Company for the Financial Year 2019-20.

The Secretarial Audit Report issued by M/s. A. N. Ramani & Co., Secretarial Auditors for the Financial Year ended March 31, 2020 is annexed herewith marked as 'Annexure D' to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

## Vigil Mechanism / Whistle Blower Policy

Your Company is focused to ensure that integrity and ethics continue to be the bedrock of its corporate operations. It is committed to conducting its business in accordance with the highest standards of professionalism and ethical behavior. Your Company has a vigil mechanism named Whistle Blower Policy to deal with instance of fraud and mismanagement, if any. This initiative was taken to encourage employees to report irregularities in operations, besides complying with the statutory requirements under Companies Act, 2013. All employees of the Company can avail this mechanism. If the whistle blower is not satisfied with the actions taken, necessary steps to escalate the same can be taken. Through the process, the mechanism considers and extends complete protection to the whistle blower and direct access to the Chairman of the Audit Committee, in appropriate or exceptional cases.

## Committees of Board of Directors

### (a) Audit Committee

Pursuant to the provisions of Section 177(8) of the Companies Act, 2013, Rule 6 of the Companies (Meetings of Board & its Powers) Rules, 2014 and Regulation 18 read with Part C of Schedule II of the

Listing Regulations, your Company has constituted an Audit Committee of the Board of Directors.

The composition of the Audit Committee during the Financial Year 2019-20 was as under:

| Name of the Member    | Designation                      |
|-----------------------|----------------------------------|
| Mr. Kersi Dastur      | Chairman (Independent Director)* |
| Mr. Saleem Ahmadullah | Member (Independent Director)*   |
| Mr. Kavas Petigara    | Chairman (Independent Director)# |
| Mr. Amit Choudhury    | Member (Independent Director)*   |
| Mr. Aspy Cooper       | Member (Independent Director)\$  |
| Mr. Mathew Eipe       | Member (Independent Director)\$  |
| Mr. Nitin Nabar       | Member (Independent Director)\$  |

\* Ceased to be Independent Directors of the Company with effect from close of business hours August 8, 2019  
# Appointed as Chairman with effect from August 9, 2019  
\$ Appointed as Member with effect from August 9, 2019

The Statutory Auditors, Internal Auditors and Chief Financial Officer attend the Audit Committee Meetings as invitees. The Company Secretary and Compliance Officer acts as Secretary to the Audit Committee. All observations and recommendations made by the Audit Committee to the Board of Directors, were duly noted and accepted by the Board.

There were 5 (Five) Meetings of the Audit Committee held during the Financial Year 2019-20 (i.e., May 13, 2019, May 17, 2019, August 13, 2019, November 12, 2019 and February 13, 2020).

### (b) Risk Management Committee

Pursuant to the provisions of Regulation 21 of Listing Regulations, your Company has constituted a Risk Management Committee of the Board of Directors.

The composition of the Risk Management Committee during the Financial Year 2019-20 was as under:

| Name of the Member | Designation                                       |
|--------------------|---|
| Mr. Nadir Godrej   | Chairman (Managing Director)                      |
| Ms. Tanya Dubash   | Member (Executive Director & Chief Brand Officer) |
| Mr. Nitin Nabar    | Member (Executive Director & President Chemicals) |

There were 3 (Three) Meetings of the Risk Management Committee held during the Financial Year 2019-20 (i.e., May 10, 2019, August 6, 2019 and December 10, 2019).

Your Company had formed a Risk Management Committee consisting of the Managing Director and the Whole Time Directors. The Committee identifies, evaluates business risks and opportunities. This Committee has formulated and implemented a policy on risk management to ensure that the Company's reporting system is reliable and that the Company complies with relevant laws and regulations. The Board of Directors of your Company are of the opinion that, at present, there are no elements of risks which may threaten the existence of the Company.

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

Your Company is committed to creating and maintaining an atmosphere in which employees can work together without fear of sexual harassment, exploitation or intimidation. The Board of Directors of your Company has constituted Internal Complaints Committees (ICCs) at Head Office as well as regional levels pursuant to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules framed thereunder.

The Company has formulated and circulated to all the employees, a policy on prevention of sexual harassment at workplace, which provides for a proper mechanism for redressal of complaints of sexual harassment. Since there were no complaints received by the ICCs during the calendar year 2019, the Committee filed a 'NIL' complaints report with the concerned authority(ies), in compliance with Section 22 of the aforementioned act.

### **Directors' Responsibility Statement**

The Board of Directors have laid down Internal Financial Controls within the meaning of the explanation to Section 134(5)(e) ("IFC") of the Companies Act, 2013. The Board believes the Company has sound IFC commensurate with the nature and size of its business. Business is however dynamic. The Board is seized of the fact that IFC are not static and will evolve over time as the business, technology and possibly even fraud environment changes in response to competition, industry practices, legislation, regulation and current economic conditions. There might therefore be gaps in the IFC as Business evolves. Your Company has a process in place to continuously identify such gaps and implement newer and / or improved controls wherever the effect of such gaps might have a material effect on the Company's operations.

Pursuant to the provisions contained in sub-sections (3)(c) and (5) of Section 134 of the Companies Act, 2013, the Directors of your Company, based on the representation received from the Operating Management and after due enquiry confirm the following:

- a) In the preparation of the annual accounts for the Financial Year 2019-20, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) The Directors have selected such accounting policies and applied consistently, and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year (i.e. March 31, 2020) and of the profit and loss of the Company for that period (i.e. the Financial Year 2019-20);
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company, for preventing and detecting fraud and other irregularities;
- d) The Directors have prepared the annual accounts for the Financial Year ended March 31, 2020 on a going concern basis;
- e) The Directors have laid down internal financial



controls to be followed by the Company and such internal financial controls are adequate and operating effectively; and

- f) The Directors have devised proper systems to ensure compliance of all laws applicable to the Company and such systems are adequate and operating effectively.

### Corporate Governance

As required by the existing Regulation 34(3) read with Schedule V of the Listing Regulations, a detailed report on Corporate Governance is included in the Annual Report.

M/s. A. N. Ramani, Practicing Company Secretaries have certified the Company's compliance of the requirements of Corporate Governance in terms of Regulation 34(3) read with Schedule V of the Listing Regulation and their compliance certificate is annexed to the Report on Corporate Governance.

### Conservation of Energy, Technology absorption and Foreign Exchange Earnings and Outgo

The information in respect of matters pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 134(3)(m) of the Companies Act, 2013 and Rule 8(3) of the Companies (Accounts) Rules, 2014 is appended as 'Annexure E' to this Report.

### Annual Return

In compliance with provisions of Section 134(3)(a) of the Companies Act, 2013, the Annual Return as per Section 92(3) of the Companies Act, 2013 has been hosted on the website of the Company, viz. [www.godrejindustries.com](http://www.godrejindustries.com).

### Managerial Remuneration and Remuneration Particulars of Employees

The remuneration paid to Directors and Key Managerial Personnel and the employees of the Company during the Financial Year 2019-20 was in accordance with the Nomination and Remuneration Policy of the Company.

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of the Companies Act, 2013 and Rule 5(1) of

the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been appended as 'Annexure F' to this Report.

The information required pursuant to Section 197 of the Act read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of your Company are available to Shareholders for inspection on request. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary, on [investor@godrejinds.com](mailto:investor@godrejinds.com), whereupon a copy would be sent.

### Material changes and commitments since the Financial Year end

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the March 31, 2020 and the date of this Boards' Report (i.e. May 22, 2020). However, in view of the lockdown across the country due to the outbreak of COVID pandemic, operations of the Company's/Group's (manufacturing, offices, etc.) are scaled down or shut down from second half of March 2020. The duration of this lockdown is uncertain at this point in time and resumption of full-fledged operations will depend upon directives issued by the Government authorities. While this has adversely impacted the sales performance of certain subsidiary Companies, the Company / Group continues to closely monitor the situation and has been taking appropriate actions, as necessary to scale up operations, in due compliance with the applicable regulations. The Company will continue to closely monitor the situation and take appropriate action as per regulatory guidance. The eventual outcome of the impact of the global health pandemic may be different from those estimated as on the date of approval of the financial statements. The operations have resumed for certain locations in compliance with Government directives in April, 2020.

### Fraud Reporting

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

## Corporate Restructuring

### Scheme of Arrangement (Demerger) entered into between Ensemble Holdings Finance Limited, Wholly Owned Subsidiary and Godrej Industries Limited (“the Company”)

During the year, the National Company Law Tribunal, Mumbai bench vide its Order dated April 22, 2020 has approved the Scheme of Arrangement (Demerger) between Ensemble Holdings and Finance Limited (EHFL) and the Company. Consequent to the said Order and filing of the certified Orders with the Registrar of Companies, Maharashtra on May 14, 2020, the Scheme has become effective from the Appointed Date i.e. October 1, 2019. Upon coming into effect of the Scheme, the investment undertaking of EHFL stands transferred to and vested in the Company with effect from the Appointed Date. The Company has given effect of the Scheme in its Financial Statements for the Financial Year ended March 31, 2020 as per guidance set out in Ind AS Transition Facilitation Group (ITFG) Clarification Bulletin 14 (Issue 4), being a common control transaction. The Financial Statements for the previous year ended March 31, 2019 have been restated as per Appendix C of Ind AS 103, Business Combinations, as if the business combination had occurred from the beginning of the preceding period. The effect of the restatement on the Profit / (Loss) after Tax, Other Comprehensive Income / (Loss) and Total Comprehensive Income / (Loss) and Equity have been given in Note 46 of Standalone Accounts. As EHFL is a 100% subsidiary of the Company, there is no impact of the Scheme on the Consolidated Financial Results.

### Policies of the Company

Listing Regulations have mandated the formulation of certain policies for all listed companies. As per provisions of Listing Regulations, certain Policies are hosted on the Company’s website viz; [www.godrejindustries.com](http://www.godrejindustries.com).

The key policies that have been adopted by the Company pursuant to the provisions of the Companies Act, 2013 and the Rules framed thereunder, the Listing Regulations and other applicable laws are as follows:

| Name of the Policy                                     | Brief Particulars of the Policy  |
|--|--|
| Risk Management Policy                                 | The Company has in place, a Risk Management Policy which is framed by the Board of Directors of the Company. This Policy deals with identifying and assessing risks such as operational, strategic, financial, security, property, regulatory, reputational and other risks and the Company has in place an adequate Risk Management infrastructure capable of addressing these risks.   |
| Corporate Social Responsibility Policy                 | The Corporate Social Responsibility (CSR) Committee has formulated and recommended to the Board and the Board has approved a Corporate Social Responsibility Policy (CSR Policy), which outlines the Company’s strategy to bring about a positive impact on society through various CSR activities and programmes.   |
| Policy for determining Material Subsidiaries           | This Policy is used to determine the material subsidiaries and material non-listed Indian subsidiaries of the Company in order to comply with the requirements of Regulation 16(1)(c) and Regulation 24 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has the following Material Subsidiaries as on March 31, 2020: <ol style="list-style-type: none"> <li>1) Godrej Properties Limited (Listed Subsidiary)</li> <li>2) Godrej Agrovet Limited (Listed Subsidiary)</li> </ol> |
| Nomination and Remuneration Policy                     | This Policy formulates the criteria for determining qualifications, competencies, positive attributes and independence of a Director (Executive / Non-Executive) and also the criteria for determining the remuneration of the Directors, Key Managerial Personnel and other Senior Management Employees.  |
| Whistle Blower Policy / Vigil Mechanism                | Your Company has a Vigil Mechanism / Whistle Blower Policy which provides adequate safeguards against victimization of persons who use Whistle Blower mechanism and make provision for direct access to the Chairman of the Audit Committee, in appropriate or exceptional cases.  |
| Policy on Prevention of Sexual Harassment at Workplace | Your Company has in place, a Policy on Prevention of Sexual Harassment at Workplace, which provides for a proper mechanism for redressal of complaints of sexual harassment and thereby encourages employees to work together without fear of sexual harassment, exploitation or intimidation.   |

| Name of the Policy  | Brief Particulars of the Policy  |
|---|--|
| Policy on Materiality of Related Party Transaction and dealing with Related Party Transaction | This Policy regulates all transactions between the Company and its Related Parties.  |
| Code of Conduct for the Board of Directors and Senior Management Personnel                    | Your Company has in place, a Code of Conduct for the Board of Directors and Senior Management Personnel which reflects the legal and ethical values to which your Company is strongly committed.   |
| Code of Conduct for Insider Trading   | This Policy sets up an appropriate mechanism to curb Insider Trading in accordance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.   |
| Policy on Criteria for determining Materiality of Events                                      | This Policy applies to disclosures of material events affecting the Company. This Policy warrants disclosure to investors and has been framed in compliance with the requirements of Regulation 30 of the Listing Regulations.   |
| Policy for Maintenance and Preservation of Documents  | The purpose of this Policy is to specify the type of documents and time period for preservation thereof based on the classification mentioned under Regulation 9 of the Listing Regulations. This Policy covers all business records of the Company, including written, printed and recorded matter and electronic forms of records.   |
| Archival Policy   | This Policy is framed pursuant to the provisions of the Listing Regulations. As per this Policy, your Company is required to disclose on its website, all such events or information which have been disclosed to the Stock Exchanges where the securities of the Company are listed. Further, such disclosures shall be hosted on the website of the Company for a minimum period of 5 (five) years and thereafter as per Archival Policy of the Company. |
| Dividend Distribution Policy  | This Policy is framed by the Board of Directors in terms of the Listing Regulations. The focus of the Company is to have a Policy on distribution of dividend so that the investor may know as to when and how much dividend they may expect.  |

## Disclosures as per the Companies (Accounts) Rules, 2014

|   |   |
|---|---|
| Change in nature of business, if any  | None  |
| Names of Companies which have become or have ceased to be its Subsidiaries, Joint Ventures or Associate Companies during the Financial Year 2019-20                   | Natures Basket Limited ceased to be the subsidiary of the Company with effect from July 4, 2019.  |
| Details of Significant and Material Orders passed by the Regulators or Courts or Tribunals, impacting the going concern status and the Company's operations in future | During the Financial Year 2019-20, there were no significant and material orders passed by the regulators or Courts or Tribunals which can adversely impact the going concern status of the Company and its operations in future. |

## Secretarial Standards

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

## Transfer to Investor Education and Protection Fund

In terms of the provisions of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, ₹ 6,62,864/- (Rupees Six Lakhs Sixty Two Thousand Eight Hundred and Sixty Four Only) unpaid / unclaimed dividends were transferred during the Financial Year 2019-20 to the Investor Education and Protection Fund (IEPF).

The Company has appointed a Nodal Officer under the provisions of IEPF, the details of which are available on the website of the Company. The same can be accessed on [www.godrejindustries.com](http://www.godrejindustries.com). The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on August 13, 2019 (date of last AGM) on the Company's website which can be accessed on [www.godrejindustries.com](http://www.godrejindustries.com) and of the Ministry of Corporate Affairs website at [www.iepf.gov.in](http://www.iepf.gov.in).

## Depository System

Your Company's Equity Shares are available for dematerialization through National Securities Depository Limited and Central Depository Services (India) Limited. As of March 31, 2020, 99.88% of the Equity Shares of your Company were held in demat form.

## Listing

The Equity Shares of your Company are listed at the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). The applicable annual listing fees have been paid to the Stock Exchanges before the due dates. The Equity Shares of your Company were not suspended from trading on BSE and NSE at any point of time during the Financial Year 2019-20.

## Additional Information

The additional information required to be given under the Companies Act, 2013 and the Rules framed thereunder, has been laid out in the Notes attached to and forming part of the Accounts. The Notes to the Accounts referred to the Auditors' Report are self-explanatory and therefore do not call for any further explanation. The Consolidated Financial Statements of our Company form a part of this Annual Report. Accordingly, this Annual Report of your Company does not contain the Financial Statements of its Subsidiaries. The Audited Annual Accounts and related information of the Company's Subsidiaries will be made available upon request. These documents including the Subsidiary Companies' documents will be available for inspection on the Company's website, viz., [www.godrejindustries.com](http://www.godrejindustries.com).

## Acknowledgement

Your Directors thank the Union Government, the Governments of Maharashtra and Gujarat as also all the Government Agencies, Banks, Financial Institutions, Shareholders, Customers, Fixed Deposit Holders, Vendors and other Business Associates, who, through their continued support and co-operation, have helped as partners in your Company's progress. Your Directors also express their warm appreciation to all the employees of the Company for their unstinted commitment

and continued contribution to the growth of the Company.

**For and on behalf of the Board of Directors  
of Godrej Industries Limited**

**Adi Godrej**  
**Chairman**  
(DIN: 00065964)

Mumbai, May 22, 2020

## **Dividend Distribution Policy of Godrej Industries Limited**

### **1. Background and applicability**

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations") require the top 500 listed companies (by market capitalisation) to disclose a Dividend Distribution Policy in the annual report and on the corporate website.

The Board of Directors ("Board") of Godrej Industries Limited ("Company") has adopted this Dividend Distribution Policy to comply with these requirements.

Presently, the Authorised Capital of the Company is ₹ 180,00,00,000/- (Rupees One Hundred Eighty Crore) divided into 80,00,00,000 (Eighty Crore) Equity Shares of ₹ 1/- (Rupee One) each and 10,00,00,000 (Ten Crore) Unclassified Shares of ₹ 10/- each. At present, the issued and paid-up share capital of the Company comprises only equity shares. The policy is subject to review if and when the Company issues different classes of shares.

### **2. Dividend distribution philosophy**

The Company is deeply committed in value creation for all its stakeholders. The focus will continue to be on long term value creation. Accordingly, the Board would continue to adopt a progressive and dynamic dividend policy, ensuring the immediate as well as long term needs of the business.

### **3. Dividend**

Dividend represents the profit of the Company, which is distributed to shareholders in proportion to the amount paid-up on shares they hold. Dividend includes Interim Dividend.

### **4. Circumstances under which shareholders can expect Dividend**

The Board will assess the Company's financial requirements, including present and future investment opportunities and other relevant factors (as mentioned elsewhere in this policy) and declare Dividend in any Financial Year.

The Dividend for any Financial Year shall normally be paid out of the Company profits for that year. This will be arrived at after providing for depreciation in accordance with the provisions of the Companies Act, 2013 (the Act). If circumstances require, the Board may also declare dividend out of accumulated profits of any previous Financial Year(s) in accordance with provisions of the Act and Regulations, as applicable.

## **5. Interim and Final Dividend**

The Board may declare one or more Interim Dividends during the year. Additionally, the Board may recommend Final Dividend for the approval of the shareholders at the Annual General Meeting. The date of the Board meeting in which the Dividend proposal will be considered, will be provided to the stock exchanges, as required by Listing Regulations.

## **6. Financial parameters and other internal and external factors that would be considered for declaration of Dividend:**

- Distributable surplus available as per the Act and Regulations
- The Company's liquidity position and future cash flow needs
- Track record of Dividends distributed by the Company
- Prevailing Taxation Policy or any amendments expected thereof, with respect to Dividend distribution
- Capital expenditure and Investment requirements
- Cost and availability of alternative sources of financing
- Stipulations/ Covenants of loan agreements
- Macroeconomic and business conditions in general
- Any other relevant factors that the Board may deem fit to consider before declaring Dividend

## **7. Utilisation of retained earnings**

Subject to applicable regulations, the Company's retained earnings shall be applied for:

- Funding growth needs including working capital, capital expenditure, repayment of debt, etc.
- Payment of Dividend in future years
- Issue of Bonus shares/ Buyback etc.
- Any other permissible purpose

## **8. Modification of the Policy**

The Board is authorised to change/amend this policy from time to time at its sole discretion and/or in pursuance of any amendments made in the Companies Act, 2013, the Regulations, etc.

## **9. Disclaimer**

This document does not solicit investments in the Company's securities. Nor is it an assurance of guaranteed returns (in any form), for investments in the Company's equity shares.

**MANAGEMENT DISCUSSION AND ANALYSIS**

## FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The highlights of overall performance are as follows:

₹ Crore

| Particulars                                       | 2019-20  | 2018-19  |
|---|----------|----------|
| Revenue from Operations                           | 1,968.72 | 2,144.37 |
| Total Income                                      | 2,004.03 | 1,942.69 |
| Profit / (Loss) Before Taxation                   | 30.69    | (101.44) |
| Profit / (Loss) After Current Taxation            | 30.76    | (101.44) |
| Profit / (Loss) After Current & Deferred Taxation | 30.81    | (101.37) |
| Earnings per Equity Share (₹) - Basic             | 0.92     | (3.01)   |
| Earnings per Equity Share (₹) - Diluted           | 0.92     | (3.01)   |

**Profitability ratios are as follows:**


|                            |     |     |
|----------------------------|-----|-----|
| PBDIT/Total Income         | 16% | 10% |
| PBT/Total Income           | 2%  | -5% |
| PAT/Total Income           | 2%  | -5% |
| Return on Capital Employed | 6%  | 3%  |
| Return on Net Worth        | 2%  | -6% |

**The Financial risk ratios are as follows:**

|                                     |       |       |
|-------------------------------------|-------|-------|
| Net Debt / Equity                   | 1.55  | 1.63  |
| Debtors Turnover (Number of Days)   | 43.33 | 37.11 |
| Inventory Turnover (Number of Days) | 55.02 | 62.29 |
| Current Ratio                       | 1.03  | 1.16  |
| Interest Coverage                   | 1.48  | 0.8   |

Operating margin has improved from 10% to 16% this is mainly due to improvement in margins in Chemicals Business and investments. Consequently all the profitability ratios have shown improvement.

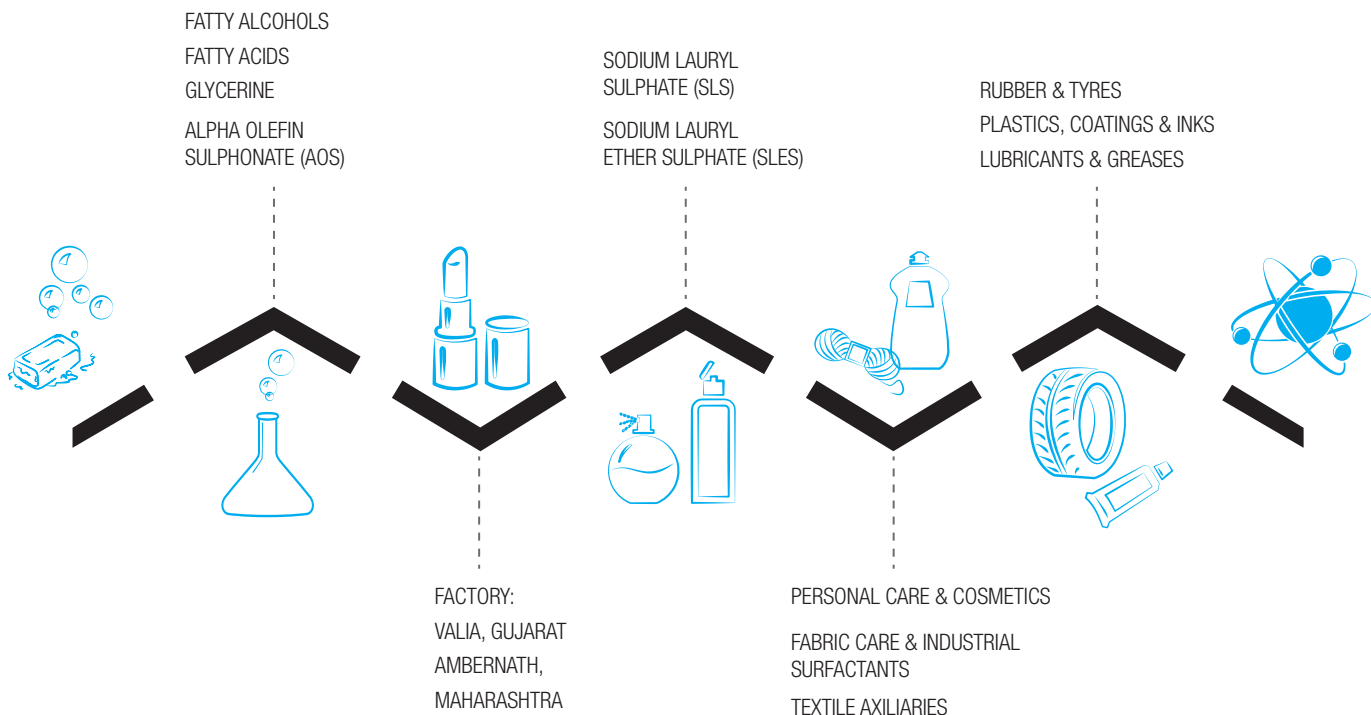
# OUR CHEMICALS HELP MAKE LIFE BEAUTIFUL



OLEOCHEMICALS  
SURFACTANTS  
OLEO DERIVATIVES  
SPECIALTY MOLECULES  
BIO-SURFACTANT







## CHEMICALS DIVISION

The Chemicals division is one of India's leading manufacturers of basic oleo-chemicals, surfactants and derivatives of oleo-chemicals. The division has a blend of domestic and international operations and is one of the leading suppliers in the Indian market. The division achieved export turnover of ₹ 472 crore in this fiscal, accounting for about 29% of its turnover.

The division is focusing on value added chemicals which have steady margins and also helps in de-risking the business.

The Chemicals division in FY19-20 recorded a revenue and PBIT of ₹ 1604 crore and ₹ 140 crore respectively.

The product category-wise review follows:

### Fatty Acids

The Fatty Acids portfolio, comprising stearic acid, oleic acid, as well as value-added fatty acids,

accounted for about 42% of the turnover of the division. The division plans to enhance the sales of its value-added fatty acids in the domestic as well as export markets.

### Fatty Alcohol

Fatty alcohol contributed 30% to turnover of this division. A good portion of the revenues for this category comes from exports. The division is also expanding the product basket by focusing on value-added fatty alcohol and also long chain alcohol.

### Surfactants

Surfactants contributed 22% to the turnover of the division. Our products have been approved by several multi-national companies and we can now strongly participate in their global sourcing programs. Effective sourcing of raw material and increasing customer base are important for improving margins. This product portfolio has done reasonably well on both these counts.

The division also has significant presence in Sodium Lauryl Ether Sulphate (SLES) and Alpha Olefin Sulfonate (AOS) market segments.

## Glycerin

Glycerin accounted for 7% of the turnover of this division. Being largely a co-product, additional sales are mostly opportunistic, depending on market conditions. With the help of R&D, the division is now manufacturing value added glycerin products.

## Other Initiatives

Your Company continues to focus on use of renewable energy. In FY 2019-20; more than 50% of the total energy was consumed through renewable sources. We achieved this through use of biomass briquettes, Solar roof top and other initiatives.

Our Valia (Gujarat) factory has reduced its specific energy consumption by 22% since 2011. We have received the prestigious Golden Peacock Award

for Environment Management and Golden Peacock Award for Human Resource Management.

## Outlook

In view of the lockdown across the country due to the outbreak of COVID pandemic, operations of our locations (manufacturing, offices, etc.) are scaled down or shut down from second half of March 2020. The duration of this lockdown is uncertain at this point in time and resumption of full-fledged operations will depend upon directives issued by the Government authorities. While this has adversely impacted the sales performance, we continue to closely monitor the situation and take appropriate action, as necessary to scale up operations, in due compliance with the applicable regulations.

The eventual outcome of the impact of the global health pandemic may be different from those estimated as on the date of approval of the financial results.



REFINED  
SUNFLOWER OIL

REFINED  
RICE BRAN OIL

REFINED / FILTERED  
GROUNDNUT OIL

REFINED  
PALMOLEIN OIL

VANASPATI &  
SESAME OIL

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## Finance and Investments

During the year, your Company continued to earn return from its investments in the form of Dividend of ₹ 245 crore (previous year ₹ 341 crore). Your Company invested ₹ 111.4 crore in Godrej Agrovet Limited by purchasing shares from the secondary market. During the year, the National Company Law Tribunal, Mumbai bench vide its Order dated April 22, 2020 has approved the Scheme of Arrangement (Demerger) between Ensemble Holdings and Finance Limited (EHFL) and your Company. Upon coming into effect of the Scheme, the investment undertaking of EHFL stands transferred to and vested in the Company with effect from the Appointed Date, i.e. October 1, 2019.

## Veg Oils

The veg oils business started direct sales of edible Oils under 'Godrej Brand' in bulk and consumer packs from September, 2015. The business clocked a revenue of ₹ 114 crore and has a reach of 8000+ retail outlets in Mumbai Metropolitan Region (MMR) and 2000+ retail outlets in Western Maharashtra and Goa. The products of this business have been well received in the market. While the Bulk Pack business has been stable, consumer pack business recorded a steady growth.

## Human Resource Development and Industrial Relations

Industrial relations at all plant locations remained harmonious.

The total number of persons employed in your Company as on March 31, 2020 were 1,046.

## Policy to Prevent Sexual Harassment at the work place

Your Company is committed to creating and

maintaining an atmosphere in which employees can work together without fear of sexual harassment, exploitation or intimidation. Your Company has strengthened its existing Policy on Prevention of Sexual Harassment at the workplace. Every employee is made aware that the Company is strongly opposed to sexual harassment and that such behaviour is prohibited both by the law and the Group. Structured sessions on prevention of sexual harassment at workplace were organized at all locations to spread awareness on security & safety of women employees as well as to apprise all employees of the legislative updates on prevention of sexual harassment at workplace.

During the year, the Company has reconstituted its Internal Complaints Committee, pursuant to the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has two separate committees – one for the Head Office, factories in Maharashtra and branches in India and the other for the factory at Valia, Gujarat. Ms. Shefali Kohli is the Presiding Officer for both the Committees. While the Act is applicable only to women employees, our Company policy would be covering all employees and all premises of the Company in India.

No complaints were received by the committee during the year under review. Since the number of complaints filed during the year was NIL, the Committee prepared a NIL complaints report. This is in compliance with Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## Internal Control Systems and their Adequacy

Your Company has a proper and adequate system of Internal Controls, to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposal and that transactions are authorized, recorded and reported correctly.

Your Company's Corporate Audit and Assurance Department, issues well documented operating procedures and authorities with adequate built-in controls at the beginning of any activity and revised procedures if there is any major change.

The internal control is supplemented by an extensive programme of internal, external audits and periodic review by the management. The system is designed to adequately ensure that financial and other records are reliable for preparing financial information and other data and for maintaining accountability of assets.

Corporate Audit & Assurance Department during the year, facilitated a review of your Company's risk management programme. The risks and mitigation measures were reviewed by your Company's Risk Committee and corrective measures initiated.

During the year the Corporate Audit & Assurance Department carried out various reviews and provided assurance on compliances to lay down policies, processes and internal controls.

## **Information Security**

Your Company accords great importance to the security of its information assets. To ensure that this gets desired focus and attention, a Chief Information Security Officer, who is attached to the Corporate Audit and Assurance Department, is entrusted with the task of ensuring that your Company has the requisite security posture.

Your Company has in place, all the procedures and practices that are in line with the ISO Security Standards.

## **Opportunities and Threats**

The outbreak of COVID pandemic could impact the global demand, economic environment/economic policies. At the same time, government thrust on make in India and shift of preference of world leaders from China to other countries will give good opportunity for growth.

## **Risks and Concerns**

Your Company had put a risk management framework in place post a comprehensive review of its risk management process. Your Company has taken a fresh look at the risk management framework. The review involved understanding the existing risk management initiatives, zero-based identification and assessment of risks in the various businesses as also the relative control measures and arriving at the desired counter measures keeping in mind the risk appetite of the organization. The Risk Committee has periodically reviewed the risks in the various businesses and recommended appropriate risk mitigating actions.

The Commodity based businesses are likely to be affected by vagaries of the weather, demand for edible oil, oilseed production, etc. The business is exposed to commodity price risks relating to raw materials which account for the largest portion of the costs of both the Chemicals and Vegoils businesses.

The Chemicals business growth will also depend on the growth of end user industries like polymer, detergent, cosmetic and personal care. As a significant employer and chemicals producer, to ensure occupational safety, employment standards, production safety, and environmental protection, your Company maintains strict safety, health, environmental protection and quality control programs to monitor and control these operational risks.

Macro-economic factors including economic and political developments, natural calamities which affect the industrial sector generally would also affect the businesses of your Company. Legislative changes resulting in a change in the taxes, duties and levies, whether local or central, also impact business performance and relative competitiveness of the businesses.

### **Cautionary Statement**

Some of the statements in this management discussion and analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in industry, significant changes in political and economic environment in India and abroad, tax laws, import duties, litigation and labour relations.

Valia Plant





# BUSINESS RESPONSIBILITY REPORT



## Ensuring Employability

Train 1 million rural and urban youth in skilled employment



## Creating a Greener India

Achieve zero waste to landfill, carbon neutrality, and a positive water balance along with reducing our specific energy consumption and increasing the proportion of renewable energy use



## Innovating for Good & Green Products

Have one-third of our portfolio revenues comprise good and/or green products and services: defined as products that are environmentally superior or address a critical social issue (e.g. health, sanitation, and disease prevention) for consumers at the bottom of the income pyramid

## **SUSTAINABILITY EFFORTS BY THE GODREJ GROUP**

The Godrej Group has been at the forefront of philanthropic and social activities for several decades. Through investment and oversight by the trust, a large tract of mangrove forests in Mumbai have been protected, developed, and maintained for several years and serve as a second set of lungs for the city. The Godrej Group has continually supported education and supports the Udayachal pre-primary and primary schools, which focus on the all-round development of children. The Udayachal high school has been accredited with the International School Award in recognition of the school incorporating global education into its curriculum and innovation into classroom teaching.

In addition, the Godrej Group has supported initiatives in healthcare through the Godrej Memorial Hospital, which aims to provide quality healthcare at affordable costs. One such initiative is our partnership with 'Smile Train', a US-based NGO, which helps in performing corrective cleft lip and palate surgeries for children from low-income families.

Godrej Group stands in solidarity with efforts to overcome COVID-19.

We stand in solidarity with our people and Governments and the many efforts to ensure public health and safety. We will try to the best of our capabilities to serve our customers, employees, communities and countries, and especially support health personnel, government workers, and everyone working tirelessly to curb the spread of this pandemic.

To start with, we as a group have earmarked fund of ₹ 50 Crore for community support and relief initiatives in India. This is an initial outlay and we hope to supplement it over time.

The fund will back some of the initiatives like medical equipment supply, product innovations and supply and support at factories and construction sites.

Your Company's Managing Director Mr. Nadir Godrej is in the forefront of several sustainability initiatives and advocacy of sustainability. Mr. Godrej is on the Executive Council of World Business Council for Sustainable Development (WBCSD), Vice Chair of the global agribusinesses alliance and chair of WBCSD India Council.

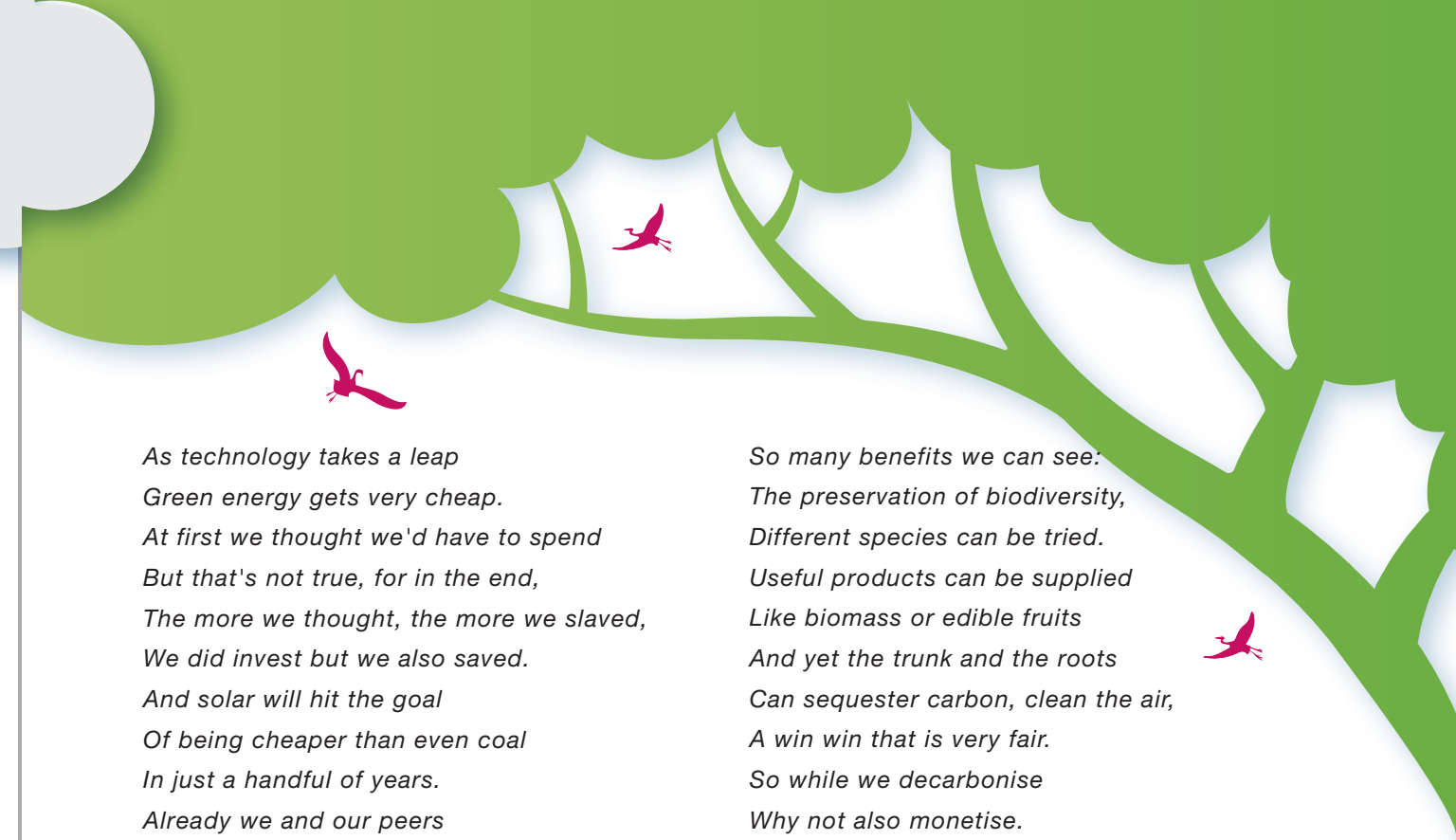
A recent poem by **Mr. Nadir Godrej:**

*The Corona Virus strikes us all.  
We don't know who is next to fall.  
When will this war be finally won?  
While lockdowns help, they are no fun.  
And yet our air is very clean.  
We see the benefits of going green.  
In this darkest hour, there is some light  
And now we have a clear sight  
Of what a different world might be.  
And yet that false dichotomy  
Between growth and being green  
Unfortunately is often seen.  
But I for one am always loath  
To see either or, for I want both!  
It was no longer Climate Change  
Within a tolerable range  
But a climate emergency  
Is what we now clearly see.  
A crisis is what it's about  
With fires, floods as well as drought.  
And even though the lockdown's brief  
It has brought us so much relief.  
Everywhere the air is clean  
We see the benefits of being green.  
It only serves to prove the point  
That everything was out of joint.  
If we must, we will adapt,  
Prevention though would be more apt.  
There is a cost to adaptation.  
It's rising fast in every nation  
As well as for the world at large.  
This will be a heavy charge.  
In fact we should all conclude  
Prevention would be far more shrewd.  
A uniform carbon tax  
Would protect all our backs.*

*Collected by each Nation state  
But universal in its rate!  
But Sixty dollars per metric ton  
Would surely get reduction done.  
Based on today's emissions rate  
Quite candidly I should state  
It wouldn't be a trivial sum  
But there's no reason to be glum.  
In dollars it would be Two Trillion  
It is a lot but not a Zillion!  
But bear in mind it's not a cost.  
For the economy nothing's lost.  
A UBI could be instated.  
Some other tax could be abated.  
And if this is indeed just so  
The economy would still grow.  
Don't you think it's very nice  
That we don't have to pay a price?  
And very little would be lost  
As adaptation has a higher cost!  
In the Godrej Group it is seen  
That our goals of Good and Green  
Though ambitious will be done  
Sustainability can be won.  
And so without partiality  
Our goal for all's neutrality.  
Whether water, carbon or solid waste  
By 2020 we will make haste  
To make our net emissions zero.  
Will that make the group a hero?  
In 2010 the goal looked tall  
But we took a reasoned call  
Technology would save the day.  
So far it has turned out that way.*









*As technology takes a leap  
Green energy gets very cheap.  
At first we thought we'd have to spend  
But that's not true, for in the end,  
The more we thought, the more we slaved,  
We did invest but we also saved.  
And solar will hit the goal  
Of being cheaper than even coal  
In just a handful of years.  
Already we and our peers  
Are sourcing solar electricity  
At lower rates than the utility.  
For quite some time we've been extorted  
As their finances still aren't sorted.  
A silver lining can be seen,  
Since it incentivises green.  
There are many paths that we can see  
For achieving Carbon neutrality.  
But the cheapest way is certainly  
Through energy efficiency.  
Real interest rates are rather low  
And high returns quickly flow  
From any energy saving device.  
For business this is very nice.  
In India mandated CSR  
Can help us go very far.  
Multiple benefits is what one sees  
With water projects or growing trees.  
Good livelihoods are created  
Our carbon emissions are abated.  
Trees planted at a river's source  
Maintain the flow throughout its course.*

*So many benefits we can see:  
The preservation of biodiversity,  
Different species can be tried.  
Useful products can be supplied  
Like biomass or edible fruits  
And yet the trunk and the roots  
Can sequester carbon, clean the air,  
A win win that is very fair.  
So while we decarbonise  
Why not also monetise.  
So never fall for either or.  
Our hearts and minds demand much more.  
The case of course is very clear  
And yet we are nowhere near  
Any kind of firm solution  
To end Greenhouse Gas pollution.  
Around the world we would find  
So many leaders that are blind.  
Or perhaps not so benighted  
But conveniently shortsighted.  
Why undergo any pain  
If by the time you get the gain  
You will no longer be around.  
To politicians this may seem sound.  
Prevention is much better than cure!  
So learn it now or then endure  
The endless pain and aggravation  
Of the heavy cost of adaptation!  
This is the time we should take heed  
With appropriate change we can succeed.  
Our economy we can renew  
While giving nature her rightful due.*



## SUSTAINABILITY IN GODREJ'S CORE VISION

Godrej Industries Limited (GIL), part of the larger Godrej Group shares the group's vision for playing an active part in creating a more inclusive and greener India. This vision is 'Godrej Good & Green', that is founded on shared value impact. The concept of shared value is defined as policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operates. As part of this initiative, we as a Group aspire to create more employable Indian workforce, a greener India and innovate for good and green products.

### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Godrej Industries Limited [GIL], is a part of the diversified conglomerate with a significant presence in Home and Personal Care, Animal Feeds, Crop-Protection, Oil Palm, Dairy, Poultry and Processed Foods, Real Estate Development, Oleo-chemicals and Vegetable Oils directly through subsidiaries/ associate companies.

Godrej Family members are the Promoters of the Company and the shareholding of promoter/promoter group constitutes 62.21% of the paid up capital of the Company as at March 31, 2020.

|                                 |   |
|---------------------------------|---|
| Name of Company                 | Godrej Industries Limited   |
| Corporate Identity Number (CIN) | L24241MH1988PLC097781   |
| Registered Office               | Godrej One, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai 400079. |
| Email id                        | <a href="mailto:investor@godrejinds.com">investor@godrejinds.com</a>                |
| Website                         | <a href="http://www.godrejindustries.com">www.godrejindustries.com</a>              |

The three key products that the Company (standalone) manufactures and the Sector(s) that the Company is engaged in (industrial activity code-wise) are:

| Sr. No. | Name & Description of Main Products or Services | NIC Code |
|---------|---|----------|
| 1       | Fatty Acid                                      | 24118    |
| 2       | Fatty Alcohol                                   | 24118    |
| 3       | Surfactant                                      | 24243    |

- The Company operates from its factories at the following locations:
  - o Ambernath, Maharashtra
  - o Valia, Gujarat
  - o Wadala, Maharashtra
  - o Dombivali, Maharashtra
- The Company has spread its wings both in the domestic and international market.

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

| FY 2019-20  | Amount (₹ crore) |
|---|------------------|
| Paid up Capital   | 33.64            |
| Total Income  | 2,004            |
| Net Profit / (Loss)   | 30.81            |
| Total Spending on Corporate Social Responsibility (CSR) as a % of average Net Profit after Tax of the last 3 years. | NIL              |
| Market capitalization (as on March 31, 2020)  | 9,537            |

## SECTION C: OTHER DETAILS

GIL has subsidiaries which are required to comply with Section 135 of the Companies Act, 2013. They have their own CSR Projects and do not participate in the business responsibility activities of the parent Company.

The other entities with whom the Company does business, i.e. with the suppliers, distributors etc. don't participate in the BR initiatives of the Company.

## SECTION D: BR INFORMATION

### 1 (a) Details of Director/Directors responsible for BR

At GIL, we have established a CSR Committee in accordance with Section 135 of the Companies Act, 2013 which is spearheaded by Mr. Nadir Godrej as its Chairman for its various business responsibility initiatives. The CSR Committee of the Board of Directors is responsible for the CSR projects undertaken. The Committee reports to the Board of Directors.

The CSR Policy made in accordance with the CSR guidelines focuses on addressing critical social, environmental and economic needs of the marginalized/underprivileged sections of the society. Through this policy, we align our CSR strategy with the Godrej group's Good & Green vision and goals. We adopt an approach that integrates the solutions to these problems into the strategies of the Company to benefit the communities at large and create social and environmental impact.

The Committee met once during the Financial Year 2019-20 to assess the CSR Requirement of the Company. CSR Requirements as per Section 135 of the Companies Act, 2013 is NIL for the current year. Consequently, no business responsibility initiatives undertaken by the Company have been tagged and reported as CSR spends.

The CSR Committee comprises of the following members:

| Name of the Director | Designation                                  | DIN Number |
|----------------------|--|------------|
| Mr. Nadir Godrej     | Managing Director                            | 00066195   |
| Ms. Tanya Dubash     | Executive Director & Chief Brand Officer     | 00026028   |
| Mr. Kavas Petigara   | Director                                     | 00066162   |
| Mr. Nitin Nabar      | Executive Director and President (Chemicals) | 06521655   |

## 1 (b) Details of Business Responsibility Head

Name - Mr. Nadir Godrej  
 Designation - Managing Director  
 Telephone - 022-25188010  
 Email id - [nb.godrej@godrejinds.com](mailto:nb.godrej@godrejinds.com)

## 2. Principle-wise (as per NVGs) BR Policy/policies

(a) Details of compliance (Reply in Y/N)

| No. | Questions  | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|-----|--|----|----|----|----|----|----|----|----|----|
| 1   | Do you have a policy/ policies for the principles?   | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 2   | Has the policy being formulated in consultation with the relevant stakeholders?  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 3   | Does the policy confirm to any national / international standards? If yes, specify? (50 words)   | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 4   | Has the policy being approved by the Board?  | N  | N  | N  | N  | N  | N  | N  | N  | N  |
| 5   | Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?                                  | N  | N  | N  | N  | N  | Y  | N  | N  | N  |
| 6   | Indicate the link for the policy to be viewed online?  | -  | -  | -  | -  | -  | -  | -  | -  | -  |
| 7   | Has the policy been formally communicated to all relevant internal and external stakeholders?  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 8   | Does the Company have in-house structure to implement the policy/ policies.  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 9   | Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies? | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 10  | Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?                                 | N  | N  | Y  | N  | N  | Y  | N  | N  | N  |

3(a) The Board of Directors of the Company assesses various initiatives forming part of the BR performance of the Company at least once a year.

3(b) The Company publishes the information on BR in the Annual Report of the Company. The hyperlink to view the Annual Report is: [www.godrejindustries.com](http://www.godrejindustries.com)

## SECTION E: PRINCIPLE - WISE PERFORMANCE BY GODREJ INDUSTRIES LIMITED

As per the Business Responsibility guidelines established by the Ministry of Corporate Affairs and SEBI, following are updates for Godrej Industries Limited on each of the Principles as stated in the Guidelines.

### Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

The Company pursues good Corporate Governance by ensuring regulatory compliance, transparency in disclosures, efficient operational practices, strong internal controls, risk management systems, and by engaging and operating with fairness and integrity with all its stakeholders namely shareholders, customers, employees, suppliers, regulatory authorities and general public.

#### Organization Structure

At the Apex is the Board of Directors headed by a non-executive Chairman. The Board provides guidance and support to the management in terms of broad strategy, direction, governance and compliance. The Company's Board of Directors has six committees.

They monitor and provide direction to the senior leadership team. This ensures greater focus on specific aspects of Corporate Governance and expeditious resolution of issues of governance as and when they arise. These Committees have clearly defined areas of operation and they operate as empowered by the Board.



## Code of Conduct

The Board of Directors and Senior Management of the Company comply with the Code of Conduct. An annual confirmation affirming compliance with the code of conduct is obtained from Board Members and senior management every year and the same has been obtained for the year ended March 31, 2020.

The Company also has a code of conduct which is applicable to all individuals working in the Company. The Company encourages its Business Partners also to follow the code.

A Whistleblower policy has also been put in place. The purpose of the Whistleblower Policy is to allow employees to raise concerns about unacceptable, improper or unethical practices being followed in the organization, without necessarily informing their supervisors. A Whistleblowing Officer has been designated for the purpose of receiving and recording any complaints under this policy.

75 stakeholder complaints were received in the past Financial Year and all such complaints were satisfactorily resolved by the management.

### **Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle**

Godrej Group's Good & Green vision supports the development of goods that are environmentally sustainable. As part of the vision, we aspire to develop products that consume fewer resources (energy, water), emit fewer greenhouse gases and include a hundred percent of recyclable, renewable, and/or natural materials.

At GIL, we have a strong focus on R&D that includes delivering premium quality products from alternate raw materials to reduce environmental impact, through an eco-friendly manufacturing process. Our R&D has developed glycerol based

esters which can be used in multiple industries including animal feed, personal and hygiene care as well as oil & gas. We can suitably modify these esters to suit the specific application.

### **Principle 3: Promoting the well-being of all employees**

The total number of persons employed in your Company as on March 31, 2020 is 1,046 We have made concerted efforts towards creating learning and development opportunities that continually enhance the value of our team members in line with the organisational objectives.

We focus on ensuring well-being of all our employees. Safety and health of our team members is extremely important to us and we are committed to building and maintaining a safe and healthy workplace. The following are essential parts of the Code of Conduct.

### **Diversity & Zero discrimination | Health & Safety | Good working environment**

All employees who join the Company demonstrate their commitment to follow the code of ethics by signing in their acceptance to adhere to the same. Examples of a few of the principles of this code of conduct are listed below.

#### **Diversity and equal opportunities**

We value diversity within the Godrej Group and are committed to offering equal opportunities in employment. We do not discriminate against any team member or applicant for employment on the basis of nationality, race, colour, religion, caste, gender, gender identity/ expression, sexual orientation, disability, age, or marital status and always allow for equal opportunities for all team members. We are proud to share that out of the total employee count of 1,046 the number of permanent female employees is 97.

Diversity & Inclusion initiatives are taken care of at the corporate level by the Diversity & Inclusion Department, and is supported by the Diversity Council comprising of business leaders and HR representatives from across businesses in the GILAC group.

Some of the initiatives taken by our Diversity & Inclusion Team includes the following;

- **Godrej Careers 2.0:**

The Careers 2.0 programme offers live business projects of 6-9 months duration to women who are currently on a career break. This programme is designed to reintegrate women back into the workforce who have taken a break due to various reasons.

- **Diversity Sensitization workshops:**

A special diversity sensitization workshop focusing on gender inclusion is being conducted for all people managers across the GILAC group. The workshop focuses on unconscious biases and how managers can tackle them in the workplace to create an inclusive culture.

- **Policy for prevention of sexual harassment:**

The Company is committed to creating and maintaining an atmosphere in which all employees can work together, without fear of sexual harassment, exploitation or intimidation. A gender- neutral policy on prevention of sexual harassment has been in place for years. During the year, the Company has reconstituted its Internal Complaints Committee, pursuant to the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, and has two separate committees – one for the head office, factories in Maharashtra and branches in India and the other for the factory at Valia, Gujarat.

Ms. Shefali Kohli is the Presiding Officer for

both the Committees.

All employees go through mandatory training on Prevention of Sexual Harassment.

- **Health Check-up:**

The Company has initiated a policy for health checkup of employees who are above the age of 40 years, wherein they can have the health checkup done at designated hospitals, once in every year.

## Good Working Environment

- **Progressive Human Resource policies:**

Your Company prides itself as a great place to work, a fact recognized and acknowledged externally as well. HR policies like flexible working hours, work from home arrangements, part-time work, leave and benefits, adoption leave and benefits, extended maternity leave and benefits, paternity leave and benefits – to name a few – go a long way in ensuring that the employees successfully strike a work-life balance.

Chemicals business bagged the Prestigious “Golden Peacock HR Excellence Award 2019” in the Chemicals and Fertilizer Industry. This award recognises the several initiatives on Organisational Development, processes in Learning & Development and achievements in Talent Management Domain. Our focus on building an inclusive culture with fair and transparent practices was much appreciated.

- **Engagement Forums:**

There are multiple touch points for leadership team to interact with employees through forums like open houses, town halls, the long range plan and annual operating plan cascades, focus groups around engagement surveys, HR connect sessions, skip level meetings by senior leadership etc. The organization invests in functional training for

all employees in line with their current and future career aspirations.

The learning suite encompasses functional training, leadership development programs and behavioral training geared towards leading self, leading others and leading business.

## Health & Safety

- **On-campus:**

We have canteen facility, where food and refreshments are provided to ensure that hygienic and healthy food is available at the premises.

All Company premises are non-smoking zones. Smoking is strictly prohibited in the campus.

GIL, Valia also celebrated Road Safety, National Safety & Fire Safety week. During this week's celebration the main motive was to encourage the safety movement in factory and to ensure men, machine & environment safety.

Our Corporate Office hosted the Road Safety week campaign to create and enhance general safety awareness in January 2020. Theme of the campaign was "SADAK SURAKSHA JEEVAN RAKSHA". By this campaign we have conducted various activities to engage employees to understand the importance of Road Safety.

**Principle 4: Businesses should respect the interests of, and be responsive, towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized**

We at Godrej Industries have identified and prioritised our key stakeholders on the basis of their influence on our operations and also our

impact on them. We continue our engagement with them through various mechanisms such as, consultations with local communities, supplier/ vendor meets, customer/ employee satisfaction surveys, investor forums, etc.

As a responsible business, we work closely with our communities to understand their needs and build synergies. In the past years, we carried out a detailed community needs assessment of villages around our Valia and Ambernath factories. We invited an external agency to carry out the assessment. The team followed a three-step approach, where they connected with Factory and Corporate Offices held extensive field-based assessments, backed by thorough secondary research to validate key facts and add on additional information available from official sources. The result is a comprehensive report of the community, their needs, gaps in the system and our way forward.

We have streamlined our activities on the basis of the community needs, the United Nation's Sustainable Development Goals, and national priorities to implement high impact programs.

## Community Development Initiatives

We work closely with our communities around Valia and Ambernath manufacturing plants. We run a number of volunteering initiatives in our headquarters in Mumbai. Here are the initiatives we implemented in FY 19-20.

- At Valia, we work closely with our neighbouring villages. We have partnered with local government schools to improve their infrastructure and provide essential school supplies. At the Kanerao primary school, we installed a RO water purifier system. This helped 80 students at the school to access clean drinking water. At Bandabeda primary school, we supported the construction of a lavatory block for the girl students to ensure that they get



access to clean and safe sanitation facility. We also provided stationary supplies to students in five primary schools around the factory .

- At Ambernath, our team members fundraised to support a local orphanage and helped strengthen their food supply. The team also interacted and engaged with 84 kids of the orphanage.

- We have also directed our special efforts towards the less privileged in the society through various ways. Recruitment of candidates from the Scheduled Caste/Scheduled Tribe and Physically Challenged categories has been taken up as one of the major performance measures of the recruitment process owner.

- As part of the employee referral policy, referrals of Scheduled Class/Scheduled Tribe/ Physically Challenged candidates are offered higher referral amounts than that offered to the general category candidates

- The Godrej Global Volunteering Day is our annual day of community service. Since 2015, every year over 130 of our team members volunteer their time to make a meaningful connect with our communities. In 2019, our team members helped clean public spaces in line with our volunteering theme of eliminating single-use plastics. Together the team helped collect over 300 kgs of solid waste and recycled about 75 kgs of plastic waste. Our



volunteers also organised awareness drives in the community and engaged with students on fighting plastic pollution.



- Our Good & Green vision inspires each one of us at Godrej Industries to continue to work towards building a brighter, greener and more inclusive India. We encourage our team members to donate and fundraise for meaningful causes. Our team members donated their one-day's basic pay for the 2019 flood relief programme in Maharashtra with a matching contribution from the Company. The funds will be used to repair and reconstruct schools and anganwadis. Some of our employees ran the Tata Mumbai Marathon in January 2020 in support of Teach for India by spreading awareness about the movement and also raising funds.

### **Principle 5: Businesses should respect and promote human rights**

Godrej Industries respects and promotes human rights for all individuals. We have a human rights policy which encapsulates our approach to human rights and action towards any violations. Our Code of Conduct covers aspects like Diversity, Anti-Discrimination, equal opportunity, compliance with the law and integrity which all contribute to respecting and promoting human rights. We also have policies like Whistleblower, Prevention of Sexual Harassment that encourage respect and promotion of human rights. Any violation of the Code of Conduct can result in stern disciplinary

action including termination of employment and / or other appropriate actions as permissible under the law. The Company encourages its Business Partners to follow the policy.

No violations in this regard have occurred.

#### **Principle 6: Businesses should respect, protect and make efforts to restore the environment**

Godrej as a group believes in conserving the various resources of mother earth. As part of its Good & Green vision there is a specific commitment at Godrej group to create a “Greener India”. The details of our strategy is available at:

<http://www.godrej.com/good-and-green.html>

We at GIL focus on five major areas related to climate change i.e.

- Energy conservation,
- Water conservation,
- Use of renewable energy,
- Green House Gas (GHG) mitigation &
- Waste minimization.

A dedicated team of ‘Good & Green’ has been set up to identify the risks and opportunities for individual manufacturing facilities respectively. After identifying the risks and opportunities, the team proposes necessary action to be taken. Several measures proposed by the ‘Good & Green’ team have been implemented which yielded excellent benefits.

Our business has undertaken various initiatives towards:

- Reducing specific energy consumption,
- Increasing our renewable energy portfolio,
- Becoming carbon neutral and water positive,
- Reducing waste to landfills.

#### **Reducing specific energy consumption**

Our efforts for energy conservation have resulted in reducing our specific energy consumption. In the last nine years, we reduced our specific energy by 24% from baseline of FY11. Our Valia and Ambernath plants have adopted various energy conservation technologies and implemented short-term and long-term projects to achieve our targets. Some of the major initiatives we undertook during FY 2019-20 are:

Valia:

1. Installation of heat recovery unit in sulfonation plant to generate hot water for boiler by utilizing waste heat; thereby reducing demand of fossil fuel
2. Installation of water jet vacuum system in fatty acid distillation plant
3. Conversion of gas fired boiler to briquette boiler to generate steam with renewable source

Ambernath:

1. Optimization of Nitrogen compressor operations & activity
2. Turbo Blower installation in AOS plant
3. Installation of intelligent pumping system in medium pressure boiler feed water
4. Optimization of cooling tower pump power consumption

#### **Increasing our renewable energy portfolio**

Our renewable energy usage as a percentage of overall energy used has increased substantially over the years. In FY 2019-20, more than 50% of the total energy we consumed was from renewable sources. We achieved this through use of biomass briquettes, solar energy consumption, and other such initiatives.

We have increased the use of briquette (renewable resource) as fuel in place of natural gas at our manufacturing locations. Use of Solar

energy in the form of solar roof top in place of furnace oil continues.

### **Becoming carbon neutral and water positive**

#### **Reducing carbon footprint through manufacturing processes**

Our specific GHG emission has reduced substantially by 46% from our baseline in FY11. We achieved this through various environment friendly projects such as, replacing of fossil fuel with biomass for boilers, installing solar roof tops etc.

We have also reduced our scope 3 emissions of upstream and downstream travel. We continue to drive a relentless focus on optimising the distance of travel, increasing loading ability of our products and enhance truck utilisation to reduce GHG emission.

#### **Water Conservation through wastewater treatment plant**

Since FY11, we have reduced our specific water consumption by 45%. We treat waste water in our water treatment plants and reuse the same in our process. We have also reduced our dependency on raw water consumption by installing condensate recovery systems that recovers the condensate and reuses it in the process.

### **Reducing waste to landfill**

Our specific waste to landfill has reduced by 76% from our baseline in FY11. We segregate biological and chemical sludge from ETP. This has reduced the amount of waste going to landfill substantially.

Further, we have drastically reduced our ETP sludge quantity by reducing quantity of effluent generation by various in-house initiatives.

We have also installed Paddle Dryer in Ambernath Plant and Poly house in Valia Plant to reduce waste to landfill.

### **Awards & Accolades**

We have received the prestigious Golden Peacock Award for two categories:

1. Environment Management
2. Human Resource Management

Godrej Industries Limited, Chemicals business received the CII's National award for Excellence in Energy Management 2019.

Godrej Industries Limited, Chemicals Business has been accredited with one of the world's most recognized energy management standard – ISO 50001:2018.

### **Environment day Celebration and Green Conference**

We celebrated the World Environment Day on 5th June, by conducting a plantation drive where over 260 people from our organisation planted over 400 saplings to contribute towards saving the environment.

At our corporate office, we organized our second Green Conference in the month of February 2020. We invited all the Green champions and conducted trainings on "Industry 4.0" and "Cooling systems optimization". We also hosted a "Green Quiz" and recognized green champions for the projects they have identified during Energy Conservation Week celebrated in December. A key highlight of the event was the cross business learning among all our Group companies. Over 55 of our plant team members participated and helped us further renew our commitment to environmental sustainability.



*GIL Golden Peacock Award 2019*

**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

For any policy advocacy, Godrej Industries ensures that it does so with the highest degree of responsible and ethical behaviour and also works with collective platforms such as trade and industry chambers and associations.

Godrej Industries is a signatory to the Confederation of Indian Industry's (CII) Mission of Sustainable Growth and the CII-ASSOCHAM Code of Conduct for Affirmative Action respectively. We are also a member of Indian Chemical Council which is the apex national body representing all branches of the chemical industry in India.

**Principle 8: Businesses should support inclusive growth and equitable development**

Our Good & Green vision inspires each one of us at Godrej Industries to continue to work towards building a brighter, greener and more inclusive India.

We work in collaboration with NGOs and social

enterprises to design and run a number of employability training programme across GIL and associate companies. The focus of these programmes is to improve the earning potential of our graduates, through skill building. We also help facilitate self-employment or job placements.

Since FY 2011, the Godrej Group has trained over 5 lakh people in skills that enhance their earning potential. In October 2019, the Good & Green team published an impact assessment report of our skill training programme, basis a two-and-half year study by a third party. The study helped us in shaping the approach and is a direction to build more impactful programme that resulted in a sustainable outcome.

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner**

We are a customer centric company and greatly value the trust, satisfaction and loyalty of our customers across the world. Our primary focus is delighting our customers, both external and internal. Customer centricity is part of our 'Code of Conduct'. We strive to ensure that customer

needs are satisfied and that our products and services offer value to the customer. Our customer focus does not only extend to external customers alone, but includes internal customers as well. We continue to invest significantly in R&D to develop newer products or variants to suit the needs of the customers.

Our Valia Factory which operates on Distributed Control System is ISO 9001 & ISO 14001 certified and has been Kosher certified for manufacturing Fatty Acids, Fatty Alcohols and Glycerin and is well equipped to deliver the products of superior quality, in time and at competitive price.

GIL displays adequate information to enable safe and effective usage of its products. Godrej is a member of the fatty alcohol consortium which was formed as per ECHA/REACH guidelines.

REACH stands for Regulation for Evaluation, Authorization & Registration of all substances entering into Europe. As per REACH and GHS requirement we have developed MSDS where all the characteristics of the product are clearly stated with instructions how to handle and use the product safely.



# Annexure “D”

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## Form No MR – 3 SECRETARIAL AUDIT REPORT

### FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

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

To,  
The Members,  
Godrej Industries Limited

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

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

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

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’) wherever applicable:-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

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

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

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

The following laws, are specifically applicable to the Company as per the representation given by the Company:

- (a) The Food Safety and Standards Act, 2006 & Food Safety and Standards (Food Products Standards and Food Additives) Regulations, 2011;
- (b) The Boilers Act, 1923 & the Boiler Attendant's Rules, 2011.

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

**We further report that**

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

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

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

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

**We further report that** during the audit period the Company has:

1. issued shares upon exercise of options under Employee Stock Grant Scheme, 2011.
2. passed special resolution for waiver of excess payment of remuneration to Ms. Tanya Dubash, Whole Time Director for the Financial Year 2018-19, as per provisions of Section 197 read with Schedule V to the Companies Act, 2013.
3. passed special resolution for waiver of excess payment of remuneration to Mr. Nitin Nabar, Whole Time Director for the Financial Year 2018-19, as per provisions of Section 197 read with Schedule V to the Companies Act, 2013.
4. passed special resolution for sale / transfer / disposal of entire stake held in Natures Basket Limited, a Wholly Owned Subsidiary of the Company.
5. passed special resolution for further investment of upto ₹ 750Cr (Rupees Seven Hundred and Fifty Crore) in Godrej Properties Limited, subsidiary of the Company.
6. passed special resolution for further investment of upto ₹ 500Cr (Rupees Five Hundred Crore) in Godrej Agrovet Limited, subsidiary of the Company.
7. passed special resolution for raising of funds by way of issuance of Non-Convertible Debentures/ Bonds/ Other Instruments upto ₹ 1500 Cr (Rupees One Thousand Five Hundred Crore).
8. issued and listed commercial papers with National Stock Exchange of India Limited.

For A. N. Ramani & Co.,  
Company Secretaries  
UNIQUE CODE - P2003MH000900  
UDIN - F006808B000271754

Place: - Thane

Date: - May 22, 2020

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

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



## **'Annexure A'**

To,  
The Members,  
Godrej Industries Limited

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

1. Maintenance of Statutory and other records are the responsibility of the management of the Company. Our responsibility is to express an opinion on these records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurances about the correctness of the contents of the records. The verification was done on test basis to ensure that correct facts are reflected in records. We believe that the processes and practices we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of the financial records and books of Accounts of the Company. We have relied on the report of the Statutory Auditor in respect of the same as per the guidance of the Institute of Company Secretaries of India.
4. In view of lockdown due to COVID 19, we have conducted part of our audit on the basis of details / documents provided by Company through email and/or other digital mode.
5. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
6. The Company is following a system of obtaining reports from various departments to ensure compliance with applicable laws. The Company is following an electronic compliance management system for compliance management to ensure compliance with applicable laws, rules, regulations and guidelines.
7. The compliance of the provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
8. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company

For A. N. Ramani & Co.,  
Company Secretaries  
Unique code - P2003MH000900  
UDIN: F006808B000271754

Place:- Thane  
Date:- May 22, 2020

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

# Annexure “E”

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Information pursuant to Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo for the Financial Year 2019-20

## A. Conservation of Energy and Water

### I. Steps taken or impact on conservation of energy and water:

#### Valia:

1. Installation of heat recovery unit to generate hot water for boiler by utilizing waste heat; thereby reducing demand of fossil fuel.
2. Installation of water jet vacuum system for reducing fuel consumption.
3. Conversion of gas fired boiler to briquette boiler to generate steam with renewable source.

#### Ambernath:

1. Optimization of Nitrogen compressor operations & activity.
2. Installation of Turbo Blower to reduce power consumption.
3. Installation of intelligent pumping system in medium pressure boiler feed water.
4. Optimization of cooling tower pump power consumption.
5. Utilisation of flash steam & condensate to achieve saving in boiler self-steam consumption.
6. Paddle dryer installation for solid waste drying at ETP plant.

#### Wadala:

1. Installed Automatic Power factor controller to keep power factor unity which will reduce the cost of electricity.
2. Improvement in Vanaspati process & formulation to reduce power consumption.
3. Use of Pitch as boiler fuel, thus reducing SO<sub>2</sub> emission helping in reducing pollutants as well as replacing fossil fuel with a bio fuel which is renewable in nature.

### II. Steps taken by company to utilise alternate sources of energy:

Your Company has increased the use of briquette (renewable resource) as fuel in place of natural gas at it's manufacturing locations. Use of Solar energy in the form of solar roof top and use of pitch as fuel in place of furnace oil continues.

### III. Capital Investment on Energy Conservation Equipments

Your Company made capital investments amounting to approx. ₹ 2 Crore during the Financial Year 2019-20 on energy conservation equipments.

## B. Technology Absorption

### I. Efforts made towards Technology absorption / Specific areas in which R&D carried out by the Company:

During the year under review, Research & Development efforts in the following areas strengthened our Company's operations through technology absorption, adaptation and innovation:

- Vegetable Oils
- Fatty Acids
- Fatty Alcohols
- Surfactants & Bio-surfactants
- Glycerin
- Derivatives of Fatty acids and Fatty alcohols, designed for Personal and Home care industries
- Derivatives of Fatty acids and Glycerine for animal nutrition
- Customer centric support for Home, Personal and Oral Care Products, as well as Oilfield Chemicals
- Formulations and Performance Evaluation for new products marketed and performance evaluation support for the existing product range

Vegoils has done lot of in-house experiments and worked on reducing TFA (Trans Fatty Acids) < 5% in Vanaspati as required by FSSAI, and managed to keep it much below 1%. This enabled availability of Healthier Vanaspati for its consumers & remaining ahead of competition.

### II. Benefits derived like product improvement, cost reduction, product development or import substitution

#### Benefits derived as a result of the above R&D:

- Premium quality fatty acids and fatty alcohols from alternate raw materials.
- Understanding the impact of raw material quality and manufacturing process on the quality of the finished goods.
- Value added fatty alcohol and fatty acid derivatives commensurate to the newer market trends, so as to enter niche markets and wider applications including the animal nutrition.
- Manufacture of high value, fractionated fatty acids and fatty alcohols, specifically for the lubricant, oilfield, paper and polymer industries.

### III. In case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year):

The Company has not imported any technology during the last 3 (three) years.

### IV. Future Plan of Action:

- Tailor-made value-added fatty alcohols and fatty acids for low volume, high value markets.
- Value-added chemicals, derived from Glycerin, Fatty Acids and Fatty Alcohols so as to enter niche markets in the field of Animal feed, Pharmaceuticals, Personal Care, agri products and other industrial applications.
- Further enhancing our knowledge base of product applications and formulations, through customer engagement and market scouting.
- More and more green ingredients and formulations in the Home, Personal care and Feed applications.

### V. Expenditure on R&D:

(₹ Crore)

| Particulars   | 2019-20 | 2018-19 |
|---|---------|---------|
| (a) Capital   | 0.00    | 0.13    |
| (b) Recurring   | 4.76    | 3.70    |
| (c) Total   | 4.76    | 3.76    |
| (d) Total R&D expenditure as a percentage of total sales turnover | 0.24    | 0.17    |

### C. Foreign Exchange earnings and outgo:

The Chemicals Division's exports were ₹ 472 Crore in the current year as compared to ₹ 535 Crore in the previous year. The Company continues to export fatty alcohol, fatty acid and other chemicals to over 64 countries including U.S.A., Japan, South Korea, Mexico, Brazil, China, France, Russian Federation, South Africa, U.A.E., & other countries.

(₹ Crore)

| Particulars             | 2019-20 | 2018-19 |
|-------------------------|---------|---------|
| Foreign Exchange used   | 454.13  | 570.33  |
| Foreign Exchange earned | 458.08  | 518.09  |

## Annexure “F”

### Information pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Note: The information provided below is on standalone basis for Indian Listed entity.

#### 1. Ratio of the remuneration of each Director to the median remuneration of all the employees of the Company for the Financial Year 2019-20:

| Sr. No. | Name of Director                      | Ratio |
|---------|---------------------------------------|-------|
| 1       | Mr. Nadir Godrej, Managing Director   | 120:1 |
| 2       | Ms. Tanya Dubash, Whole Time Director | 102:1 |
| 3       | Mr. Nitin Nabar, Whole Time Director  | 119:1 |

Note: None of the other Directors of the Company were in receipt of any remuneration other than sitting fees during the Financial Year 2019-20.

#### 2. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year 2019-20:

The percentage increase in the remuneration of Directors and Key Managerial Personnel(s) receiving remuneration during the Financial Year 2019-20 was as stated hereunder:

| Name                                  | Remuneration during FY 2018-19 (in ₹ ) | Remuneration during FY 2019-20 (in ₹ ) | % increase in remuneration in the FY 2019-20 |
|---------------------------------------|--|--|--|
| Mr. Nadir Godrej, Managing Director   | 5,67,28,971                            | 7,10,68,142                            | 25.28%                                       |
| Ms. Tanya Dubash, Whole Time Director | 6,11,29,712                            | 6,06,11,528                            | (0.85%)                                      |
| Mr. Nitin Nabar, Whole Time Director  | 4,24,27,014                            | 7,04,68,682                            | 66.09%                                       |
| Mr. Clement Pinto, CFO                | 1,65,90,907                            | 2,63,39,728                            | 58.76%                                       |
| Ms. Tejal Jariwala*, CS               | 5,46,940                               | 15,19,264                              | Not Applicable                               |

\* Appointed w.e.f. November 12, 2018

#### 3. The percentage increase in the median remuneration of employees in the Financial Year 2019-20 was 12.5%.

4. The number of permanent employees on the rolls of Company as on March 31, 2020 was 1,046.
5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average increase in salary of Company's employees other than the managerial personnel was 6% in the last Financial Year. On the other hand, managerial remuneration increased by 29%. The total managerial remuneration comprises of remuneration of the Managing Director and Executive Directors. The remuneration to Managerial personnel is as approved by the Members under the provisions of Companies Act, 2013 and necessary approvals are being obtained, wherever necessary.

6. Remuneration paid to Directors, Key Managerial Personnel and other Employees during the Financial Year 2019-20 was as per the Nomination and Remuneration policy of the Company.





REPORT ON  
**CORPORATE  
GOVERNANCE**



# Report on Corporate Governance

In accordance with the provisions of Regulation 34(3) read with Schedule V and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”), the Directors of Godrej Industries Limited (“the Company”) have pleasure in presenting the Company’s Report on Corporate Governance for the Financial Year 2019-20.

## 1. THE COMPANY’S PHILOSOPHY

The Company is a part of the Godrej Group which has an established reputation of honesty, integrity and sound governance over the years. The Company is, therefore, committed to maintaining the highest standards of Corporate Governance in its conduct towards Shareholders, employees, regulators, customers, suppliers, lenders and other Stakeholders. The Company’s philosophy of corporate governance is to achieve business excellence by enhancing the long-term welfare of all its Stakeholders. The Company believes that corporate governance is about creating organisations that succeed in the marketplace with the right approach and values. This will enhance the value for all its Stakeholders.

## 2. BOARD OF DIRECTORS

### a) Board Structure

The Board of Directors is the apex body constituted by the Shareholders for overseeing the Company’s overall functioning. The Board provides and evaluates the Company’s strategic directions, management policies and their effectiveness, and ensures that Shareholders’ long-term interests are being served.

The Company has an optimal combination of Executive, Non-Executive and Independent Directors to maintain the independence of the Board from the management, which is in conformity with the requirement of Section 149(4) of the Companies Act, 2013 (“the Act”) and Regulation 17 of the Listing Regulations. The Board of Directors of the Company comprises of 12 (Twelve) Directors, which includes the Managing Director and 2 (Two) Whole-time Executive Directors. The remaining 9 (Nine) are Non-Executive Directors, of which 6 (Six) are Independent Directors. Since the Chairman of the Company, a Non-Executive Director is a Promoter of the Company, more than half of the Board of Directors comprises of Independent Directors. Below is the composition of the Board of Directors with effect from May 1, 2020:

| Category  | Name of Director   | Director Identification Number (DIN) |
|---|--------------------|--------------------------------------|
| <b>Non-Executive Director and Chairman:</b>     | Mr. Adi Godrej     | 00065964                             |
| <b>Executive Directors:</b>                     |                    |                                      |
| Managing Director                               | Mr. Nadir Godrej   | 00066195                             |
| Executive Director and Chief Brand Officer      | Ms. Tanya Dubash   | 00026028                             |
| Executive Director and President (Chemicals)    | Mr. Nitin Nabar    | 06521655                             |
| <b>Non-Executive Non-Independent Directors:</b> |                    |                                      |
|   | Mr. Jamshyd Godrej | 00076250                             |
|   | Mr. Vijay Crishna  | 00066267                             |

| Category                                    | Name of Director   | Director Identification Number (DIN) |
|---|--------------------|--------------------------------------|
| <b>Non-Executive Independent Directors:</b> | Mr. Aspy Cooper    | 00026134                             |
|   | Mr. Keki Elavia    | 00003940                             |
|   | Mr. Kavas Petigara | 00066162                             |
|   | Mr. Mathew Eipe    | 00027780                             |
|   | Dr. Ganapati Yadav | 02235661                             |
|   | Ms. Monaz Noble    | 03086192                             |

**Note:** Ms. Rashmi Joshi, Non-Executive Independent Director had resigned from the position of the Director of the Company with effect from March 27, 2020, due to which, casual vacancy was created and the Board of Directors of the Company appointed Ms. Monaz Noble as the Additional Director (Non-Executive Independent Director) with effect from May 1, 2020 in due compliance with provisions of the Act and Listing Regulations.

None of the Directors of the Company is:

- (a) a Director in more than 10 (Ten) public limited companies - As per Section 165 of the Act;
- (b) an Independent Director in more than 7 (Seven) listed companies OR 3 (Three) listed companies (in case he / she serves as a Whole Time Director in any listed Company) - As per Regulation 25 of the Listing Regulations;
- (c) a Member of more than 10 (Ten) Committees and Chairman / Chairperson of more than 5 (Five) Committees across all the Indian public limited companies in which he / she is a Director - As per Regulation 26 of the Listing Regulations.

#### *Inter se relationship amongst Directors*

No Director is related to any other Director on the Board in terms of the definition of "relative" given under the Act, except (1) Mr. Adi Godrej and Mr. Nadir Godrej, who are brothers, (2) Ms. Tanya Dubash who is the daughter of Mr. Adi Godrej.

#### **b) Board meetings held and Directors' attendance record**

The Board meets at least once in a quarter to consider among other businesses, quarterly performance of the Company and Financial Results. To enable the Board to discharge its responsibilities effectively and take informed decisions, necessary information is made available to the Board. The maximum time gap between any 2 (Two) Meetings of the Board is not more than 120 (One Hundred and Twenty) days. The agenda of the Board is circulated well in advance and contains all the relevant information. The Board periodically reviews compliance reports of all laws applicable to the Company. During the Financial Year 2019-20, 5 (Five) Board Meetings were held (i.e. on May 13, 2019, May 17, 2019, August 13, 2019, November 12, 2019 and February 13, 2020). The Board had accepted all the recommendations of the Committees of the Board of Directors during the Financial Year 2019-20.

The names and categories of the Directors on the Board, number of Board Meetings held during the Financial Year under review and their attendance at Board Meetings and at the last Annual General Meeting (AGM), as also the number of Directorships and Committee positions held by them in other companies as on March 31, 2020 are given hereunder:

| Names of Director             | Category                           | Board Meetings held/ attended during the year | Attendance at last AGM held on August 13, 2019 | Directorships held in other public companies incorporated in India as at the year-end <sup>5</sup> | Number of Chairmanship/ Membership in Board Committees in other public companies as at the year-end <sup>@</sup> |            |
|-------------------------------|------------------------------------|---|--|--|--|------------|
|                               |                                    |   |  |  | Chairmanship   | Membership |
| Mr. Adi Godrej                | Chairman , Non-Executive, Promoter | 5/5   | Yes  | 2(1)   | -  | 1          |
| Mr. Jamshyd Godrej            | Non-Executive, Promoter            | 5/2   | Yes  | 4(3)   | -  | 1          |
| Mr. Nadir Godrej              | Managing Director, Promoter        | 5/4   | Yes  | 8(5)   | 2  | 1          |
| Mr. Vijay Crishna             | Non-Executive                      | 5/4   | Yes  | 3(2)   | -  | 1          |
| Mr. Saleem Ahmadullah *       | Non-Executive, Independent         | 2/2   | NA   | NA   | NA   | NA         |
| Mr. Amit Choudhury *          | Non-Executive, Independent         | 2/2   | NA   | NA   | NA   | NA         |
| Mr. Aspy Cooper               | Non-Executive, Independent         | 5/5   | Yes  | 1(0)   | -  | 1          |
| Mr. Kersi Dastur *            | Non-Executive, Independent         | 2/2   | NA   | NA   | NA   | NA         |
| Mr. Keki Elavia               | Non-Executive, Independent         | 5/2   | No   | 9(6)   | 5  | 6          |
| Mr. Kavas Petigara            | Non-Executive, Independent         | 5/5   | Yes  | 3(1)   | 2  | 1          |
| Ms. Rashmi Joshi <sup>^</sup> | Non-Executive, Independent         | 5/2   | Yes  | NA   | NA   | NA         |
| Mr. Mathew Eipe #             | Non-Executive, Independent         | 5/5   | Yes  | 1(0)   | -  | -          |
| Dr. Ganapati Yadav #          | Non-Executive, Independent         | 5/3   | No   | 3(3)   | -  | 2          |
| Ms. Tanya Dubash              | Whole-time                         | 5/5   | Yes  | 7(4)   | -  | -          |
| Mr. Nitin Nabar               | Whole-time                         | 5/5   | Yes  | 1(0)   | -  | -          |

#### Notes:

1. \$ Alternate Directorships and Directorships in private companies, Section 8 companies, foreign companies are excluded.
2. Figures in ( ) denote listed companies.
3. @ Represents Chairmanships / Memberships of Audit Committee and Stakeholders' Relationship Committee of Indian companies.
4. # Mr. Mathew Eipe and Dr. Ganapati Yadav were appointed as Directors of the Company with effect from May 13, 2019.
5. \* Mr. Saleem Ahmadullah, Mr. Amit Choudhury and Mr. Kersi Dastur retired as Directors of the Company upon completion of their tenure of independent directorship w.e.f close of business hours on August 8, 2019.
6. ^ Ms. Rashmi Joshi resigned from the position of the Independent Director of the Company with effect from March 27, 2020.
7. Mr. Nadir Godrej, Managing Director, is an Independent Director of one listed company, Ms. Tanya Dubash, Executive Director is an Independent Director of two listed companies and Mr. Nitin Nabar, Executive Director, is not an Independent Director of any other listed company.

**c) Details of Directors holding Directorship in other Listed Entities and the category of their Directorship as on March 31, 2020:**

| Name of Director   | Name of Listed Entity where Directorship is held | Category of Directorship       |
|--------------------|--|--------------------------------|
| Mr. Adi Godrej     | Godrej Consumer Products Limited                 | Executive                      |
|                    |  |                                |
| Mr. Jamshyd Godrej | Godrej Consumer Products Limited                 | Non-Executive, Non Independent |
|                    | Godrej Properties Limited                        | Non-Executive, Non Independent |
|                    | Godrej Agrovet Limited                           | Non-Executive, Non Independent |
|                    |  |                                |
| Mr. Nadir Godrej   | Godrej Consumer Products Limited                 | Non-Executive, Non Independent |
|                    | Godrej Properties Limited                        | Non-Executive, Non Independent |
|                    | Godrej Agrovet Limited                           | Non-Executive, Non Independent |
|                    | Mahindra and Mahindra Limited                    | Non-Executive, Independent     |
|                    | Astec Lifesciences Limited                       | Non-Executive, Non Independent |
|                    |  |                                |
| Mr. Vijay Crishna  | Godrej Agrovet Limited                           | Non-Executive, Non Independent |
|                    | Precision Wires India Limited                    | Non-Executive, Independent     |
|                    |  |                                |
| Mr. Keki Elavia    | Goa Carbon Limited                               | Non-Executive, Independent     |
|                    | Dai-ichi Karkaria Limited                        | Non-Executive, Independent     |
|                    | Grindwell Norton Limited                         | Non-Executive, Independent     |
|                    | Bombay Dyeing and Manufacturing Company Limited  | Non-Executive, Independent     |
|                    | Britannia Industries Limited                     | Non-Executive, Independent     |
|                    | Sterling & Wilson Solar Limited                  | Non-Executive, Independent     |
|                    |  |                                |
| Mr. Kavas Petigara | Godrej Agrovet Limited                           | Non-Executive, Independent     |
|                    |  |                                |
| Dr. Ganapati Yadav | Aarti Industries Limited                         | Non-Executive, Independent     |
|                    | Meghmani Organics Limited                        | Non-Executive, Independent     |
|                    | Bhageria Industries Limited                      | Non-Executive, Independent     |
|                    |  |                                |
| Ms. Tanya Dubash   | Godrej Consumer Products Limited                 | Non-Executive, Non Independent |
|                    | Godrej Agrovet Limited                           | Non-Executive, Non Independent |
|                    | Britannia Industries Limited                     | Non-Executive, Independent     |
|                    | Escorts Limited                                  | Non-Executive, Independent     |

*Note: Mr. Aspy Cooper, Mr. Mathew Eipe and Mr. Nitin Nabar, Directors of the Company were not holding the position of Director in any other Listed Entity during the Financial Year 2019-20.*

**d) Chart / Matrix of Skills / Expertise / Competence of the Board of Directors in context to Company's business and sector:**

We recognize the importance of having a Board comprising of Directors who have a range of experiences, capabilities and diverse points of view. This helps us create an effective and well-rounded Board. The capabilities and experiences sought in the Board of Directors of our Company are outlined as below:

| Skills / Expertise / Competence  |
|--|
| <b>Strategy &amp; Business</b> – Is or has been the Chief Executive Officer, Chief Operating Officer or held any other leadership position in an organization leading to significant experience in strategy or business management. Brings the ability to identify and assess strategic opportunities and threats in the context of the business.  |
| <b>Industry Expertise</b> – Has expertise with respect to the sector the organization operates in. Has an understanding of the 'big picture' in the given industry and recognizes the development of industry segments, trends, emerging issues and opportunities.   |
| <b>Market Expertise</b> – Has expertise with respect to the geography the organization operates in. Understands the macro-economic environment, the nuances of the business, consumers and trade in the geography and has the knowledge of the regulations & legislations of the market/(s) the business operates in.  |
| <b>Technology Perspective</b> – Has expertise with respect to business specific technologies such as in the field of R&D, Manufacturing etc. Has experience and adds perspective on the future ready skills required by the organization such as E-Commerce, Digital and Sustainability etc.   |
| <b>People &amp; Talent Understanding</b> - Has experience in human resource management such that they bring in a considered approach to the effective management of people in an organization.   |
| <b>Governance, Finance &amp; Risk</b> – Has an understanding of the law and application of corporate governance principles in a commercial enterprise of similar scale. Capability to provide inputs for strategic financial planning, assess financial statements and oversee budgets for the efficient use of resources. Ability to identify key risks for the business in a wide range of areas including legal and regulatory. |
| <b>Diversity of Perspective</b> – Provides a diversity of views to the board that is valuable to manage our customer, consumer, employee, key stakeholder or shareholders.   |

**Name of the Director possessing the skills / expertise / competence:**

| Director Names / Skills | Strategy & Expertise | Industry Expertise | Market Expertise | Technology Perspective | People & Talent Understanding | Governance, Finance & Risk | Diversity of Perspective |
|-------------------------|----------------------|--------------------|------------------|------------------------|-------------------------------|----------------------------|--------------------------|
| Mr. Adi Godrej          | ✓                    | ✓                  | ✓                |                        |                               | ✓                          |                          |
| Mr. Jamshyd Godrej      | ✓                    |                    | ✓                |                        |                               | ✓                          | ✓                        |
| Mr. Nadir Godrej        | ✓                    | ✓                  | ✓                | ✓                      |                               | ✓                          |                          |
| Mr. Vijay Krishna       | ✓                    |                    | ✓                |                        |                               | ✓                          | ✓                        |
| Ms. Tanya Dubash        | ✓                    |                    | ✓                |                        |                               | ✓                          | ✓                        |
| Mr. Nitin Nabar         | ✓                    | ✓                  | ✓                |                        | ✓                             | ✓                          |                          |
| Mr. Mathew Epie         | ✓                    | ✓                  | ✓                |                        | ✓                             | ✓                          |                          |
| Mr. Ganapati Yadav      | ✓                    | ✓                  |                  | ✓                      |                               | ✓                          | ✓                        |
| Mr. Aspy Cooper         | ✓                    |                    | ✓                |                        |                               | ✓                          | ✓                        |
| Mr. Keki Elavia         | ✓                    |                    | ✓                |                        |                               | ✓                          | ✓                        |
| Mr. Kavas Petigara      | ✓                    | ✓                  | ✓                |                        | ✓                             | ✓                          |                          |
| Ms. Monaz Noble         | ✓                    |                    | ✓                |                        |                               | ✓                          | ✓                        |

**e) Independent Directors**

One separate meeting of Independent Directors was held on May 13, 2019, which was attended by all the Independent Directors of the Company, except Mr. Keki Elavia.

All the Independent Directors of the Company have given declarations that they meet the criteria of independence as prescribed under Section 149(6) of the Act read with Regulation 16(1)(b) of the Listing Regulations. The Board of Directors of the Company hereby confirm that in their opinion, all the Independent Directors of the Company fulfill the conditions specified in the Listing Regulations and are independent of the management of the Company.

All Independent Directors of the Company have been appointed as per the provisions of the Act. Formal letters of appointment have been issued to the Independent Directors. The terms and conditions of their appointment are disclosed on the Company's website, viz. [www.godrejindustries.com](http://www.godrejindustries.com).

### **Familiarisation Programmes for Independent Directors**

The Company has conducted the familiarisation program for Independent Directors during the year. The Program aims to provide insights into the Company to enable the Independent Directors to understand its business in depth, to acclimatise them with the processes, businesses and functionalities of the Company and to assist them in performing their role as Independent Directors of the Company. The Company's Policy of conducting the Familiarisation Program has been disclosed on the website of the Company, viz. [www.godrejindustries.com](http://www.godrejindustries.com).

### **f) Information supplied to the Board**

Among others matters, this includes:

- Annual operating plans and budgets, capital budgets, and any updates thereon.
- Quarterly results of the Company.
- Minutes of meetings of audit committee and other committees of the Board of Directors.
- Information on recruitment and remuneration of senior officers just below the Board level.
- Materially important show cause, demand, prosecution and penalty notices.
- Fatal or serious accidents or dangerous occurrences, any materially significant effluent or pollution problems.
- Any materially relevant default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company.
- Any issue which involves possible public or product liability claims of a substantial nature.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- Significant labour problems and their proposed solutions.
- Significant development in the human resources and industrial relations front.
- Sale of material nature of investments, subsidiaries, assets, which is not in the normal course of business.
- Quarterly details of foreign exchange exposure and the steps taken by management to limit the risks of adverse exchange rate movement.
- Non-compliance of any regulatory, statutory nature or listing requirements as well as shareholder services such as non-payment of dividend and delays in share transfer.

### 3. COMMITTEES OF THE BOARD

#### (A) Audit Committee

In terms of Regulation 18 of the Listing Regulations and Section 177 of the Act, the Audit Committee of the Board of Directors, as on March 31, 2020, comprised of 4 (Four) Directors. The details of composition of the Audit Committee and the details of Meetings attended by the Directors during the Financial Year under review was as under:

| Names of the Directors           | Category                      | No. of Meetings attended |
|----------------------------------|-------------------------------|--------------------------|
| Mr. Kavas Petigara, Chairman@    | Non-Executive,<br>Independent | 5                        |
| Mr. Kersi Dastur, Chairman \$    |                               | 2                        |
| Mr. Saleem Ahmadullah, Member \$ |                               | 2                        |
| Mr. Amit Choudhury , Member \$   |                               | 2                        |
| Mr. Aspy Cooper, Member#         |                               | 3                        |
| Mr. Mathew Eipe, Member#         |                               | 3                        |
| Mr. Nitin Nabar, Member#         |                               | 3                        |

@Mr. Kavas Petigara was appointed as the Chairman of the Audit Committee w.e.f August 9, 2019.

# Mr. Aspy Cooper, Mr. Mathew Eipe and Mr. Nitin Nabar were inducted as the Members of the Audit Committee w.e.f. August 9, 2019

\$ Mr. Kersi Dastur, Mr. Saleem Ahmadullah and Mr. Amit Choudhury retired as the Directors due to completion of their tenure as Independent Directors of the Company w.e.f August 8, 2019.

All the Members of the Audit Committee possess the requisite qualification for appointment as Members on the Committee and also possess sound knowledge of finance, accounting practices and internal controls.

The Audit Committee invites such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at its Meetings. The representatives of the Statutory Auditors and Internal Auditors are invited to attend the Audit Committee Meetings. They have attended all the Meetings during the Financial Year and have shared their observations to the Audit Committee.

Ms. Tejal Jariwala, Company Secretary & Compliance Officer acts as the Secretary for the Audit Committee Meetings.

There were 5 (Five) Audit Committee Meetings held during the Financial Year 2019-20 (i.e. on May 13, 2019, May 17, 2019, August 13, 2019, November 12, 2019 and February 13, 2020) and the gap between 2 (Two) Meetings did not exceed 120 (One Hundred and Twenty) days. The necessary quorum was present for all the Meetings.

In terms of the Companies (Cost Records and Audit) Rules, 2014 read with the Companies (Audit

and Auditors) Rules, 2014, the Company has maintained cost records in its books of accounts for the Financial Year 2019-20. The Cost Audit Report issued by the Cost Auditor of the Company is placed for review to the Audit Committee and the same is recommended to the Board of Directors for approval.

The terms of reference of the Audit Committee are as follows:

- a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b) To recommend the appointment, remuneration and terms of appointment of Auditors of the Company as may be applicable;
- c) To approve payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
- d) To review and monitor the Auditors' independence and performance, and effectiveness of audit process;
- e) To examine / review the financial statement and the Auditors' Report thereon with the Management, before submission to the board of directors for approval, with particular reference to:
  - i. matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act;
  - ii. changes, if any, in accounting policies and practices and reasons for the same;
  - iii. major accounting entries involving estimates based on the exercise of judgment by management;
  - iv. significant adjustments made in the financial statements arising out of audit findings;
  - v. compliance with listing and other legal requirements relating to financial statements;
  - vi. disclosure of any related party transactions; and
  - vii. modified opinion(s) in the draft audit report
- f) Reviewing, with the Management, the quarterly financial statements before submission to the Board of Directors for approval;
- g) To grant approval for or any subsequent modification of transactions of the Company with related parties;
- h) To scrutinize inter-corporate loans and investments;
- i) To consider valuation of undertakings or assets of the Company, wherever it is necessary;
- j) To evaluate internal financial controls and risk management systems;
- k) Reviewing, with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the



report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board of Directors to take up steps in this matter;

- l) To monitor the end use of funds raised through public offers and related matters;
- m) Reviewing, with the Management, performance of Statutory and Internal Auditors, adequacy of the internal control systems;
- n) Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- o) Discussion with Internal Auditors of any significant findings and follow up there on;
- p) Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board of Directors;
- q) Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- r) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- s) To review the functioning of the whistle blower mechanism;
- t) To approve appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- u) To investigate into any above matter or referred to it by the Board of Directors and for this purpose, it to have full access to information contained in the records of the Company and external professional advice, if necessary;
- v) To mandatorily review the following information:
  - Management Discussion and Analysis of financial condition and results of operations;
  - Statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
  - Internal Audit Reports relating to internal control weaknesses;
  - Review of the appointment, removal and terms of remuneration of the Chief Internal Auditor;
  - Statements of deviations:
    - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations; and
    - (b) annual statement of funds utilized for purposes other than those stated in the document prospectus/notice in terms of Regulation 32(7) of the Listing Regulations.
- w) To perform such other functions and duties as may be required to be performed by the Audit Committee under the applicable provisions of the Companies Act and/or the Rules made thereunder and/or the Listing Regulations, including any amendment(s) thereto as may be made from time to time.

## (B) Nomination and Remuneration Committee

In terms of Regulation 19 of the Listing Regulations and Section 178 of the Act, the Nomination and Remuneration Committee, as on March 31, 2020, comprised of 3 (Three) Directors. The details of composition of the Nomination and Remuneration Committee and the details of Meetings attended by the Directors during the Financial Year under review was as under:

| Names of the Directors           | Category of Directors         | No. of Meetings attended |
|----------------------------------|-------------------------------|--------------------------|
| Mr. Saleem Ahmadullah, Chairman@ | Non-Executive,<br>Independent | 1                        |
| Mr. Amit Choudhury, Member@      |                               | 1                        |
| Mr. Kavas Petigara, Chairman#    |                               | 2                        |
| Mr. Mathew Eipe, Member#         |                               | 1                        |
| Mr. Aspy Cooper, Member#         |                               | 1                        |

@ Mr. Saleem Ahmadullah and Mr. Amit Choudhury retired as the Directors due to completion of their tenure as Independent Directors of the Company w.e.f August 8, 2019.

# Mr. Kavas Petigara was appointed as the Chairman of the Committee w.e.f. August 9, 2019 and Mr. Mathew Eipe and Mr. Aspy Cooper were inducted as the members of the Committee w.e.f. August 9, 2019.

This Committee looks at all matters pertaining to the appointment and remuneration of the Managing Director, Executive Directors, Key Managerial Personnel and Senior Management Personnel and administration of the Employee Stock Option Scheme of the Company, i.e. Godrej Industries Limited- Employee Stock Grant Scheme, 2011 (ESGS 2011).

Ms. Tejal Jariwala, Company Secretary & Compliance Officer acts as the Secretary for the Nomination and Remuneration Committee Meetings.

There were 2 (Two) Nomination and Remuneration Committee Meetings held during the Financial Year 2019-20 (i.e. on May 13, 2019 and February 13, 2020). The necessary quorum was present at both the Meetings.

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

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees.
- To identify persons who are qualified to become directors and persons who may be appointed in Senior Management Position including Key Managerial Personnel in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
- Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
- To recommend to the Board of Directors, qualifications, appointment, remuneration and removal of directors, key managerial personnel and persons in senior management positions in accordance with the Nomination and Remuneration policy.

- To devise a policy on diversity of Board of Directors.
- To carry out performance evaluation of every Director in accordance with the Nomination and Remuneration policy.
- To consider grant of stock options to eligible Directors, to formulate detailed terms and conditions of Employee Stock Option Scheme (ESOS) and to administer and exercise superintendence over ESOS.
- Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of independent directors.
- recommend to the board, all remuneration, in whatever form, payable to senior management.

The Committee is also responsible for recommending to the Board a policy relating to the appointment of the Directors, Key Managerial Personnel, Senior Management and their remuneration. In line with this requirement, the Board has adopted the 'Board Appointment Policy', 'Total Rewards Philosophy of Godrej Industries Limited' and the 'Nomination and Remuneration Policy'. These Policies outline the appointment criteria and qualifications, the term/tenure of the Directors on the Board of Godrej Industries Limited and the matters related to remuneration of the Directors, KMPs and Senior Management. The Nomination and Remuneration Policy has been put up on the website of the Company, viz. [www.godrejindustries.com](http://www.godrejindustries.com).

Details of Sitting Fees paid to Non-Executive Directors during the Financial Year 2019-20:

| Names of Directors     | Sitting fees (₹) |
|------------------------|------------------|
| Mr. Adi Godrej         | 8,00,000         |
| Mr. Jamshyd Godrej     | 2,00,000         |
| Mr. Vijay Crishna      | 4,00,000         |
| Mr. Saleem Ahmadullah@ | 2,60,000         |
| Mr. Amit Choudhury@    | 2,80,000         |
| Mr. Kersi Dastur@      | 2,40,000         |
| Mr. Aspy Cooper        | 8,60,000         |
| Mr. Kavas Petigara     | 6,60,000         |
| Mr. Keki Elavia        | 2,00,000         |
| Ms. Rashmi Joshi ^     | 2,00,000         |
| Mr. Mathew Eipe*       | 5,80,000         |
| Dr. Ganapati Yadav*    | 3,00,000         |

\* Appointed w.e.f. May 13, 2019

@ Retired w.e.f. August 8, 2019

^ Resigned w.e.f. March 27, 2020

No Commission was paid to any Director of the Company during the Financial Year 2019-20.

### Remuneration to Executive Directors

The remuneration of the Managing Director and Executive Directors is in consensus with the Company's size, industry practice and overall performance of the Company. The Nomination and

Remuneration Committee submits its recommendation to the Board, which after considering the recommendation takes decision on the remuneration payable to the Managing Director and Executive Directors (which also includes annual increments and performance bonus) in accordance with the provisions of the Companies Act, 2013, subject to approval of the Members, wherever required.

The details of remuneration packages of the Executive Directors is given herein below:

| Names of Directors | Designation                                | Salary and Allowances (₹) | Perquisites (₹) | Retirement Benefits (₹) | Total (₹)   |
|--------------------|--|---------------------------|-----------------|-------------------------|-------------|
| Mr. Nadir Godrej   | Managing Director                          | 6,83,25,235               | 27,42,907       | 32,77,950               | 7,43,46,092 |
| Ms. Tanya Dubash   | Executive Director & Chief Brand Officer   | 5,71,11,160               | 35,00,368       | 23,36,590               | 6,29,48,118 |
| Mr. Nitin Nabar    | Executive Director & President (Chemicals) | 6,94,79,523               | 9,89,159        | 10,25,410               | 7,14,94,092 |

**Notes:**

- (a) The service contract of Mr. Nadir Godrej was for a period of 3 (Three) years from April 1, 2017 upto March 31, 2020. The Members of the Company have approved re-appointment of Mr. Nadir Godrej for a further period of 3 (Three) years starting from April 1, 2020 upto March 31, 2023. The service contracts of Ms. Tanya Dubash and Mr. Nitin Nabar are for a period of 3 (Three) years beginning from April 1, 2019 upto March 31, 2022. The Agreements may be terminated by either party giving to the other party 3 (Three) months' notice in writing. There is no separate provision for payment of severance fees.
- (b) The remuneration paid to Ms. Tanya Dubash and Mr. Nitin Nabar, Executive Directors of the Company for the Financial Year 2018-19 was in excess of the limits specified under Section 197 read with Schedule V to the Companies Act, 2013, by ₹ 4.91 Crore and ₹ 3.04 Crore respectively. The Members of the Company at the 31<sup>st</sup> (Thirty First) AGM granted their approval for waiver of excess managerial remuneration paid to Ms. Tanya Dubash and Mr. Nitin Nabar, Directors of the Company for the Financial Year 2018-2019.

**Directors with materially significant Related Party Transactions, pecuniary or business relationship with the Company**

Except for drawing remuneration by the Managing Director and the Executive Directors and payment of Sitting Fees to Non-Executive Directors, none of the Directors have any other material significant Related Party Transactions, pecuniary or business relationship with the Company. Attention of the Members is drawn to the disclosures of transactions with Related Parties as set out in Note No.40 to the Standalone Financial Statement forming a part of the Annual Report.

In preparation of the Financial Statements, your Company has adopted accounting policies which

are in line with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read together with the Companies (Indian Accounting Standards) Rules, 2015. The significant accounting policies, which are consistently applied, have been set out in the Notes to the Accounts. Suitable disclosure as required by the Indian Accounting Standards (Ind-AS 24) has been made in the Notes to the Financial Statements.

**Number of shares and convertible instruments held by Non-Executive Directors as on March 31, 2020 is given below:**

| Names of Non-Executive Directors | Equity Shares | Convertible Instruments |
|----------------------------------|---------------|-------------------------|
| Mr. Adi Godrej*                  | 6,07,692      | Nil                     |
| Mr. Jamshyd Godrej*              | 1,90,838      | Nil                     |
| Mr. Vijay Krishna*               | 3,878         | Nil                     |
| Mr. Aspy Cooper                  | Nil           | Nil                     |
| Mr. Keki Elavia                  | Nil           | Nil                     |
| Mr. Kavas Petigara               | Nil           | Nil                     |
| Ms. Rashmi Joshi                 | Nil           | Nil                     |
| Mr. Mathew Eipe                  | 82,434        | Nil                     |
| Dr. Ganapati Yadav               | Nil           | Nil                     |

\* The shareholding does not include shares held through Trusts

### **Stock Options to Directors**

The Company has not granted any Stock Options to any of its Promoter Directors / Independent Directors during the Financial Year 2019-20.

Mr. Nitin Nabar, Executive Director & President (Chemicals) was allotted 13,794 Equity Shares under Godrej Industries Limited- Employee Stock Grant Scheme, 2011 (ESGS 2011) during the Financial Year 2019-20.

### **Performance Evaluation Criteria for Independent Directors**

Performance evaluation of Directors is carried out through a structured questionnaire which was prepared after taking into consideration various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance.

In particular, an Independent Director shall be a person who shall:

- i. uphold ethical standards of integrity and probity;
- ii. act objectively and constructively while exercising his duties;
- iii. exercise his responsibilities in a bona fide manner in the interest of the Company;
- iv. devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- v. not allow any extraneous considerations that will vitiate his exercise of objective independent

- judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board of Directors in its decision making;
- vi. not abuse his position to the detriment of the Company or its Shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
  - vii. refrain from any action that would lead to loss of his independence;
  - viii. where circumstances arise which make an Independent Director lose his independence, the Independent Director must immediately inform the Board accordingly;
  - ix. assist the Company in implementing the best corporate governance practices.

### (C) Stakeholders' Relationship Committee

In terms of Regulation 20 of the Listing Regulations and Section 178 of the Act, the Stakeholders' Relationship Committee, as on March 31, 2020, comprised of 5 (Five) Directors. The details of composition of the Stakeholders' Relationship Committee and the details of Meetings attended by the Directors during the Financial Year under review was as under:

| Names of the Directors    | Category                            | No. of Meetings attended |
|---------------------------|-------------------------------------|--------------------------|
| Mr. Adi Godrej, Chairman  | Non-Executive Director              | 12                       |
| Mr. Nadir Godrej, Member  | Executive Director                  | 11                       |
| Ms. Tanya Dubash, Member  |                                     | 10                       |
| Mr. Nitin Nabar, Member   |                                     | 12                       |
| Mr. Aspy Cooper, Member @ | Non-Executive, Independent Director | 11                       |

@ Mr. Aspy Cooper was inducted as the Member of Stakeholders' Relationship Committee w.e.f. April 1, 2019.

The functioning and the terms of reference of the Committee are as prescribed and in due compliance with Regulation 20 read with Part D of Schedule II to the Listing Regulations and Section 178 of the Act, as applicable, and include reviewing existing investor redressal system, redressing Shareholder complaints like delay in transfer of shares, non-receipt of Annual Report, non-receipt of dividend warrants etc. and suggesting improvements in investors' relations.

There were 12 (Twelve) Stakeholders' Relationship Committee Meetings held during the Financial Year 2019-20 (i.e. on April 23, 2019, May 24, 2019, June 27, 2019, July 24, 2019, August 30, 2019, September 30, 2019, October 31, 2019, November 12, 2019, December 3, 2019, January 7, 2020, February 3, 2020 and March 10, 2020). The necessary quorum was present for all the Meetings.

#### **Name and designation of Compliance Officer:**

Ms. Tejal Jariwala, Company Secretary is the Compliance Officer of the Company

**Details of Shareholder’s complaints received and disposed off during the Financial Year 2019-20:**

|  |     |
|--|-----|
| Complaints outstanding as on April 1, 2019               | Nil |
| Complaints received during the year ended March 31, 2020 | 75  |
| Complaints resolved during the year ended March 31, 2020 | 75  |
| Complaints outstanding as on March 31, 2020              | Nil |

The terms of reference of the Stakeholders’ Relationship Committee are as follows:-

- To specifically look into various aspects of interest of shareholders, debenture holders and other security holders.
- Resolve the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review the measures taken for effective exercise of voting rights by shareholders.
- Review the adherence to the service standards adopted by the Company in respect of various services being rendered by its Registrar & Share Transfer Agent.
- Review the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
- Consider any other duties or obligations as may be referred to it by the Board of Directors.

**(D) Risk Management Committee**

In terms of Regulation 21 of the Listing Regulations, the Risk Management Committee, as on March 31, 2020, comprised of 3 (Three) Directors. The details of composition of the Risk Management Committee and the details of Meetings attended by the Directors during the Financial Year under review was as under:

| Names of Directors         | Category            | No. of Meetings attended |
|----------------------------|---------------------|--------------------------|
| Mr. Nadir Godrej, Chairman | Executive Directors | 3                        |
| Ms. Tanya Dubash, Member   |                     | 3                        |
| Mr. Nitin Nabar, Member    |                     | 3                        |

There were 3 (Three) Risk Management Committee Meetings held during the Financial Year 2019-20 (i.e. on May 10, 2019, August 6, 2019 and December 10, 2019). The necessary quorum was present for all the Meetings.

The Company’s Risk Management Committee has the following role, duties, responsibilities and authority:

- a) This Committee is responsible to monitor and review the risk management plan of the Company and the existing Forex Committee and the Business Risk Committee of the Company shall

report to this Committee.

- b) Committee reviews and monitors cyber security of the Company.
- c) Risk Policy and its periodic review.
- d) Ensuring appropriate risk management systems and controls are in place and its evaluation and review.
- e) Risk assessment and risk minimisation procedures.

## (E) Corporate Social Responsibility Committee

In terms of Section 135 of the Act, the Corporate Social Responsibility Committee, as on March 31, 2020, comprised of 4 (Four) Directors. The details of composition of the Corporate Social Responsibility Committee and the details of Meetings attended by the Directors during the Financial Year under review was as under:

| Names of Directors           | Category                            | No. of Meetings attended |
|------------------------------|-------------------------------------|--------------------------|
| Mr. Nadir Godrej, Chairman   | Executive Directors                 | 1                        |
| Ms. Tanya Dubash, Member     |                                     | 1                        |
| Mr. Nitin Nabar, Member@     |                                     | 0                        |
| Mr. Kavas Petigara, Member   | Non-executive, Independent Director | 1                        |
| Mr. Amit Choudhury, Member\$ |                                     | 1                        |

@ Mr. Nitin Nabar was inducted as a Member of the Committee w.e.f August 9, 2019

\$ Mr. Amit Choudhury retired as the Director due to completion of his tenure as Independent Director of the Company w.e.f August 8, 2019.

The Corporate Social Responsibility Committee met once during the Financial Year 2019-20, on May 13, 2019.

Pursuant to the provisions of Section 135 of the Act, CSR Committee has been constituted by the Board of Directors. The Committee's prime responsibilities are as under:

- To assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of 'Corporate Social Responsibility Policy', to observe practices of Corporate Governance at all levels, and to suggest remedial measures wherever necessary.
- To review the existing CSR Policy and to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII to the Act.
- To provide guidance on various CSR activities to be undertaken by the Company and to monitor implementation of such activities.

## 4. GENERAL BODY MEETINGS

### (a) Details of last 3 (Three) Annual General Meetings (AGMs):

The date, time and venue of Annual General Meetings held during the preceding 3 (Three) Financial Years and the Special Resolutions passed thereat were as follows:



| Year    | Venue   | Date               | Time      | Special Resolutions passed   |
|---------|---|--------------------|-----------|--|
| 2016-17 | Auditorium,<br>Godrej One,<br>Pirojshanagar,<br>Eastern Express<br>Highway,<br>Vikhroli (East),<br>Mumbai –<br>400079 | August 11,<br>2017 | 3.30 p.m. | Increase in borrowing limits of the Company upto a sum of ₹ 2,000 Crore (Rupees Two Thousand Crore) over and above its paid up share capital and free reserves.  |
| 2017-18 |   | August 13,<br>2018 | 2.30 p.m. | 1. Reappointment of and remuneration payable to Ms. Tanya Dubash as Whole-time Director;<br>2. Reappointment of and remuneration payable to Mr. Nitin Nabar as Whole-time Director;<br>3. Creation of charges pursuant to Section 180(1)(a) of the Companies Act, 2013 upto ₹ 300 Crore (Rupees Three Hundred Crore).  |
| 2018-19 |   | August 13,<br>2019 | 4.00 p.m. | 1. Approval for waiver of excess managerial remuneration paid to Ms. Tanya Dubash as Whole-time Director for the Financial Year 2018-19;<br>2. Approval for waiver of excess managerial remuneration paid to Mr. Nitin Nabar as Whole-time Director for the Financial Year 2018-19;<br>3. Approval for re-appointment of Mr. Keki Elavia as the Independent Director of the Company;<br>4. Approval for re-appointment of Mr. Kavas Petigara as the Independent Director of the Company. |

**(b) Details of Special Resolutions passed at the Extraordinary General Meetings (EGM) during the Financial Year 2019-20:**

No Extraordinary General Meeting was held during the Financial Year 2019-20.

**(c) Postal Ballot:**

i) During the Financial Year 2019-20, 3 (Three) Postal Ballots were conducted and the following resolutions were passed by requisite majority.

(1) Postal Ballot Notice dated May 17, 2019 and the date of passing of the Resolution was June 25, 2019

| Resolution  | Type of Resolution | Votes in favour of resolution |                  | Votes against the resolution |                  |
|---|--------------------|-------------------------------|------------------|------------------------------|------------------|
|   |                    | No. of votes                  | % to total votes | No. of votes                 | % to total votes |
| Approval for sale /transfer / disposal / divestment of stake held in Natures Basket Limited, a Wholly Owned Subsidiary of the Company | Special            | 29,32,90,504                  | 98.85            | 34,24,627                    | 1.15             |

(2) Postal Ballot Notice dated November 12, 2019 and the date of passing of the Resolutions was December 18, 2019

| Resolution   | Type of Resolution | Votes in favour of resolution |                  | Votes against the resolution |                  |
|--|--------------------|-------------------------------|------------------|------------------------------|------------------|
|  |                    | No. of votes                  | % to total votes | No. of votes                 | % to total votes |
| Approval for further investment of upto ₹ 750 Crore (Rupees Seven Hundred and Fifty Crore) in Godrej Properties Limited  | Special            | 30,67,09,071                  | 99.92            | 2,31,029                     | 0.08             |
| Raising of funds by way of issuance of Non-Convertible Debentures /Bonds / Other Instruments upto ₹ 1,500 Crore (Rupees One Thousand Five Hundred Crore)   | Special            | 30,63,80,949                  | 99.82            | 5,59,151                     | 0.18             |
| Continuation of directorship of Mr. Vijay M. Crishna, Director in terms of Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 | Special            | 30,54,55,031                  | 99.52            | 14,85,068                    | 0.48             |

(3) Postal Ballot notice dated February 13, 2020 and the date of passing of the Resolutions was March 26, 2020

| Resolution   | Type of Resolution | Votes in favour of resolution |                  | Votes against the resolution |                  |
|--|--------------------|-------------------------------|------------------|------------------------------|------------------|
|  |                    | No. of votes                  | % to total votes | No. of votes                 | % to total votes |
| Approval for re-appointment of and remuneration payable to Mr. Nadir Godrej as the Managing Director of the Company for a period of 3 years, w.e.f. April 1, 2020 to March 31, 2023  | Special            | 30,77,44,867                  | 99.99            | 1,011                        | 0.01             |
| Approval for remuneration payable to Mr. Nadir Godrej, Managing Director of the Company in terms of Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Financial Year 2019-20 | Special            | 30,68,23,834                  | 99.70            | 9,22,044                     | 0.30             |

| Resolution  | Type of Resolution | Votes in favour of resolution |                  | Votes against the resolution |                  |
|---|--------------------|-------------------------------|------------------|------------------------------|------------------|
|   |                    | No. of votes                  | % to total votes | No. of votes                 | % to total votes |
| Approval for Remuneration payable to Ms. Tanya Dubash, Whole Time Director (Executive Director & Chief Brand Officer) of the Company in terms of Regulation 17(6) (e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for a period of 3 years, w.e.f. April 1, 2019 to March 31, 2022 | Special            | 30,75,79,031                  | 99.95            | 1,66,847                     | 0.05             |
| Approval for further investment of upto ₹ 500 Crore (Rupees Five Hundred Crore) in Godrej Agrovet Limited   | Special            | 30,12,06,515                  | 97.88            | 65,39,363                    | 2.12             |

(ii) Person who conducted the Postal Ballot exercise

Ms. Bhavana Shewakramani, Partner of M/s. A. N. Ramani & Co., Practicing Company Secretaries had conducted the Postal Ballot exercise for the Postal Ballot Notice dated May 17, 2019 and Mr. Kalidas Vanjpe, Practicing Company Secretary had conducted the Postal Ballot exercise for the Postal Ballot Notices dated November 12, 2019 and February 13, 2020.

**(d) Procedure adopted for Postal Ballot:**

3 (Three) Postal Ballots were conducted during the Financial Year 2019-20 and the following procedure was adopted by the Company:-

- (i) The Board of Directors, at its Meeting, approved the items to be passed through Postal Ballot and authorized one of the functional Directors and the Company Secretary to be responsible for the entire process of Postal Ballot.
- (ii) A professional such as a Chartered Accountant / Company Secretary, who was not in the employment of the Company, was appointed as the Scrutinizer for the postal ballot process.
- (iii) Notice of Postal Ballot, along with the ballot papers, are sent to the Shareholders along with a self-addressed envelope addressed to the Scrutinizer. E-voting facility was also offered to eligible Shareholders to enable them to cast their votes electronically.
- (iv) An advertisement was published in a national newspaper and a vernacular newspaper about the dispatch of Postal Ballot Notice alongwith ballot papers.

(v) The duly completed Postal Ballot papers were received by the Scrutinizer.

(vi) The Scrutinizer gave his report to the Chairman.

(vii) The Chairman announced the results of the Postal Ballot on receipt of the Scrutinizer's Report.

(viii) The results were intimated to the Stock Exchange(s) and are also hosted on the Company's website, viz. [www.godrejindustries.com](http://www.godrejindustries.com).

**(e) Whether any Special Resolution is proposed to be conducted through Postal Ballot:**

No Special Resolution is proposed to be conducted through Postal Ballot.

## **5. DISCLOSURES**

### **a) Related Party Transactions**

All transactions entered into with Related Parties as defined under the Act and the Listing Regulations during the Financial Year 2019-20 were in the ordinary course of business and on the basis of arm's length price. There were no material significant transactions with Related Parties during the Financial Year 2019-20 which were in conflict with the interest of the Company.

In preparation of the Financial Statements for the Financial Year 2019-20, your Company has adopted accounting policies which are in line with the Indian Accounting Standards notified under Section 133 of the Act, read together with the Companies (Indian Accounting Standards) Rules, 2015. The significant accounting policies, which are consistently applied, have been set out in the Notes to the Accounts. Suitable disclosure as required by the Indian Accounting Standards (Ind-AS 24) has been made in the Notes to the Financial Statements. Attention of the Shareholders is drawn to the disclosure of transactions with Related Parties as set out for the Financial Year 2019-20 in Note No. 40 of the Standalone Financial Statement, forming a part of the Annual Report.

None of the transactions with any of the Related Parties were in conflict with the Company's interest. All Related Party Transactions are on arm's length basis and are intended to further the Company's interests.

Your Company has formulated a Policy on materiality and dealing with Related Party Transactions which specify the manner of dealing with Related Party Transactions. This Policy has been put up on the website of the Company, viz. [www.godrejindustries.com](http://www.godrejindustries.com).

### **b) Whistle Blower Policy / Vigil Mechanism**

Your Company promotes ethical behavior in all its business activities and has put in place a mechanism of reporting illegal, unethical behavior and actual or suspected fraud or violations of Company's Code of Conduct. The Company has a Whistle Blower Policy wherein the employees

are free to report violations of laws, rules, regulations or unethical conduct to the Whistle Blowing Officer of the Company. No personnel / employee of the Company has been denied access to the Audit Committee of the Company. The confidentiality of the reported violations, if any, is maintained and the employees reporting violations are not subjected to any discriminatory practice. Vigil Mechanism / Whistle Blower Policy is posted on the website of your Company, viz., [www.godrejindustries.com](http://www.godrejindustries.com).

#### **c) Policy for prevention of Sexual Harassment at the workplace**

The Company is committed to creating and maintaining an atmosphere in which employees can work together, without fear of sexual harassment, exploitation or intimidation. Every employee is made aware that the Company is strongly opposed to sexual harassment and that such behaviour is prohibited both by law and by the Godrej group. Your Company has formed an Internal Complaints Committee pursuant to the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“the said Act”) - one for the Head Office, factories in Maharashtra and branches in India and the other for the factory at Valia, Gujarat. Ms. Shefali Kohli is the Presiding Officer for both the Committees. While the Act is applicable only to the women employees, our Company’s policy covers all employees. The Company has not received any complaints during the Financial Year 2019-20.

#### **d) Details of Non-compliance on matters related to Capital Markets**

There has not been any non-compliance by the Company and no penalties or strictures were imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets.

#### **e) Disclosure of Commodity Price Risk / Foreign Exchange Risk and Hedging Activities**

Your Company has managed the foreign exchange risk with appropriate hedging activities in accordance with policies of the Company. The Company uses forward exchange contracts to hedge against its foreign currency exposures. Foreign exchange transactions are covered with strict limits placed on the amount of uncovered exposure, if any, at any point in time.

Commodities form a major part of the raw materials required for Company’s Products portfolio and hence Commodity price risk is one of the important market risk for the Company. Your Company has a robust framework and governance mechanism in place to ensure that the organization is adequately protected from the market volatility in terms of price and availability.

In terms of the SEBI Circular dated November 15, 2018, please see below Annexure giving disclosures regarding commodity risks:

## Annexure

### 1. Risk Management Policy of the Company with respect to commodities including through hedging:

The Company has in place Risk Management Policy which takes into consideration total exposure, towards commodities, commodity risks faced by the entity, hedged exposures, etc. the Risk Management Policy of the Company is uploaded on the website of the Company, viz. [www.godrejindustries.com](http://www.godrejindustries.com).

### 2. Exposure of the listed entity to commodity and commodity risks faced by the entity throughout the year:

**A. Total exposure of the listed entity to commodities in INR: ₹ 232.28 Crores**

**B. Exposure of the listed entity to various commodities:**

| Commodity Name          | Exposure in INR towards the particular commodity (₹ in Crores) | Exposure in Quantity terms towards the particular commodity (MT) | % of such exposure hedged through commodity derivatives |          |                      |          |       |
|-------------------------|--|--|---|----------|----------------------|----------|-------|
|                         |  |  | Domestic market   |          | International market |          | Total |
|                         |  |  | OTC   | Exchange | OTC                  | Exchange |       |
| Derivatives of Palm Oil | 175.90   | 22015  | -   | 31%      | -                    | -        | 31%   |
| Rapeseed Oil            | 56.38  | 14000  | -   | 34%      | -                    | -        | 34%   |

### C. Commodity risks faced by the listed entity during the year and how they have been managed.

The Company is exposed to commodity risks mainly due to price volatility in Palm oil derivatives and Rapeseed Oil. We enter into fixed price contracts with suppliers and in certain cases, enter into back to back sale contract with customers. We periodically review the open exposure of Raw material regularly. We also hedge the risk on commodities exchange.

In respect of Commodities which are imported at a contracted fixed price, there is a foreign exchange currency risk and the mitigation of the same is managed by the FOREX Committee of the Company. The Committee periodically meets and reviews the overall foreign exchange currency exposure and enters into forward contracts to hedge the currency risk. Details of hedged and unhedged positions for foreign currency exposures are available in the Notes to Financial Statement of the Annual Report.

#### **f) Code of Conduct**

The Code of Conduct for the Board of Directors and the Senior Management Personnel has been disclosed on the website of your Company, viz., [www.godrejindustries.com](http://www.godrejindustries.com). The declaration by the Managing Director stating that all the Board Members and Senior Management Personnel have affirmed their compliance with the laid down Code of Conduct for the Financial Year ended March 31, 2020, is annexed to this Report on Corporate Governance.

#### **g) Disclosures by Management to the Board of Directors**

Your Company had received disclosures from all the Senior Management Personnel stating that none of them had any personal interest in any of the financial and commercial transactions entered into by the Company during the Financial Year 2019-20.

#### **h) Public, Rights and Other Issues / Utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the Listing Regulations**

There were no Public, Rights and Other Issues during the Financial Year 2019-20 except allotment of 81,649 (Eighty One Thousand Six Hundred Forty Nine) Equity Shares to the Employees under Godrej Industries Limited- Employee Stock Grant Scheme, 2011 (ESGS 2011). Further, the Company had not raised any funds through Preferential Allotment or Qualified Institutions Placement in terms of the Listing Regulations.

#### **i) CEO and CFO Certification**

Mr. Nadir Godrej, Managing Director and Mr. Clement Pinto, Chief Financial Officer, have issued the Certificate in accordance with Regulation 17(8) of the Listing Regulations with regard to Annual Financial Statements for the Financial Year ended March 31, 2020.

#### **j) Management Discussion and Analysis Report**

Management Discussion and Analysis Report forms a part of this Annual Report.

#### **k) Disclosure of Accounting Treatment in preparation of Financial Statements**

The Financial Statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India and comply with the Indian Accounting Standards (Ind-AS) specified under Section 133 of the Act.

### **6. COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

As prescribed under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paras C, D and E of Schedule V of the Listing Regulations, the certificate issued by M/s. A. N. Ramani & Co., Practising Company Secretaries regarding compliance of conditions of corporate governance is annexed to this Report on Corporate Governance.

## 7. MEANS OF COMMUNICATION

All vital information relating to the Company and its performance, including quarterly results, official press releases and presentations made to institutional investors / analysts are posted on the website of the Company. The Company's website address is [www.godrejindustries.com](http://www.godrejindustries.com). The quarterly and annual results of the Company's performance are published in leading English dailies like Economic Times, Business Line, Financial Express etc. and regional language daily, Maharashtra Times. The quarterly results of the Company are also available on the websites of BSE Limited and National Stock Exchange of India Limited, viz. [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively.

The Company files the quarterly results, Corporate Governance report, Shareholding pattern etc. electronically with BSE Limited and National Stock Exchange of India Limited, through BSE Listing Centre and NSE Electronic Application Processing System (NEAPS), respectively.

## 8. GENERAL SHAREHOLDER INFORMATION

### a) Registered Office:

Godrej Industries Limited  
(CIN: L24241MH1988PLC097781)  
Godrej One, Pirojshanagar,  
Eastern Express Highway,  
Vikhroli (East), Mumbai – 400079.  
Tel: 022-25188010, Fax:022-25188066

### b) Annual General Meeting to be held via video conferencing:

Date : Thursday, August 13, 2020  
Time : 3.00 p.m.  
Deemed Venue : Godrej One, Pirojshanagar, Eastern Express Highway,  
Vikhroli (East), Mumbai – 400079.

### c) Financial Year :

Financial Year : April 1, 2019 to March 31, 2020  
For the Financial Year Ended March 31, 2020, results were announced on:

- August 13, 2019 : First quarter
- November 12, 2019 : Half year
- February 13, 2020 : Third quarter
- May 22, 2020 : Annual

### d) Book Closure Dates and Dividend Payment Dates:

The Book Closure dates as fixed by the Board of Directors are from Thursday, August 6, 2020 to Thursday, August 13, 2020 (both days inclusive).



#### e) Listing information:

The Company's Equity Shares are listed on the following Stock Exchanges:

| Name of Stock Exchange and address   | Stock Code |
|--|------------|
| BSE Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.  | 500164     |
| National Stock Exchange of India Limited (NSE) 'Exchange Plaza', Bandra-Kurla Complex, Bandra (E), Mumbai 400 051. | GODREJIND  |

#### Payment of Depository Fees:

Annual Custody / Issuer fee for the Financial Year 2020-21 has been paid by the Company to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

#### Payment of Listing Fees:

The Company has paid the requisite Annual Listing Fees to BSE and NSE for Financial Year 2020-21. The securities have not been suspended from trading.

The ISIN Number of the Company for both NSDL and CDSL is INE233A01035.

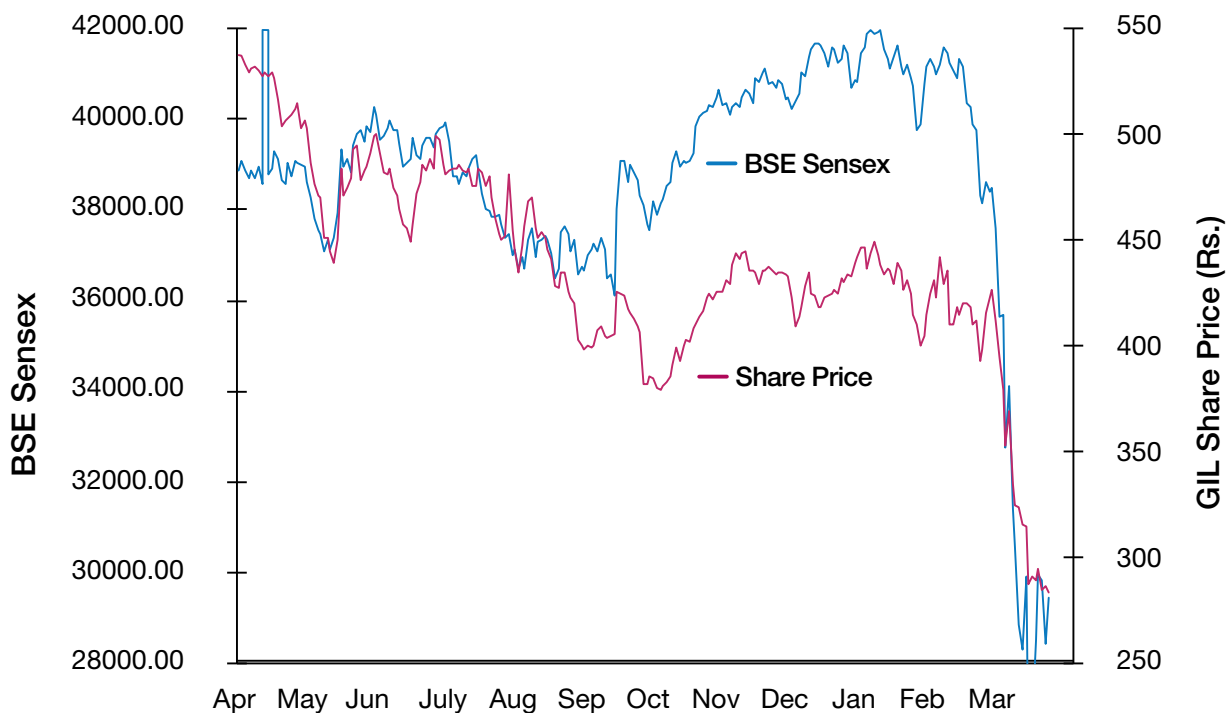
#### f) Market Information

Market Price Data: High, Low during each month and trading volumes of the Company's Equity Shares during the last Financial Year at BSE and NSE are given below:

| Stock Exchange | BSE      |         |                        | NSE      |         |                        |
|----------------|----------|---------|------------------------|----------|---------|------------------------|
|                | HIGH (₹) | LOW (₹) | VOLUME (No. of shares) | HIGH (₹) | LOW (₹) | VOLUME (No. of Shares) |
| Month          |          |         |                        |          |         |                        |
| April 2019     | 544.00   | 493.30  | 2,41,569               | 544.30   | 493.10  | 45,25,839              |
| May 2019       | 517.20   | 437.50  | 4,36,221               | 517.15   | 435.95  | 1,02,39,829            |
| June 2019      | 503.50   | 443.00  | 3,35,532               | 503.90   | 443.00  | 69,51,551              |
| July 2019      | 507.65   | 421.60  | 10,07,059              | 509.00   | 420.05  | 39,14,126              |
| Aug 2019       | 479.40   | 414.15  | 8,27,955               | 480.00   | 414.00  | 42,13,348              |
| Sept 2019      | 439.00   | 396.10  | 5,23,231               | 439.95   | 396.00  | 35,82,440              |
| Oct 2019       | 429.00   | 377.00  | 1,89,857               | 421.90   | 376.00  | 67,07,136              |
| Nov 2019       | 457.80   | 417.20  | 1,67,666               | 459.00   | 415.60  | 22,59,911              |
| Dec 2019       | 444.00   | 402.00  | 1,77,688               | 444.90   | 400.55  | 17,06,468              |
| Jan 2020       | 458.20   | 412.45  | 1,62,363               | 458.70   | 412.00  | 19,13,704              |
| Feb 2020       | 444.90   | 382.50  | 10,21,869              | 443.10   | 380.00  | 42,15,753              |
| Mar 2020       | 430.50   | 275.00  | 36,07,628              | 430.60   | 276.00  | 53,58,900              |

The Company's share performance compared to the BSE Sensex for FY 2019-20

Godrej Industries Share Performance compared to the BSE Sensex for F.Y. 2019-20



g) Distribution of shareholding by size as on Financial Year ended March 31, 2020 was as under:

| Number of shares | Number of shareholders | Shareholders (%) | Number of shares held | Shareholding (%) |
|------------------|------------------------|------------------|-----------------------|------------------|
| 1 – 500          | 76,828                 | 92.70%           | 73,78,493             | 2.19%            |
| 501 – 1000       | 3,338                  | 4.03%            | 24,63,166             | 0.73%            |
| 1001 – 2000      | 1,362                  | 1.64%            | 19,29,997             | 0.57%            |
| 2001 – 3000      | 444                    | 0.54%            | 10,64,727             | 0.32%            |
| 3001 – 4000      | 199                    | 0.24%            | 6,74,631              | 0.20%            |
| 4001 – 5000      | 122                    | 0.15%            | 5,45,086              | 0.16%            |
| 5001 – 10000     | 232                    | 0.28%            | 15,79,398             | 0.47%            |
| 10001 & above    | 356                    | 0.43%            | 32,08,30,518          | 95.35%           |
| <b>Total</b>     | <b>82,881</b>          | <b>100.00%</b>   | <b>33,64,66,016</b>   | <b>100.00%</b>   |

h) Distribution of shareholding by ownership as on March 31, 2020 was as under:

| Category<br>(as being reported to Stock Exchange)  | No. of Equity Shares | Percentage of shareholding (%) |
|--|----------------------|--------------------------------|
| <b>PROMOTER'S HOLDING</b>  |                      |                                |
| Promoters  |                      |                                |
| -Indian Promoters  | 20,93,07,250         | 62.21                          |
| -Foreign Promoters   | 13                   | 0.00                           |
| Persons acting in Concert  | 0                    | 0.00                           |
| <b>Sub-Total</b>   | <b>20,93,07,263</b>  | <b>62.21</b>                   |
| <b>NON-PROMOTER'S HOLDING</b>  |                      |                                |
| <b>Institutional Investors</b>   |                      |                                |
| Mutual Funds & UTI   | 12,46,199            | 0.37                           |
| Banks, Financial Institutions, Insurance Companies (Central / State Govt. Institutions /Non-Government Institutions) | 1,42,96,573          | 4.25                           |
| Foreign Portfolio Investors/Foreign Institutional Investors  | 3,77,57,706          | 11.22                          |
| <b>Sub-Total</b>   | <b>5,33,00,478</b>   | <b>15.84</b>                   |
| <b>Others</b>  |                      |                                |
| Private Corporate Bodies   | 90,58,224            | 2.69                           |
| Indian Public  | 1,85,14,666          | 5.51                           |
| NRIs/OCBs  | 11,59,634            | 0.34                           |
| Trust  | 4,50,14,972          | 13.38                          |
| Director or Director's Relative  | 1,10,779             | 0.03                           |
| <b>Sub-Total</b>   | <b>7,38,58,275</b>   | <b>21.95</b>                   |
| <b>Total</b>   | <b>33,64,66,016</b>  | <b>100.00</b>                  |

i) Shares held in physical and dematerialised form:

As on March 31, 2020, 99.88% of the Company's Equity Shares were held in dematerialized form and the remaining 0.12 % in physical form. The break up is listed below:

| Mode                   | No. of Equity Shares | Percentage (%) |
|------------------------|----------------------|----------------|
| Demat Shares with NSDL | 32,51,93,991         | 96.65          |
| Demat Shares with CDSL | 1,08,78,380          | 3.23           |
| Physical Shares        | 3,93,645             | 0.12           |
| <b>Total</b>           | <b>33,64,66,016</b>  | <b>100.00</b>  |

j) Liquidity:

Higher trading activity was witnessed on NSE. Relevant data for the daily turnover on Stock Exchange(s) for the Financial Year 2019-20 is given below:

| Particulars   | BSE            | NSE             | Total           |
|---------------|----------------|-----------------|-----------------|
| Shares (nos.) | 86,98,638      | 5,55,89,005     | 6,42,87,643     |
| Value (in ₹)  | 3,50,72,48,798 | 24,50,50,51,981 | 28,01,23,01,779 |

[Source: This information is compiled from the data available from the websites of BSE and NSE]

**k) Corporate benefits to Investors:**

Details of Dividend declared by your Company for the last 5 (Five) years is as under

| Financial Year | Date of Dividend Declaration | Dividend Per Share (in ₹) |
|----------------|------------------------------|---------------------------|
| 2014-15        | 11.08.2015                   | 1.75                      |
| 2015-16        | 08.03.2016*                  | 1.75                      |
| 2016-17        | 11.08.2017                   | 1.75                      |
| 2017-18        | 13.08.2018                   | 1.75                      |
| 2018-19        | 13.08.2019                   | 1.15                      |

\*Interim Dividend

**l) Reconciliation of Share Capital Audit Report:**

As stipulated by SEBI, a qualified Practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This Audit is carried out every Quarter and Report thereon is submitted to the Stock Exchange(s) where the Company's shares are listed. The Audit confirms that the total listed and paid-up capital is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and the total number of shares in physical form.

**m) Outstanding GDRs/ADRs/Warrants/Convertible instruments and their impact on equity:**

The Company does not have any outstanding GDRs / ADRs / warrants / convertible instruments.

**n) Registrar and Share Transfer Agents:**

Contact details of Computech Sharecap Limited, our Registrar and Share Transfer Agents is as under:-

Computech Sharecap Limited

147, M.G. Road, Opp. Jehangir Art Gallery, Fort, Mumbai 400 001.

Tel: 022-22635000 / 22635001; Fax: 022-22635001

Email: [helpdesk@computechsharecap.in](mailto:helpdesk@computechsharecap.in)

**o) Share Transfer system:**

Share transfer is effected within a maximum period of 30 (thirty) days from the date of receipt, subject to documents being valid and complete in all respects. The Board has delegated the authority for approving transfer, transmission, etc. of the Company's shares to the Authorised Representatives of Computech Sharecap Limited, Registrar and Share Transfer Agent ("Computech"), which is registered with the SEBI as a Category 1 Registrar. The Company obtains from a Company Secretary in Practice, a Half Yearly Certificate to the effect that all certificates have been issued within 30 (thirty) days of the date of lodgement of the transfer, sub-division, consolidation and renewal, as required under Regulation 40(9) of the Listing Regulations and files a copy of the said certificate with the Stock Exchanges where the Company's shares are listed.

**p) Plant locations:**

| Location  | Address   |
|-----------|---|
| Ambernath | Plot No.73, Additional Ambernath Industrial Area, Village Jambivali, Taluka Ambernath, District Thane, Maharashtra 421 506. |
| Valia     | Burjorjinagar, Plot No. 3, Village Kanerao, Taluka - Valia, District Bharuch, Gujarat 393 135.                              |
| Wadala    | L. M. Nadkarni Marg, Near M.P.T. Hospital, Wadala (East), Mumbai 400 037.   |
| Dombivali | Plot No: W-61, MIDC Phase II, Sagaon, Sonarpada, Dombivali – East Thane, Maharashtra, 421204.                               |

**q) Address for Correspondence:**

**Mr. Clement Pinto**

**Chief Financial Officer**

Godrej One, Pirojshanagar, Eastern Express Highway,

Vikhroli (East), Mumbai – 400 079, Maharashtra

Phone: 022 – 2518 8010, Fax: 022 – 2518 8066

Email id: [cg.pinto@godrejinds.com](mailto:cg.pinto@godrejinds.com), Website: [www.godrejindustries.com](http://www.godrejindustries.com)

**Ms. Tejal Jariwala**

**Company Secretary & Compliance Officer**

Godrej One, Pirojshanagar, Eastern Express Highway,

Vikhroli (East), Mumbai – 400 079, Maharashtra

Phone: 022 – 2518 8010, Fax: 022 - 2518 8066

Email id: [tejal.jariwala@godrejinds.com](mailto:tejal.jariwala@godrejinds.com), Website: [www.godrejindustries.com](http://www.godrejindustries.com)

**Investor Correspondence should be addressed to:**

**Computech Sharecap Limited**

147, M.G. Road, Opp. Jehangir Art Gallery, Fort, Mumbai 400 001.

Tel: 022-22635000 / 22635001; Fax: 022-22635001

Email: [helpdesk@computechsharecap.in](mailto:helpdesk@computechsharecap.in)

**Exclusive E-Mail ID for Investors / Shareholders**

Your Company has designated an e-mail id to enable the Shareholders and Investors to correspond with the Company. The e-mail id is [investor@godrejinds.com](mailto:investor@godrejinds.com).

**r) SEBI Complaints Redress System (SCORES):**

The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are as stated under:

1. Centralised database of all complaints;
2. Online upload of Action Taken Reports (ATRs) by concerned companies; and
3. Online viewing by investors of actions taken on the complaint and its current status.

**s) Material Subsidiary Companies:**

Your Company does not have material non-listed Subsidiary Company whose turnover or net worth (i.e. Paid-up capital and free reserves) exceeds 10% (ten per cent) of the consolidated turnover or net worth respectively of the Company and its subsidiary in the immediate preceding accounting

year. Consolidated Financial Statements are tabled at the Board Meetings. Copies of the Minutes of the Board Meetings of unlisted Subsidiary Companies are individually given to all the Directors and are tabled at the subsequent Board Meetings. Your Company has formulated a Policy for determining the Material Subsidiaries as defined in Regulation 16 of the Listing Regulations. This Policy has been put up on the website of the Company, viz., [www.godrejindustries.com](http://www.godrejindustries.com). Your Company has 2 (Two) Material Listed Subsidiaries as on March 31, 2020, viz. Godrej Properties Limited and Godrej Agrovet Limited.

**t) Non-compliance of any requirement of Corporate Governance Report of sub-paras (2) to (10) of Para C to Schedule V of the Listing Regulations:**

The Company has complied with all the requirements in this regard, to the extent applicable.

**u) Disclosures of compliance with Corporate Governance requirements specified in Regulation 17 to 27 and Regulation 46(2)(b) to (i) of the Listing Regulations:**

The Board of Directors periodically reviews the compliance of all applicable laws and steps taken by the Company to rectify instances of non-compliance, if any. The Company is in compliance with all mandatory requirements of Listing Regulations. The Company has submitted quarterly compliance reports on Corporate Governance with Stock Exchanges, in accordance with the requirements of Regulation 27(2)(a) of the Listing Regulations.

Corporate Governance Report for the whole of Financial Year is given in table below:

**I. Disclosure on website in terms of Listing Regulations:**

| Particulars  | Compliance status (Yes / No / NA) |
|--|-----------------------------------|
| Details of business  | Yes                               |
| Terms and conditions of appointment of independent directors   | Yes                               |
| Composition of various committees of board of directors  | Yes                               |
| Code of conduct of board of directors and senior management personnel  | Yes                               |
| Details of establishment of vigil mechanism/ Whistle Blower policy   | Yes                               |
| Criteria of making payments to non-executive directors   | Not Applicable                    |
| Policy on dealing with related party transactions  | Yes                               |
| Policy for determining 'material' subsidiaries   | Yes                               |
| Details of familiarization programmes imparted to independent Directors  | Yes                               |
| Contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances  | Yes                               |
| Email address for grievance redressal and other relevant details   | Yes                               |
| Financial results  | Yes                               |
| Shareholding pattern   | Yes                               |
| Details of agreements entered into with the media companies and/or their associates  | Not Applicable                    |
| Schedule of analyst or institutional investor meet and presentations made by the listed entity to analysts or institutional investors simultaneously with submission to stock exchange | Not Applicable                    |
| New name and the old name of the listed entity   | Not Applicable                    |
| Advertisements as per regulation 47 (1)  | Yes                               |
| Credit rating or revision in credit rating obtained  | Yes                               |

| Particulars   | Compliance status<br>(Yes / No / NA) |
|---|--------------------------------------|
| Separate audited financial statements of each subsidiary of the listed entity in respect of a relevant Financial Year | Yes                                  |
| Whether Company has provided information under separate section on its website as per Regulation 46(2)                | Yes                                  |
| Materiality Policy as per Regulation 30   | Yes                                  |
| Dividend Distribution policy as per Regulation 43A (as applicable)  | Yes                                  |
| It is certified that these contents on the website of the listed entity are correct                                   | Yes                                  |

## II. Annual Affirmations:

| Particulars   | Regulation Number       | Compliance status<br>(Yes / No / NA) |
|---|-------------------------|--------------------------------------|
| Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility' | 16(1)(b) & 25(6)        | Yes                                  |
| Board composition   | 17(1)                   | Yes                                  |
| Meeting of Board of directors   | 17(2)                   | Yes                                  |
| Review of Compliance Reports  | 17(3)                   | Yes                                  |
| Plans for orderly succession for appointments   | 17(4)                   | Yes                                  |
| Code of Conduct   | 17(5)                   | Yes                                  |
| Fees/compensation   | 17(6)                   | Yes                                  |
| Minimum Information   | 17(7)                   | Yes                                  |
| Compliance Certificate  | 17(8)                   | Yes                                  |
| Risk Assessment & Management  | 17(9)                   | Yes                                  |
| Performance Evaluation of Independent Directors   | 17(10)                  | Yes                                  |
| Composition of Audit Committee  | 18(1)                   | Yes                                  |
| Meeting of Audit Committee  | 18(2)                   | Yes                                  |
| Composition of Nomination and Remuneration committee  | 19(1) & (2)             | Yes                                  |
| Quorum of Nomination and Remuneration Committee meeting   | 19(2A)                  | Yes                                  |
| Meeting of Nomination and Remuneration Committee  | 19(3A)                  | Yes                                  |
| Composition of Stakeholder Relationship Committee   | 20(1) & (2)             | Yes                                  |
| Meeting of Stakeholders Relationship Committee  | 20(3A)                  | Yes                                  |
| Composition and role of Risk Management Committee   | 21(1),(2),(3),(4)       | Yes                                  |
| Meeting of Risk Management Committee  | 21(3A)                  | Yes                                  |
| Vigil Mechanism   | 22                      | Yes                                  |
| Policy for related party Transaction  | 23(1),(5),(6),(7) & (8) | Yes                                  |
| Prior or Omnibus approval of Audit Committee for all related party transactions                                   | 23(2)& (3)              | Yes                                  |
| Approval for material related party transactions  | 23(4)                   | Yes                                  |
| Disclosure of related party transactions on consolidated basis  | 23(9)                   | Yes                                  |
| Composition of Board of Directors of unlisted material Subsidiary   | 24(1)                   | Yes                                  |
| Other Corporate Governance requirements with respect to subsidiary of listed entity                               | 24(2),(3),(4),(5) & (6) | Yes                                  |
| Annual Secretarial Compliance Report  | 24(A)                   | Yes                                  |

| Particulars   | Regulation Number | Compliance status (Yes / No / NA) |
|---|-------------------|-----------------------------------|
| Alternate Director to Independent Director  | 25(1)             | Not applicable                    |
| Maximum Tenure  | 25(1) & (2)       | Yes                               |
| Meeting of independent directors  | 25(3) & (4)       | Yes                               |
| Familiarization of independent directors  | 25(7)             | Yes                               |
| Declaration from Independent Director   | 25(8) & (9)       | Yes                               |
| D & O Insurance for Independent Directors   | 25(10)            | Yes                               |
| Memberships in Committees   | 26(1)             | Yes                               |
| Affirmation with compliance to code of conduct from members of Board of Directors and Senior management personnel | 26(3)             | Yes                               |
| Disclosure of Shareholding by Non- Executive Directors  | 26(4)             | Yes                               |
| Policy with respect to Obligations of directors and senior management   | 26(2) &(5)        | Yes                               |

**v) Transfer of Unpaid / Unclaimed amounts of Dividend to Investor Education and Protection Fund:**

During the year under review, the Company had transferred an amount of ₹ 6,62,864/- (Rupees Six Lakh Sixty Two Thousand Eight Hundred Sixty Four Only) lying in the unpaid / unclaimed dividend account for the Financial Year 2011-12, to the Investor Education and Protection Fund (IEPF) pursuant to Rule 5(4) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. Further, Equity Shares in respect of whom dividend will remain unclaimed progressively for 7 (seven) consecutive years, will be reviewed for transfer to the IEPF as required by law. The Company will transfer the said Equity Shares, if any, after sending an intimation of such proposed transfer in advance to the concerned Shareholders, as well as, publish a public notice in this regard. Pursuant to Rule 5(8) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of unpaid and unclaimed dividend amounts lying with the Company as on August 13, 2019 (date of last Annual General Meeting) on the Company's website, viz., [www.godrejindustries.com](http://www.godrejindustries.com) and on the website of the Ministry of Corporate Affairs at [www.iepf.gov.in](http://www.iepf.gov.in).

**w) Details of compliance with Non-Mandatory requirements:**

The status of compliance with non-mandatory recommendations of the Listing Regulations:

- (a) **Shareholders' Rights:** As the quarterly and half yearly financial results are published in the newspapers and are also posted on the Company's website, the same are not being sent separately to the Shareholders.
- (b) **Audit Qualifications:** The Company's financial statements for Financial Year 2019-20 do not contain any audit qualification.
- (c) **Reporting of Internal Auditor:** The Internal Auditors give their quarterly report to the Audit Committee and the same is taken for review at the time of the Meetings of the Audit Committee.



**x) Credit Ratings:**

The details of Credit Ratings held by the Company as on March 31, 2020 are as under:

**Ratings from ICRA:**

| Instrument                       | Amount (₹ in Crore) | ICRA Rating        |
|----------------------------------|---------------------|--------------------|
| Long Term Loans                  | 1,200               | [ICRA] AA (stable) |
| Long Term Fund Based Limits      | 90                  | [ICRA] AA (stable) |
| Long Term Non-Fund Based Limits  | 50                  | [ICRA] AA (stable) |
| Short Term Loans                 | 200                 | [ICRA] A1+         |
| Short Term Non-Fund Based Limits | 600                 | [ICRA] A1+         |
| Commercial Paper Programme       | 1000                | [ICRA] A1+         |
| Non-Convertible Debenture        | 1,500               | [ICRA] AA (stable) |

**Ratings from CRISIL:**

| Instrument                 | Amount in (₹ in Crore) | CRISIL Rating    |
|----------------------------|------------------------|------------------|
| Commercial Paper Programme | 1,000                  | CRISIL A1+       |
| Non-Convertible Debenture  | 1,500                  | CRISIL AA/stable |

There have been no revisions / changes in the Credit Ratings held by the Company during the Financial Year 2019-20.

**y) Certificate regarding no-disqualification of Directors:**

A certificate from M/s. A. N. Ramani & Co., Practicing Company Secretaries has been obtained stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority. The Certificate is annexed to this Report on Corporate Governance.

**z) Fees paid to Statutory Auditors:**

Total fees of ₹ 3.98 Crores (Rupees Three Crore and Ninety Eight Lakhs) for the Financial Year 2019-20, for all services, was paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

**DECLARATION BY MANAGING DIRECTOR WITH RESPECT TO COMPLIANCE  
WITH CODE OF CONDUCT OF THE COMPANY**

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As provided under Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule V of the said regulations, this is to confirm that all the Members of the Board and the Senior Management have affirmed compliance with the Code of Conduct for the Financial Year ended March 31, 2020.

**For Godrej Industries Limited**

**Date: May 22, 2020**  
**Place: Mumbai**

**Nadir Godrej**  
**Managing Director**

## **CERTIFICATE FROM PRACTICING COMPANY SECRETARY ON COMPLIANCE WITH CORPORATE GOVERNANCE**

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To,  
The Members,  
**Godrej Industries Limited**

We have examined the compliance of conditions of corporate governance by **Godrej Industries Limited** ("the Company") for the Financial Year ended on March 31, 2020, as prescribed in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paras C, D and E of Schedule V of Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

### **Management Responsibility**

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

### **PCS' Responsibility**

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

### **Opinion**

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

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

### **Restriction on use**

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

**For M/s. A. N. Ramani & Co.,  
Company Secretaries  
UNIQUE CODE - P2003MH000900  
UDIN: F006808B000271776**

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

**Date: May 22, 2020  
Place: Thane**

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
Godrej Industries Limited  
Godrej One, Pirojshanagar,  
Eastern Express Highway, Vikhroli East,  
Mumbai - 400079

I/We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Godrej Industries Limited having CIN - L24241MH1988PLC097781 and having registered office at Godrej One, Pirojshanagar, Eastern Express Highway, Vikhroli East, Mumbai - 400079 (hereinafter referred to as 'the Company'), produced before us (including soft copies in some cases due to lockdown) by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31<sup>st</sup> March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

| Sr. No. | Name of Director   | DIN      | Date of appointment in Company |
|---------|--------------------|----------|--------------------------------|
| 1       | Mr. Adi Godrej     | 00065964 | March 7, 1988                  |
| 2       | Mr. Nadir Godrej   | 00066195 | March 7, 1988                  |
| 3       | Mr. Jamshyd Godrej | 00076250 | March 7, 1988                  |
| 4       | Mr. Vijay Crishna  | 00066267 | January 3, 1995                |
| 5       | Mr. Aspy Cooper    | 00026134 | October 28, 2015               |
| 6       | Mr. Keki Elavia    | 00003940 | May 28, 2013                   |
| 7       | Mr. Kavas Petigara | 00066162 | January 30, 2002               |
| 8       | Mr. Mathew Eipe    | 00027780 | May 13, 2019                   |
| 9       | Dr. Ganapati Yadav | 02235661 | May 13, 2019                   |
| 10      | Ms. Tanya Dubash   | 00026028 | August 1, 1996                 |
| 11      | Mr. Nitin Nabar    | 06521655 | May 1, 2013                    |

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For M/s. A. N. Ramani & Co.,  
Company Secretaries  
UNIQUE CODE - P2003MH000900  
UDIN: F006808B000271765

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

Date: May 22, 2020  
Place: Thane



# CONSOLIDATED FINANCIAL STATEMENTS



# Independent Auditors' Report

To the Members of Godrej Industries Limited

Report on the Audit of Consolidated Financial Statements

## Opinion

We have audited the consolidated financial statements of Godrej Industries Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and its joint ventures, which comprise the consolidated Balance Sheet as at 31 March 2020, and the consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries, associates, joint ventures and joint operations as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at 31 March 2020, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

## Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associates and joint ventures in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

## Emphasis of matter

We draw attention to Note 18 IV (i) to the consolidated financial statements wherein the Honorable High Court of the Judicature at Bombay had approved a Scheme of Arrangement whereby the assets and liabilities of the transferor companies (Godrej Oil Palm Limited, Godrej Gokarna Oil Palm Limited and Cauvery Palm Oil Limited) have been taken over and recorded at their book values as on 1 April 2011. Amortisation amounting to ₹ 4.25 crore for the year ended 31 March 2019, on Intangible Assets taken over as per the Scheme is charged against the balance in the General Reserve Account of the subsidiary company. Had this amount been charged to the Consolidated Statement of Profit and Loss, the profit for the year ended 31 March 2019 would have been lower by ₹ 2.77 crore.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Independent Auditors' Report

### Description of Key Audit Matter

#### Revenue recognition from sale of goods

(refer note 29 to the consolidated financial statements)

| The key audit matter   | How the matter was addressed in our audit  |
|--|--|
| <p>Revenue is recognized when the control of the products being sold has been transferred to the customer.</p> <p>We have identified recognition of revenue as a key audit matter as revenue is a key performance indicator. Also, there is a risk of revenue being fraudulently overstated/understated through manipulation on the timing of transfer of control arising from pressure to achieve performance targets and meeting external expectations at the year end.</p> <p>Revenue is measured at the fair value of the consideration received or receivable, after deduction of estimated sales returns and discounts (i.e. trade discounts, volume rebates and other incentives).</p> <p><b>Accrual for sales returns in crop protection segment and discounts in crop protection and animal feeds segments:</b></p> <p>Estimation of accrual for sales returns involves significant judgement and estimates. It is based on historical experience. The estimation is dependent on various internal and external factors. These factors include, for example, quality of harvest, some of which are beyond the control of the Group.</p> <p>Estimation of recognition and measurement of discounts accrual, involves significant judgement and estimates, particularly based on accumulated experience and the expected level of discounts/ claims of each of the customers. Assumption of level of customer wise claims for discounts relates to estimating which of the Group's customers will ultimately be subject to a related discount.</p> <p>Evaluating the assumptions of expected returns based on experience and level of customer wise claims for discounts underlying the estimate of accrual involves challenging auditor judgement. We have identified the evaluation of accrual for sales returns and discounts as a key audit matter.</p> | <p>Our audit procedures to assess revenue recognition from sale of goods included the following:</p> <ul style="list-style-type: none"> <li>• Assessing the compliance of the revenue recognition accounting policies by comparing with Ind AS 115 "Revenue from Contracts with Customers";</li> <li>• Testing the design, implementation and operating effectiveness of key IT application/manual controls over the Company's systems for revenue recognition, by involving our IT specialists;</li> <li>• Testing the design, implementation and operating effectiveness of key internal controls over the development of assumptions of expected returns based on accumulated experience and level of customer wise claims for discounts and related accruals;</li> <li>• Performing substantive testing (including year-end cut-off testing) by selecting statistical samples of revenue transactions recorded during the year (and before and after the financial year end);</li> <li>• Verifying the underlying documents, which included sales invoices/contracts and shipping documents for the selected transactions;</li> <li>• Checking completeness and accuracy of the data used by the Group for accrual of sales returns and discounts;</li> <li>• Evaluating the Group's ability to accurately estimate the accrual for sales returns and discounts. Comparing historically recorded accruals to the actual amount of sales returns and discounts;</li> <li>• Selecting samples (using statistical sampling) of revenue transactions and schemes circulars. Rechecking that accrual for discounts were computed in accordance with the eligibility criteria mentioned in the relevant circular;</li> <li>• Examining historical trend of claims to assess the assumptions and judgements used by the Group in accrual of sales returns and discounts;</li> <li>• Examining sample manual journal entries (using statistical sampling) posted to revenue and for sales returns and discounts to verify any unusual or irregular items.</li> </ul> |



## Independent Auditors' Report

### Key Audit Matters (Continued)

#### Description of Key Audit Matter (Continued)

#### Revenue recognition from sale of residential and commercial units (refer notes 29 and 56 to the consolidated financial statements)

| The key audit matter   | How the matter was addressed in our audit  |
|--|--|
| <p>Certain of the Holding Company's subsidiaries' most significant revenue streams involve sale of residential and commercial units.</p> <p>Revenue is recognized post transfer of control of residential and commercial units to customers for the amount / consideration which the subsidiaries expect to receive in exchange for those units. The trigger for revenue recognition is normally completion of the project or receipt of approvals on completion from relevant authorities or intimation to the customer of completion, post which the contract becomes non-cancellable. The subsidiaries record revenue, over time till the actual possession to the customers, or on actual possession to the customers, as determined by the terms of contract with customers.</p> <p>The risk for revenue being recognized in an incorrect period presents a key audit matter due to the financial significance and geographical spread of the subsidiaries' projects across different regions in India.</p> | <p>Our audit procedures on Revenue recognition from sale of residential and commercial units included the following:</p> <ul style="list-style-type: none"> <li>• Evaluating the design and implementation and testing operating effectiveness of key internal controls over revenue recognition;</li> <li>• Evaluating the accounting policies adopted by the subsidiaries for revenue recognition to assess if those are in line with the applicable accounting standards and their consistent application to the significant sales contracts;</li> <li>• Scrutinizing the revenue journal entries raised throughout the reporting period and comparing details of a sample of these journals, which met certain risk-based criteria, with relevant underlying documentation;</li> <li>• Testing timeliness of revenue recognition by comparing individual sample sales transactions to underlying contracts;</li> <li>• Conducting site visits during the year for selected projects to understand the scope, nature and progress of the projects;</li> <li>• Considering the adequacy of the disclosures in the consolidated financial statements in respect of the judgments taken in recognising revenue for residential and commercial property units in accordance with Ind AS 115;</li> </ul> |
| <p><b>Measurement of revenue recorded over time which is dependent on the estimates of the costs to complete</b></p> <p>Revenue recognition for certain subsidiaries involves significant estimates related to measurement of costs to complete for the projects. Revenue from projects is recorded based on the subsidiaries' assessment of the work completed, costs incurred and accrued and the estimate of the balance costs to complete.</p> <p>Considering the significant estimate involved in measurement of revenue, we have considered measurement of revenue as a key audit matter.</p>  | <p><b>Revenue recognition prior to receipt of Occupancy Certificate/ similar approval and intimation to the customer</b></p> <ul style="list-style-type: none"> <li>• Obtaining and understanding revenue recognition process including identification of performance obligations and determination of transfer of control of the asset underlying the performance obligation to the customer;</li> <li>• Evaluating revenue overstatement or understatement by assessing subsidiaries' key judgments in interpreting contractual terms. Determining the point in time at which the control is transferred by evaluating subsidiaries' in-house legal interpretations of the underlying agreements i.e. when contract becomes non-cancellable;</li> <li>• Identifying and testing operating effectiveness of key controls around approvals of contracts, milestone billing, intimation of possession letters / intimation of receipt of occupation certificate and controls over collection from customers;</li> </ul>   |

## Independent Auditors' Report

### Key Audit Matters (Continued)

#### Description of Key Audit Matter (Continued)

#### Revenue recognition from sale of residential and commercial units (Continued)

refer Note 29 and 56 to the consolidated financial statements

| The key audit matter | How the matter was addressed in our audit   |
|----------------------|---|
|                      | <ul style="list-style-type: none"> <li>• Testing sample sales of units for projects with the underlying contracts, completion status and proceeds received from customers;</li> <li>• Requesting confirmations, on a sample basis, from major customers for selected projects and reconciling them with revenue recognised. In case of non-receipt of confirmations, we have performed alternative procedures by comparing details with contracts, collection details and other underlying project related documentation.</li> </ul> <p><b>Measurement of revenue recorded over time which is dependent on the estimates of the costs to complete</b></p> <ul style="list-style-type: none"> <li>• Identifying and testing operating effectiveness of key controls over recording of project costs;</li> <li>• Assessing the costs incurred and accrued to date on the balance sheet by examining underlying invoices and signed agreements on a sample basis. Assessing contract costs to check that no costs of revenue nature are incorrectly recorded in the balance sheet;</li> <li>• Comparing, on a sample basis, revenue transactions recorded during the year with the underlying contracts, progress reports, invoices raised on customers and collections in bank accounts. Also, checked that the related revenue had been recognised in accordance with the subsidiaries' revenue recognition policies;</li> <li>• Comparing the costs to complete workings with the budgeted costs and inquiring for variance. Sighting subsidiaries' internal approvals, on sample basis, for changes in budgeted costs along with the rationale for the changes.</li> </ul> |

#### Inventories (refer note 10 to the consolidated financial statements)

| The key audit matter  | How the matter was addressed in our audit   |
|---|---|
| <p>Inventories held by certain of the Holding Company's subsidiaries comprising finished goods and construction work in progress may be held for long periods of time before sale making it vulnerable to reduction in net realizable value (NRV). This could result in an overstatement of the value of inventory when the carrying value is higher than the NRV.</p> <p><i>Assessing NRV</i></p> <p>NRV is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale and estimated costs of completion (in case of construction work-in-progress). The inventory of finished goods and construction work-in-progress is not written down below cost when completed flats/ under-construction flats / properties are expected to be sold at or above cost.</p> | <p>Our audit procedures to assess the net realizable value (NRV) of inventories included the following:</p> <ul style="list-style-type: none"> <li>• Understanding from subsidiaries the basis of estimated selling price for the unsold units and units under construction;</li> <li>• Evaluating the design and testing operating effectiveness of controls over preparation and update of NRV workings by designated personnel. Testing controls related to subsidiaries' review of key estimates, including estimated future selling prices and costs of completion for property development projects;</li> </ul> |

## Independent Auditors' Report

### Key Audit Matters (Continued)

#### Description of Key Audit Matter (Continued)

#### Inventories (refer note 10 to the consolidated financial statements) (Continued)

| The key audit matter  | How the matter was addressed in our audit  |
|---|--|
| <p>For NRV assessment, the estimated selling price is determined for a phase, sometimes comprising multiple units. The assessment and application of write-down of inventory to NRV are subject to significant judgement by subsidiaries.</p> <p>As such inappropriate assumptions in these judgements can impact the assessment of the carrying value of inventories.</p> <p>Considering the Group's judgement associated with long dated estimation of future market and economic conditions, we have considered assessment of net realizable value of inventory as a key audit matter.</p> | <ul style="list-style-type: none"> <li>Evaluating the subsidiaries' judgement with regards to application of write-down of inventory units by auditing the key estimates, data inputs and assumptions adopted in the valuations. Comparing expected future average selling prices with available market conditions such as price range available under industry reports published by reputed consultants and the sales budget plans maintained by the subsidiaries;</li> <li>Comparing the estimated construction costs to complete each project with the subsidiaries' updated budgets. Re-computing the NRV, on a sample basis, to test that inventory units are held at the lower of cost and NRV.</li> </ul> |

#### Deferred Tax Assets (refer notes 8 and 44 to the consolidated financial statements)

| The key audit matter  | How the matter was addressed in our audit   |
|---|---|
| <p><b>Recognition and measurement of deferred tax assets</b></p> <p>Certain of the Holding Company's subsidiaries are required to reassess recognition of deferred tax assets at each reporting date. The subsidiaries have deferred tax assets in respect of brought forward losses and other temporary differences.</p> <p>The subsidiaries' deferred tax assets in respect of brought forward business losses are based on the projected profitability. This is determined on the basis of approved business plans demonstrating availability of sufficient taxable income to utilize such brought forward business loss.</p> <p>We have identified recognition of deferred tax assets as a key audit matter because of the related complexity and subjectivity of the assessment process. The assessment process is based on assumptions affected by expected future market or economic conditions.</p> | <p>Our audit procedures to assess recognition and measurement of deferred tax assets included:</p> <ul style="list-style-type: none"> <li>Obtaining the approved business plans, projected profitability statements for the existing ongoing projects;</li> <li>Evaluating the design and testing the operating effectiveness of controls over quarterly assessment of deferred tax balances and underlying data;</li> <li>Evaluating the projections of future taxable profits. Testing the underlying data and assumptions used in the profitability projections and performing sensitivity analysis;</li> <li>Checking other convincing evidence like definitive agreements for land / development rights and verifying the project plans in respect of new projects and review of contractual agreements with customers and estimates on unsold inventory for existing projects;</li> <li>Assessing the recoverability of deferred tax assets by evaluating profitability, subsidiaries' forecasts and fiscal developments;</li> <li>Assessing the adequacy of the disclosures on deferred tax and assumptions used.</li> </ul> |

#### Investments in joint ventures and an associate and loans to joint ventures (refer note 4(a) to the consolidated financial statements)

| The key audit matter   | How the matter was addressed in our audit  |
|--|--|
| <p><b>Recoverability of investments in joint ventures and an associate</b></p> <p>Certain of the Holding Company's subsidiaries' have investments in joint ventures and an associate which are carried at cost less any diminution in value. The investments are assessed for impairment at each reporting date. The impairment assessment involves the use of estimates and judgements. The identification of an impairment event and</p> | <p>Our audit procedures to assess recoverability of investments in joint ventures and an associate included the following:</p> <ul style="list-style-type: none"> <li>Evaluating design and implementation and testing operating effectiveness of controls over subsidiaries' process of impairment assessment and approval of forecasts;</li> </ul> |

## Independent Auditors' Report

### Key Audit Matters (Continued)

#### Description of Key Audit Matter (Continued)

#### Investments in joint ventures and an associate and loans to joint ventures (Continued) (refer note 4(a) to the consolidated financial statements)

| The key audit matter  | How the matter was addressed in our audit  |
|---|--|
| <p>the determination of an impairment charge also require the application of significant judgement by the subsidiaries. The judgement, in particular, is with respect to the timing, quantity and estimation of projected cash flows of the real estate projects in these underlying entities.</p> <p>In view of the judgements and estimates involved, we consider valuation / impairment of investments by subsidiaries in joint ventures and an associate to be a key audit matter.</p> <p><b>Recoverability of loans to joint ventures</b></p> <p>The subsidiaries have given loans to joint ventures. These are assessed for recoverability at each period end.</p> <p>Due to the nature of the business in the real estate industry, the subsidiaries are exposed to heightened risk in respect of the recoverability of the loans granted to its joint ventures. In addition to nature of business, there is also significant judgment involved as to the recoverability of the working capital and project specific loans. This depends on property developments projects being completed over the time period specified in agreements.</p> <p>We have identified measurement of loans to joint ventures as a key audit matter because recoverability assessment involves subsidiaries' significant judgement and estimate.</p> | <ul style="list-style-type: none"> <li>• Assessing the valuation methods used, financial position of the joint ventures and an associate to identify excess of their net assets over their carrying amount of investment by the subsidiaries and assessing profit history of those joint ventures and an associate;</li> <li>• For the investments where the carrying amount exceeded the net assets value, understanding from the subsidiaries and testing the basis and assumptions used for the projected profitability;</li> <li>• Verifying the inputs used in the projected profitability;</li> <li>• Assessing the comparability of the forecasts with historical information;</li> <li>• Analyzing the possible indications of impairment and understanding subsidiaries assessment of those indications.</li> </ul> <p>Our audit procedures to assess recoverability of loans to joint ventures included the following:</p> <ul style="list-style-type: none"> <li>• Evaluating the design and implementation and testing operating effectiveness of key internal controls placed around the impairment assessment process of the recoverability of the loans;</li> <li>• Assessing the net worth of joint ventures on the basis of latest available financial statements;</li> <li>• Assessing the controls for grant of new loans and sighting the Board approvals obtained. We have tested subsidiaries' assessment of the recoverability of the loans, which includes cash flow projections over the duration of the loans. These projections are based on underlying property development appraisals;</li> <li>• Tracing loans advanced / repaid during the year to bank statements;</li> <li>• Obtaining independent confirmations to assess completeness and existence of loans and advances given to joint ventures as on 31 March 2020.</li> </ul> |

#### Loss allowance on trade receivables (refer note 12 to the Consolidated Financial Statements)

| The key audit matter  | How the matter was addressed in our audit   |
|---|---|
| <p><b>Loss allowance on trade receivables – crop protection segment</b></p> <p>Certain of the Holding Company's subsidiaries have Trade receivables of crop protection segment which consist of individual / small customers in different jurisdictions within India.</p> <p>Accordingly, there are significant large number of customers subject to different business risk, climate risk, political risk and interest rate risk. The loss allowance for trade receivables of crop protection segment represents those subsidiaries' best estimate at the balance sheet date of expected credit losses (ECL) under Ind AS 109 Financial instruments.</p> | <p>Our audit procedures to assess the ECL on trade receivables of crop protection segment included the following:</p> <ul style="list-style-type: none"> <li>• Testing the design, implementation and operating effectiveness of key controls over measurement of ECL on trade receivables in crop protection segment;</li> <li>• Evaluating the processes of credit control, collection of trade receivables and follow up of overdue balances;</li> <li>• Assessing the subsidiaries' accounting policy for ECL on trade receivables with applicable accounting standards;</li> </ul> |

## Independent Auditors' Report

### Key Audit Matters (Continued)

#### Description of Key Audit Matter (Continued)

#### Loss allowance on trade receivables (Continued)

(refer note 12 to the Consolidated Financial Statements)

| The key audit matter   | How the matter was addressed in our audit  |
|--|--|
| <p>Subsidiaries assess the ECL allowance for these individual / small customers resulting from all possible defaults over the expected life of the receivables. These are generally expected to be recognized before a trade receivable becomes past due. ECL is assessed at each reporting date on collective basis using provision matrix.</p> <p>The measurement of ECL involves significant judgements and assumptions, primarily including:</p> <ul style="list-style-type: none"> <li>- Adjusted historical credit loss experience;</li> <li>- Loss rate in provision matrix depending on days past due;</li> <li>- credit risk of customers and</li> <li>- historical experience adjusted for future economic conditions.</li> </ul> <p>Those subsidiaries' have established governance process for the measurement of ECL.</p> <p>For measuring ECL, the Group adopted provision matrix, employed numerous parameters and applied significant estimates and judgements. In addition, the exposures of the trade receivables of crop protection segment and the ECL involve significant amounts. In view of the estimates and judgements involved, we identified the assessment of ECL on trade receivables of crop protection segment as a key audit matter.</p> | <ul style="list-style-type: none"> <li>• Involving our IT specialists to assess and obtain evidence over ageing report of days past due. Assessing the classification of trade receivables based on such ageing report generated from the IT systems;</li> <li>• Challenging the ECL estimates by examining the information used to form such estimates;</li> <li>• Checking completeness and accuracy of the data used by those subsidiaries for computation of assumptions used for computing ECL on trade receivables. Assessing assumptions such as the basis of segmentation of trade receivables, historical default rate and other related factors;</li> <li>• Obtaining independent customers' confirmations on the outstanding balances on sample (using statistical sampling) basis. Verifying balances obtained from customers with balance in the books along with applicable reconciling items. Inspecting subsequent bank receipts from customers and other relevant underlying documentation relating to closing trade receivable balances on a sample basis (using statistical sampling) when confirmations are not received;</li> <li>• Examining sample manual journal entries (using statistical sampling) for loss allowances to identify any unusual or irregular items.</li> </ul> |

#### Impairment of Goodwill and Intangible assets (refer notes 3c and 43 to the Consolidated Financial Statements)

| The key audit matter  | How the matter was addressed in our audit   |
|---|---|
| <p>Certain of the Holding Company's subsidiaries' test goodwill and intangible assets with indefinite life for impairment annually or more frequently if events or changes in circumstances indicate that they might be impaired.</p> <p>The assessment process is complex by nature and involves judgement. It is based on assumptions of:</p> <ul style="list-style-type: none"> <li>- projected future cash inflows;</li> <li>- expected growth rate;</li> <li>- discount rate;</li> <li>- perpetuity;</li> <li>- sensitivity analyses;</li> <li>- expected profitability; and</li> <li>- future market and / or economic conditions.</li> </ul> <p>We accordingly consider the impairment evaluation of goodwill and intangible assets by these subsidiaries as a key audit matter.</p> | <p>Our audit procedures in respect of impairment of goodwill and intangible assets included the following:</p> <ul style="list-style-type: none"> <li>• Testing operating effectiveness of controls over determination of the recoverable amount of cash generating units. Cash generating units for this purpose are those to which the goodwill is allocated or include intangible assets with indefinite life;</li> <li>• Evaluating the valuation working for cash generating unit's impairment assessment;</li> <li>• Testing impairment assessment of goodwill based on market capitalization, where applicable;</li> <li>• Involving our valuation specialists to assist in the evaluation of assumptions and methodologies used by the subsidiaries;</li> <li>• Challenging the underlying key assumptions such as discount rate, growth rate etc. in estimating projections including cash flows. These are compared to economic and industry forecasts with assistance of our valuation specialists;</li> <li>• Assessing the sensitivity of the outcome of impairment assessment. This is tested to changes in key assumptions.</li> </ul> |

## Independent Auditors' Report

### Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the holding Company's annual report, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures is responsible for overseeing the financial reporting process of each company.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

## Independent Auditors' Report

### Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associates and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

### Other Matters

- (a) We did not audit the financial statements of five subsidiaries, whose annual financial statements reflect total assets of ₹ 317.49 crores (before consolidation adjustments) as at 31 March 2020, total revenues of ₹ 313.83 crores (before consolidation adjustments), Group's share of total net profit after tax of ₹ 2.44 crores (before consolidation adjustments) and net cash flow amounting to ₹ 20.55 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit after tax (before

## Independent Auditors' Report

### Other Matters (Continued)

consolidation adjustments) (including other comprehensive income) of ₹ 29.59 crores for the year ended 31 March 2020, in respect of one joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Holding Company's Management, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint venture is based solely on the audit reports of the other auditors.

- (b) The consolidated financial statements include the financial statements of three subsidiaries which reflect total assets of ₹ 0.06 crores as at 31 March 2020, total revenue (before consolidation adjustments) of ₹ 88.01 crores, total net loss after tax (before consolidation adjustments) of ₹ 27.97 crores and net cash flow amounting to ₹ 8.97 crores for the year ended on that date, as considered in the consolidated financial statements, which have not been audited either by us or by other auditors. The consolidated financial statements also include the Group's share of loss after tax (including other comprehensive income) of ₹ 6.78 crores for the year ended 31 March 2020, as considered in the consolidated financial statements, in respect of one associate and one joint venture whose financial statements have not been audited by us or by other auditors. These unaudited financial statements have been furnished to us by the Holding Company's Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associate and joint venture, and our report in terms of sub section (3) of Section 143 of the Act in so far as relates to the aforesaid subsidiaries, associate and joint venture is based on solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Holding Company's Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

### Report on Other Legal and Regulatory Requirements

- A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries, associates and joint ventures as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and joint ventures incorporated in India, none of the directors of the Group companies, its associate companies, and joint ventures incorporated in India is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, associate companies and joint ventures incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".



## Independent Auditors' Report

### Report on Other Legal and Regulatory Requirements (Continued)

- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, associates and joint ventures, as noted in the 'Other Matters' paragraph:
- i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2020 on the consolidated financial position of the Group, its associates and joint ventures. Refer Note 38 to the consolidated financial statements.
  - ii. The Group, its associates and joint ventures did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2020.
  - iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies, associate companies and joint ventures incorporated in India during the year ended 31 March 2020.

- C. With respect to the matter to be included in the Auditor's report under section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies, associate companies and joint ventures incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company, its subsidiary companies, associate companies and joint ventures to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, its subsidiary companies, associate companies and joint ventures 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 **BSR & Co. LLP**

*Chartered Accountants*

Firm's Registration No: 101248W/W-100022

**Vijay Mathur**

Partner

Membership No. : 046476

ICAI UDIN No. 20046476AAAACA9885

Place: Mumbai

Date: 22 May 2020

## **Annexure A to the Independent Auditors' report on the consolidated financial statements of Godrej Industries Limited for the year ended 31 March 2020**

**Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

**(Referred to in paragraph (A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

### **Opinion**

In conjunction with our audit of the consolidated financial statements of Godrej Industries Limited (hereinafter referred to as "the Holding Company" or "the Company") as of and for the year ended 31 March 2020, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and such companies incorporated in India under the Companies Act, 2013 ("the Act") which are its subsidiary companies, its associate companies and its joint venture companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, its associate companies and joint venture companies have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

### **Management's Responsibility for Internal Financial Controls**

The respective company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies, associate companies and joint venture companies in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

## **Annexure A to the Independent Auditors' report on the consolidated financial statements of Godrej Industries Limited for the year ended 31 March 2020 (Continued)**

### **Meaning of Internal Financial controls with Reference to Consolidated Financial Statements**

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

### **Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements**

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to three subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

**Vijay Mathur**  
Partner

Place: Mumbai  
Date: 22 May 2020

Membership No. : 046476  
ICAI UDIN No. 20046476AAAACA9885

## Consolidated Balance Sheet as at March 31, 2020

Amount ₹ in Crore

| Particulars  | Note No. | As at            | As at                        |
|--|----------|------------------|------------------------------|
|  |          | March 31, 2020   | March 31, 2019<br>(Restated) |
| <b>ASSETS</b>  |          |                  |                              |
| <b>Non Current Assets</b>  |          |                  |                              |
| Property, Plant and Equipment  | 3        | 2,986.99         | 2,999.72                     |
| Capital Work in Progress   | 3a       | 329.29           | 199.61                       |
| Rights of use of Assets  | 45       | 117.17           | -                            |
| Investment Property  | 3b       | 192.35           | 160.90                       |
| Goodwill   | 43       | 683.34           | 593.58                       |
| Other Intangible Assets  | 3c       | 69.28            | 69.39                        |
| Intangible Assets Under Development  | 3d       | 4.79             | 2.24                         |
| Biological Assets other than bearer plants   | 3e       | 21.95            | 19.00                        |
| Equity accounted investees   | 4a       | 3,831.36         | 3,499.70                     |
| <b>Financial Assets</b>  |          |                  |                              |
| Investments  | 4b       | 701.27           | 921.52                       |
| Trade Receivables  | 5        | 89.83            | 14.21                        |
| Loans  | 6        | 56.60            | 52.01                        |
| Other Financial Assets   | 7        | 8.12             | 45.75                        |
| Deferred Tax Assets (Net)  | 8        | 514.99           | 649.73                       |
| Other tax assets (Net)   |          | 201.67           | 193.08                       |
| Other Non Current Assets   | 9        | 82.83            | 120.95                       |
| <b>Current Assets</b>  |          |                  |                              |
| Biological Assets other than bearer plants   | 3e       | 57.74            | 52.98                        |
| Inventories  | 10       | 3,186.89         | 3,410.18                     |
| <b>Financial Assets</b>  |          |                  |                              |
| Investments  | 11       | 2,061.57         | 1,052.10                     |
| Trade Receivables  | 12       | 1,552.45         | 1,160.29                     |
| Cash and cash equivalents  | 13a      | 590.41           | 750.47                       |
| Other Bank balances  | 13b      | 388.05           | 194.26                       |
| Loans  | 14       | 1,635.18         | 1,048.74                     |
| Other Financial Assets   | 15       | 547.63           | 375.29                       |
| Current Tax Assets (Net)   |          | 0.06             | -                            |
| Other Current Assets   | 16       | 553.31           | 528.53                       |
| Assets classified as held for Sale and Discontinued Operations                         | 55       | -                | 157.02                       |
| <b>TOTAL ASSETS</b>  |          | <b>20,465.12</b> | <b>18,271.25</b>             |
| <b>EQUITY AND LIABILITIES</b>  |          |                  |                              |
| <b>EQUITY</b>  |          |                  |                              |
| Equity Share Capital   | 17       | 33.65            | 33.64                        |
| Other Equity   | 18       | 5,753.05         | 4,312.80                     |
| Equity attributable to owners of the Company   |          | 5,786.70         | 4,346.44                     |
| Non-controlling interest   |          | 3,560.66         | 2,212.14                     |
| <b>TOTAL EQUITY</b>  |          | <b>9,347.36</b>  | <b>6,558.58</b>              |
| <b>LIABILITIES</b>   |          |                  |                              |
| <b>Non Current Liabilities</b>   |          |                  |                              |
| <b>Financial Liabilities</b>   |          |                  |                              |
| Borrowings   | 19       | 612.63           | 1,196.20                     |
| Lease Liabilities  | 45       | 28.42            | -                            |
| Other Financial Liabilities  | 20       | 1.35             | 1.01                         |
| Provisions   | 21       | 34.07            | 26.95                        |
| Deferred Tax Liabilities (Net)   | 22       | 242.55           | 278.37                       |
| Other Non Current Liabilities  | 23       | 22.21            | 21.32                        |
| <b>Current Liabilities</b>   |          |                  |                              |
| <b>Financial Liabilities</b>   |          |                  |                              |
| Borrowings   | 24       | 6,037.42         | 5,626.47                     |
| Other Financial Liabilities (includes Lease Liabilities)                               | 26       | 1,348.42         | 823.56                       |
| Trade Payables   |          |                  |                              |
| Total outstanding dues of micro enterprises and small enterprises                      | 25       | 30.97            | 38.23                        |
| Total outstanding dues of creditors other than micro enterprises and small enterprises |          | 2,149.43         | 1,840.01                     |
| Other Current Liabilities  | 27       | 449.92           | 1,612.16                     |
| Provisions   | 28       | 70.89            | 57.11                        |
| Current Tax Liabilities (Net)  |          | 89.48            | 39.80                        |
| Liabilities directly associated with Discontinued Operations                           | 55       | -                | 151.48                       |
| <b>TOTAL LIABILITIES</b>   |          | <b>11,117.76</b> | <b>11,712.67</b>             |
| <b>TOTAL EQUITY AND LIABILITIES</b>  |          | <b>20,465.12</b> | <b>18,271.25</b>             |
| Significant Accounting Policies  | 2        |                  |                              |

The accompanying notes form an integral part of consolidated financial statements

As per our Report attached

For and on behalf of the Board of Directors of

**Godrej Industries Limited**

CIN No.: L24241MH1988PLC097781

**For B S R & Co. LLP**

Chartered Accountants

Firm Regn. No. : 101248W / W-100022

**Vijay Mathur**

Partner

M.No. : 046476

Mumbai, May 22, 2020

**A. B. Godrej**

Chairman

DIN : 00065964

**Clement Pinto**

Chief Financial Officer

**N. S. Nabar**

Executive Director &amp;

President (Chemicals)

DIN : 06521655

**Tejal Jariwala**

Company Secretary

# Consolidated Statement of Profit and Loss for the year ended March 31, 2020

Amount ₹ in Crore

| Particulars   | Note No. | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019<br>(Restated) |
|---|----------|------------------------------|--|
| Revenue from Operations   | 29       | 11,290.75                    | 10,848.19                                  |
| Other Income  | 30       | 571.61                       | 481.51                                     |
| <b>Total Income</b>   |          | <b>11,862.36</b>             | <b>11,329.70</b>                           |
| <b>Expenses</b>   |          |                              |  |
| Cost of Materials Consumed  | 31a      | 6,304.58                     | 5,673.25                                   |
| Cost of Property Development  | 31b      | 1,487.81                     | 553.36                                     |
| Purchases of Stock in Trade   |          | 527.51                       | 544.30                                     |
| Changes in Inventories of Finished Goods, Stock in Trade and Work in Progress                 | 32       | 35.72                        | 1,591.17                                   |
| Employee Benefits Expenses  | 33       | 678.87                       | 587.01                                     |
| Finance Costs   | 34       | 492.87                       | 507.71                                     |
| Depreciation and Amortisation Expenses  | 35a      | 233.84                       | 163.14                                     |
| Other Expenses  | 35b      | 1,445.05                     | 1,209.41                                   |
| <b>Total Expenses</b>   |          | <b>11,206.25</b>             | <b>10,829.35</b>                           |
| Profit Before Exceptional Items, Share of Profit of Equity Accounted Investees and Tax        |          | 656.11                       | 500.35                                     |
| Exceptional Items   | 36       | (9.92)                       | 88.30                                      |
| Profit Before Share of Profit of Equity Accounted Investees and Tax                           |          | 646.19                       | 588.65                                     |
| Share of Profit of Equity Accounted Investees (net of Income Tax)                             |          | 261.15                       | 572.30                                     |
| Profit before Tax   |          | 907.34                       | 1,160.95                                   |
| <b>Tax Expense</b>  |          |                              |  |
| Current Tax   | 44       | 172.45                       | 62.60                                      |
| Deferred Tax  | 44       | 99.13                        | 144.63                                     |
| Prior Period Tax adjustments  | 44       | 1.22                         | 14.99                                      |
| <b>Total Tax Expenses</b>   |          | <b>272.80</b>                | <b>222.22</b>                              |
| <b>Profit for the Year from continuing operations</b>   |          | <b>634.54</b>                | <b>938.73</b>                              |
| (Loss) from discontinued operations   | 55       | (27.27)                      | (75.00)                                    |
| Exceptional Items - Gain on sale of discontinued operations                                   | 55       | 200.94                       | -  |
| <b>Profit / (Loss) for the Year from discontinued operations</b>                              |          | <b>173.67</b>                | <b>(75.00)</b>                             |
| <b>Profit for the Year</b>  |          | <b>808.21</b>                | <b>863.73</b>                              |
| <b>Other Comprehensive Income</b>   |          |                              |  |
| <b>Items that will not be reclassified to Profit or Loss</b>                                  |          |                              |  |
| a) Remeasurements of defined benefit plans  |          |                              |  |
| i) continuing operations  |          | (8.21)                       | (2.39)                                     |
| ii) discontinued operations   | 55       | -                            | 0.51                                       |
| b) Equity accounted investees' share of other comprehensive income                            |          | 0.12                         | 0.05                                       |
| <b>Income Tax related to Items that will not be reclassified to Profit or Loss</b>            |          | <b>1.68</b>                  | <b>1.08</b>                                |
| <b>Items that will be reclassified to Profit or Loss</b>                                      |          |                              |  |
| a) Exchange differences on translation of financial statements of foreign operations          |          | (0.93)                       | 0.45                                       |
| b) Effective portion of (losses)/gains on hedging instruments in cash flow hedges             |          | -                            | 0.35                                       |
| c) Equity accounted investees' share of other comprehensive income                            |          | 53.93                        | 31.65                                      |
| <b>Income Tax related to Items that will be reclassified to Profit or Loss</b>                |          | <b>-</b>                     | <b>(0.12)</b>                              |
| <b>Total Other Comprehensive Income</b>   |          | <b>46.59</b>                 | <b>31.58</b>                               |
| <b>Total Comprehensive Income for the Year</b>  |          | <b>854.80</b>                | <b>895.31</b>                              |
| <b>Profit Attributable to :</b>   |          |                              |  |
| a) Owners of the Company  |          | 552.18                       | 589.53                                     |
| b) Non-Controlling Interest   |          | 256.03                       | 274.20                                     |
| <b>Other Comprehensive Income Attributable to :</b>   |          |                              |  |
| a) Owners of the Company  |          | 48.61                        | 32.17                                      |
| b) Non-Controlling Interest   |          | (2.02)                       | (0.59)                                     |
| <b>Total Comprehensive Income Attributable to :</b>   |          |                              |  |
| a) Owners of the Company  |          | 600.79                       | 621.70                                     |
| b) Non-Controlling Interest   |          | 254.01                       | 273.61                                     |
| <b>Total Comprehensive Income Attributable to owners arising from:</b>                        |          |                              |  |
| Continuing operations   |          | 628.06                       | 696.19                                     |
| Discontinued operations   | 55       | (27.27)                      | (74.49)                                    |
| Earnings Per Equity share for continuing operations (Face Value of ₹ 1 each)                  | 37       |                              |  |
| Basic   |          | 11.25                        | 19.76                                      |
| Diluted   |          | 11.25                        | 19.75                                      |
| Earnings Per Equity share for discontinued operations (Face Value of ₹ 1 each)                | 37       |                              |  |
| Basic   |          | 5.16                         | (2.23)                                     |
| Diluted   |          | 5.16                         | (2.23)                                     |
| Earnings Per Equity share for continuing and discontinued operations (Face Value of ₹ 1 each) | 37       |                              |  |
| Basic   |          | 16.41                        | 17.53                                      |
| Diluted   |          | 16.41                        | 17.52                                      |
| Significant Accounting Policies   | 2        |                              |  |

The accompanying notes form an integral part of consolidated financial statements

As per our Report attached

For and on behalf of the Board of Directors of

**Godrej Industries Limited**

CIN No.: L24241MH1988PLC097781

**For B S R & Co. LLP**

Chartered Accountants

Firm Regn. No. : 101248W / W-100022

**Vijay Mathur**

Partner

M.No. : 046476

Mumbai, May 22, 2020

**A. B. Godrej**

Chairman

DIN : 00065964

**Clement Pinto**

Chief Financial Officer

**N. S. Nabar**

Executive Director &amp;

President (Chemicals)

DIN : 06521655

**Tejal Jariwala**

Company Secretary

# Consolidated Statement of Changes in Equity for the year ended March 31, 2020

## A. Equity Share Capital (refer note 17)

|   | As at March 31, 2020 |                   | As at March 31, 2019 |                   |
|---|----------------------|-------------------|----------------------|-------------------|
|   | No. of Shares        | Amount ₹ In Crore | No. of Shares        | Amount ₹ In Crore |
| Balance at the beginning of the year            | 33,63,84,367         | 33.64             | 33,62,72,731         | 33.63             |
| Changes in equity share capital during the year | 81,649               | 0.01              | 1,11,636             | 0.01              |
| Balance at the end of the year                  | 33,64,66,016         | 33.65             | 33,63,84,367         | 33.64             |

## B. Other Equity (refer note 18)

| Particulars  | Other Equity (Restated) |                                  |                 |                            |                  |                 |  |                 |                                  |                             |  | Amount ₹ in Crore                               |                       |               |   |                                       |                          |
|--|-------------------------|----------------------------------|-----------------|----------------------------|------------------|-----------------|--|-----------------|----------------------------------|-----------------------------|--|---|-----------------------|---------------|---|---------------------------------------|--------------------------|
|  | Retained Earnings       | Non Controlling Interest Reserve | General Reserve | Capital Redemption Reserve | Security Premium | Capital Reserve | Capital Reserve on account of Amalgamation | Special Reserve | Employee Stock Grant Outstanding | Debiture Redemption Reserve | Gain on sale of subsidiary without using control | Foreign Currency Translation Difference Account | Cash/Dividend Reserve | Hedge Reserve | Foreign Operations - Currency Translation Differences | Total Before Non Controlling Interest | Non Controlling Interest |
| <b>Balance at April 01, 2018</b>   | 1,286.06                | 744.39                           | 65.85           | 31.46                      | 943.70           | 28.45           | 2.31                                       | 3.98            | 7.67                             | 28.86                       | 180.67   | 9.59  | (0.06)                | (31.94)       | 3,300.79  | 1,357.22                              | 4,658.01                 |
| Profit for the year  | 589.53                  | -                                | -               | -                          | -                | -               | -  | -               | -                                | -                           | -  | -   | -                     | -             | 589.53  | 274.20                                | 863.73                   |
| Other Comprehensive Income (net of tax)  | (0.07)                  | -                                | -               | -                          | -                | -               | -  | -               | (7.41)                           | -                           | -  | -   | (3.09)                | 35.33         | 32.17   | (0.59)                                | 31.58                    |
| Transfer from Employee Stock Option Grant  | -                       | 2.93                             | -               | -                          | 4.48             | -               | -  | -               | -                                | -                           | -  | -   | -                     | -             | -   | -                                     | -                        |
| Transfer from Surplus  | (50.00)                 | -                                | -               | -                          | -                | -               | -  | -               | 50.00                            | -                           | -  | -   | -                     | -             | -   | -                                     | -                        |
| Amortisation of Intangibles as per Merger Scheme                                   | -                       | -                                | (2.77)          | -                          | -                | -               | -  | -               | -                                | -                           | -  | -   | -                     | -             | (2.77)  | -                                     | (2.77)                   |
| Exercise of Stock Grant (Net of Deferred Stock Grant Expense)                      | -                       | -                                | -               | -                          | -                | -               | -  | -               | 11.13                            | -                           | -  | -   | -                     | -             | 11.13   | -                                     | 11.13                    |
| Adjustment for Ind AS Put option Liability   | 18.48                   | -                                | -               | -                          | -                | -               | -  | -               | -                                | -                           | -  | 1.54  | -                     | -             | 18.48   | -                                     | 18.48                    |
| Additions during the year  | -                       | 886.96                           | -               | -                          | -                | -               | 5.51                                       | -               | -                                | -                           | -  | -   | -                     | -             | 994.01  | -                                     | 994.01                   |
| Utilisation for issue of Shares during the year pursuant to Scheme of Amalgamation | -                       | -                                | -               | -                          | (35.42)          | -               | -  | -               | -                                | -                           | -  | -   | -                     | -             | (35.42)   | -                                     | (35.42)                  |
| <b>Transactions with the owners of the Company, recorded directly in equity</b>    |                         |                                  |                 |                            |                  |                 |  |                 |                                  |                             |  |   |                       |               |   |                                       |                          |
| Final Dividend   | (85.17)                 | -                                | -               | -                          | -                | -               | -  | -               | -                                | -                           | -  | -   | -                     | -             | (85.17)   | -                                     | (85.17)                  |
| Dividend Distribution Tax (DDT)  | (19.54)                 | -                                | -               | -                          | -                | -               | -  | -               | -                                | -                           | -  | -   | -                     | -             | (19.54)   | -                                     | (19.54)                  |
| Adjustment arising on acquisition / Deletion and Non Controlling Interest          | 58.87                   | (539.33)                         | 1.16            | -                          | -                | (7.01)          | -  | -               | (1.30)                           | (22.53)                     | -  | -   | (0.08)                | (0.21)        | (480.44)  | 581.31                                | 1,009.91                 |
| <b>Balance at March 31, 2019</b>   | 1,788.16                | 1,224.95                         | 64.24           | 31.46                      | 912.76           | 28.45           | 0.81                                       | 3.98            | 10.09                            | 56.13                       | 180.67   | 11.13   | (3.21)                | 3.18          | 4,912.80  | 2,212.14                              | 6,924.94                 |
| Transition impact on adoption of Ind AS 116 (Refer Note 45)                        | (8.79)                  | -                                | -               | -                          | -                | -               | -  | -               | -                                | -                           | -  | -   | -                     | -             | (8.79)  | -                                     | (8.79)                   |
| <b>Balance at April 01, 2019 (Restated)</b>  | 1,779.37                | 1,224.95                         | 64.24           | 31.46                      | 912.76           | 28.45           | 0.81                                       | 3.98            | 10.09                            | 56.13                       | 180.67   | 11.13   | (3.21)                | 3.18          | 4,904.01  | 2,212.14                              | 6,516.15                 |
| Profit for the year  | 582.18                  | -                                | -               | -                          | -                | -               | -  | -               | -                                | -                           | -  | -   | -                     | -             | 582.18  | 256.03                                | 838.21                   |
| Other Comprehensive Income (net of tax)  | (4.38)                  | -                                | -               | -                          | -                | -               | -  | -               | -                                | -                           | -  | -   | (4.41)                | 57.41         | 48.61   | (2.02)                                | 46.59                    |
| Transfer from Employee Stock Option Grant  | -                       | 4.46                             | -               | -                          | 3.87             | -               | -  | -               | (8.33)                           | -                           | -  | -   | -                     | -             | -   | -                                     | -                        |
| Transfer from Surplus  | (0.05)                  | -                                | -               | -                          | -                | -               | -  | 0.05            | -                                | -                           | -  | -   | -                     | -             | -   | -                                     | -                        |
| Exercise of Stock Grant (Net of Deferred Stock Grant Expense)                      | -                       | -                                | -               | -                          | -                | -               | -  | -               | 8.84                             | -                           | -  | -   | -                     | -             | 8.84  | -                                     | 8.84                     |
| Adjustment for Ind AS Put option Liability   | 43.91                   | -                                | -               | -                          | -                | -               | -  | -               | -                                | -                           | -  | -   | -                     | -             | 43.91   | -                                     | 43.91                    |
| Final Dividend   | (74.86)                 | -                                | -               | -                          | -                | -               | -  | -               | -                                | -                           | -  | -   | -                     | -             | (74.86)   | -                                     | (74.86)                  |
| Dividend Distribution Tax (DDT)  | (17.75)                 | -                                | -               | -                          | -                | -               | -  | -               | -                                | -                           | -  | -   | -                     | -             | (17.75)   | -                                     | (17.75)                  |
| Additions during the year  | -                       | 2,050.88                         | -               | -                          | -                | -               | 0.37                                       | -               | -                                | -                           | -  | 4.62  | -                     | -             | 2,055.87  | -                                     | 2,055.87                 |
| Adjustment arising on acquisition / Deletion and Non Controlling Interest          | 9.63                    | (1,183.32)                       | -               | -                          | 0.36             | 19.16           | -  | -               | (1.12)                           | (6.84)                      | -  | -   | -                     | 0.38          | (1,167.76)  | 1,094.52                              | (73.24)                  |
| <b>Balance at March 31, 2020</b>   | 2,288.04                | 2,090.97                         | 64.24           | 31.46                      | 916.63           | 28.81           | 20.34                                      | 4.03            | 9.48                             | 49.29                       | 180.67   | 15.75   | (7.62)                | 60.97         | 5,753.05  | 3,580.86                              | 9,333.71                 |

Refer Note 18 for Nature and Purpose of Reserves. The accompanying notes form an integral part of consolidated financial statements.

As per our Report attached

For and on behalf of the Board of Directors of  
**Godrej Industries Limited**  
GIN No.: L24241MH1988PLCO97781

**For B S R & Co. LLP**

Chartered Accountants

Firm Regn. No.: 101248W / W-100022

**A. B. Godrej**

Chairman

DIN : 00065964

**N. S. Nabar**

Executive Director & President

(Chemicals)  
DIN : 06521655

**Vijay Mathur**

Partner

M.No.: 046476

Mumbai, May 22, 2020

**Clement Pinto**

Chief Financial Officer

**Tejal Jariwala**

Company Secretary

## Consolidated Cash Flow Statement for the year ended March 31, 2020

| Particulars  | Amount ₹ in Crore            |  |
|--|------------------------------|--|
|  | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019<br>(Restated) |
| <b>A. Cash Flow From Operating Activities:</b>   |                              |  |
| Profit Before Tax from Continuing Operations   | 907.34                       | 1,160.95                                   |
| Profit/(Loss) Before Tax from Discontinued Operations                                  | 173.67                       | (75.00)                                    |
| Adjustments for:   |                              |  |
| Depreciation and Amortisation  | 233.84                       | 172.97                                     |
| Unrealised Foreign Exchange revaluation  | 15.92                        | 4.27                                       |
| Profit on Sale of Investments (net)  | (98.13)                      | (65.72)                                    |
| Loss / (Profit) on Sale, Write off and Provision of Property Plant and Equipment (net) | 2.99                         | (14.64)                                    |
| Grant amortisation   | (1.43)                       | (1.30)                                     |
| Impairment of Goodwill   | 0.06                         | -  |
| Expenses on Amalgamation   | 0.35                         | 0.40                                       |
| Interest Income  | (358.79)                     | (237.03)                                   |
| Interest & Finance Charges   | 492.87                       | 516.33                                     |
| Employee Stock Grant Scheme  | 8.74                         | 7.70                                       |
| Income from Investment measured at FVTPL   | (25.42)                      | (85.74)                                    |
| Bad Debts written off  | 22.85                        | 18.67                                      |
| Write down of inventories  | 33.32                        | 4.75                                       |
| Share of profit of Equity accounted investees (net of tax)                             | (261.15)                     | (572.30)                                   |
| Provision for Doubtful Debts and Sundry Balances (net)                                 | 31.25                        | 26.31                                      |
| Liabilities no longer required written back  | (6.88)                       | (18.26)                                    |
| Profit on sale of Subsidiary   | (200.94)                     | -  |
| Exceptional items - Expense / (Income)   | 9.92                         | (88.30)                                    |
| Change in fair value of Biological Assets  | 0.59                         | -  |
| Lease rent from investment property  | (0.66)                       | (0.79)                                     |
| <b>Operating Profit Before Working Capital Changes</b>                                 | <b>980.31</b>                | <b>753.27</b>                              |
| Adjustments for :  |                              |  |
| (Decrease) in Non-financial Liabilities  | (1,090.47)                   | (1,176.39)                                 |
| Increase in Financial Liabilities  | 431.52                       | 252.47                                     |
| Decrease in Inventories  | 226.71                       | 1,509.08                                   |
| (Increase) in Biological assets other than bearer plants                               | (16.28)                      | (0.42)                                     |
| (Increase) / Decrease in Non-financial Assets  | (19.69)                      | 64.70                                      |
| Decrease / (Increase) in Financial Assets  | 9.45                         | (5.82)                                     |
| <b>Cash Generated from Operations</b>  | <b>521.55</b>                | <b>1,396.89</b>                            |
| Direct Taxes Paid (net of refunds)   | (127.59)                     | (156.54)                                   |
| <b>Net Cash generated from Operating Activities</b>                                    | <b>393.96</b>                | <b>1,240.35</b>                            |
| <b>B. Cash Flow from Investing Activities:</b>   |                              |  |
| Purchase of Property, Plant and Equipment  | (387.92)                     | (441.07)                                   |
| Proceeds from Sale of Property, Plant and Equipment                                    | 6.86                         | 36.35                                      |
| (Investment) / Withdrawal in joint ventures and associate (net)                        | (151.75)                     | 0.01                                       |
| Proceeds from sale of discontinued operations (net)                                    | 174.38                       | -  |
| Purchase of Investment   | (4,467.93)                   | (3,597.20)                                 |
| Capital subsidy received   | -                            | 2.76                                       |
| Acquisition of subsidiaries (refer note 54)  | (4.15)                       | (46.90)                                    |
| Proceeds from Sale of Investments  | 3,424.00                     | 2,545.63                                   |
| Loan given to/ (Repayment) joint ventures, others (net)                                | (530.89)                     | 21.81                                      |
| Investment in debentures of joint ventures   | (188.81)                     | -  |
| Proceeds from redemption of debentures of joint ventures                               | 162.74                       | -  |
| Intercompany Deposits / Loans (net)  | -                            | 5.91                                       |
| Expenses on Amalgamation   | (0.35)                       | (35.82)                                    |
| Interest Received  | 88.78                        | 134.26                                     |
| Dividend Received  | 0.07                         | -  |
| Lease rent from investment property  | 0.66                         | 0.80                                       |
| <b>Net Cash (used) in Investing Activities</b>   | <b>(1,874.31)</b>            | <b>(1,373.46)</b>                          |
| <b>C. Cash Flow from Financing Activities:</b>   |                              |  |
| Proceeds from issue of Equity shares   | 1.35                         | 1.85                                       |
| Transactions with non-controlling interests  | 1,917.58                     | 993.90                                     |
| Redemption of preference shares  | -                            | (0.01)                                     |
| Proceeds from Non Current Borrowings   | 15.46                        | 570.00                                     |
| Repayment of Non Current Borrowings  | (351.42)                     | (634.70)                                   |
| Proceeds from / (Repayment of ) Current Borrowings (net)                               | 425.49                       | 823.87                                     |
| Interest & Finance Charges Paid  | (565.03)                     | (580.83)                                   |
| Dividend Paid  | (77.70)                      | (97.98)                                    |
| Payment of unclaimed fixed deposits  | (0.14)                       | (0.27)                                     |
| Tax on Distributed Profits   | (18.35)                      | (20.11)                                    |
| <b>Net Cash generated from Financing Activities</b>                                    | <b>1,347.24</b>              | <b>1,055.71</b>                            |
| <b>Net (Decrease) / Increase in Cash and Cash Equivalents</b>                          | <b>(133.11)</b>              | <b>922.60</b>                              |
| Cash and Cash Equivalents (Opening Balance)  | 574.44                       | (361.35)                                   |
| Acquisition of Cash pursuant to acquisition of subsidiaries (refer note 54)            | 0.06                         | 13.19                                      |
| Effect of exchange rate fluctuations on cash held                                      | 0.18                         | -  |
| Cash and Cash Equivalents (Closing Balance)  | 441.57                       | 574.44                                     |

## Consolidated Cash Flow Statement for the year ended March 31, 2020

Notes :

1 The Cash Flow Statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) Statement of Cash Flows

2 **Cash and Cash Equivalents** (Amount ₹ in Crore)

| Particulars                                 | As at<br>March 31, 2020 | As at<br>March 31, 2019<br>(Restated) |
|---|-------------------------|---------------------------------------|
| Balances with Banks                         |                         |                                       |
| Current Accounts                            | 461.76                  | 625.30                                |
| Deposits having maturity less than 3 months | 113.21                  | 111.24                                |
| Cheques, Drafts on Hand                     | 11.30                   | 10.46                                 |
| Cash on Hand                                | 4.15                    | 3.47                                  |
| <b>Cash and Cash Equivalents</b>            | <b>590.41</b>           | <b>750.47</b>                         |
| Bank Overdraft repayable on Demand          | (148.84)                | (176.03)                              |
| <b>Cash and Cash Equivalents</b>            | <b>441.57</b>           | <b>574.44</b>                         |

3 **Effect of disposal of subsidiary on the financial position of the Group** (Amount ₹ in Crore)

| Particulars                                 | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019<br>(Restated) |
|---|------------------------------|--|
| Capital work-in-progress                    | -                            | 0.00                                       |
| Investments in joint ventures and associate | -                            | 0.00                                       |
| Deferred tax assets (Net)                   | -                            | 0.00                                       |
| Current Financial Assets                    | 226.72                       | -  |
| Current Non-Financial Assets                | -                            | 0.00                                       |
| Cash and cash equivalents                   | 8.04                         | 0.01                                       |
| Non Current Financial Liabilities           | -                            | 0.00                                       |
| Current Financial Liabilities               | 235.16                       | 0.06                                       |
| Current Non-Financial Liabilities           | 0.00                         | 0.00                                       |
| <b>Assets net of Liabilities</b>            | <b>(0.40)</b>                | <b>(0.05)</b>                              |

4 **Reconciliation of liabilities arising from financing activities** (Amount ₹ in Crore)

| Particulars   | As at<br>April 01, 2019 | Cash Flow    | Non Cash<br>Changes | As at<br>March 31, 2020 |
|---|-------------------------|--------------|---------------------|-------------------------|
| Non Current Borrowings (including current maturities of long term debt) | 1,509.13                | (335.96)     | 11.45               | <b>1,184.62</b>         |
| Current Borrowings  | 5,526.24                | 425.49       | (63.15)             | <b>5,888.58</b>         |
| <b>Total Borrowings</b>   | <b>7,035.37</b>         | <b>89.53</b> | <b>(51.70)</b>      | <b>7,073.20</b>         |

(Amount ₹ in Crore)

| Particulars   | As at<br>April 01, 2018 | Cash Flow     | Non Cash<br>Changes | As at<br>March 31, 2019 |
|---|-------------------------|---------------|---------------------|-------------------------|
| Non Current Borrowings (including current maturities of long term debt) | 1,559.37                | (64.70)       | 14.46               | 1,509.13                |
| Current Borrowings  | 4,689.72                | 823.87        | 12.65               | 5,526.24                |
| <b>Total Borrowings</b>   | <b>6,249.09</b>         | <b>759.17</b> | <b>27.11</b>        | <b>7,035.37</b>         |

The accompanying notes form an integral part of consolidated financial statements

As per our Report attached

For and on behalf of the Board of Directors of

**Godrej Industries Limited**

CIN No.: L24241MH1988PLC097781

**For B S R & Co. LLP**

Chartered Accountants

Firm Regn. No. : 101248W / W-100022

**Vijay Mathur**

Partner

M.No. : 046476

Mumbai, May 22, 2020

**A. B. Godrej**

Chairman

DIN : 00065964

**Clement Pinto**

Chief Financial Officer

**N. S. Nabar**

Executive Director &

President (Chemicals)

DIN : 06521655

**Tejal Jariwala**

Company Secretary



# Notes to the Consolidated Financial Statements

## Note 1 : General Information

### 1. Group Overview

Godrej Industries Limited (“the Company”) including its Subsidiaries, and interests in Joint Ventures, Associates and, Limited Liability Partnerships (collectively referred to as “the Group”), is engaged in the business of Chemicals, Agri Inputs, Estate and Property Development, Vegetable Oil, Finance and Investments, Dairy, Animal Feeds, and other related activities. The Company is domiciled and incorporated in the Republic of India with its registered address situated at Godrej One, Pirojshanagar, Vikhroli (East), Mumbai - 400079 and is listed on BSE Limited and The National Stock Exchange of India Limited (NSE).

### 2. Basis of preparation

The Consolidated Financial Statements of the Group have been prepared on an accrual basis to comply in all material aspects with the Indian Accounting Standards (hereinafter referred to as the ‘Ind AS’) as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and other generally accepted accounting principles in India, under the historical cost convention except for the following :

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value (refer accounting policy regarding financial instruments).
- asset held for sale and biological assets – measured at fair value less cost to sell;
- defined benefit plans- plan assets measured at fair value less present value of defined benefit obligation; and
- share based payments measured at fair value.

The consolidated financial statements have been prepared on a going concern basis. The accounting policies are applied consistently to all the periods presented in the consolidated financial statements.

All assets and liabilities have been classified as current or non-current as per the normal operating cycle of each entity in the Group and other criteria as set out in Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities except for under construction real estate projects.

The normal operating cycle in respect of operations relating to under construction real estate projects depends on signing of agreement, size of the project, phasing of the project, type of development, project complexities, approvals needed & realization of project into cash & cash equivalents and range from 3 to 7 years. Accordingly, project related assets & liabilities have been classified into current & non-current based on operating cycle of respective projects.

The consolidated financial statements of the Group for the year ended March 31, 2020 were approved for issue in accordance with the resolution of the Board of Directors on May 22, 2020.

### 3. Functional and presentation currency

The consolidated financial statements are presented in Indian rupees, which is the Group’s functional currency. All financial information presented in Indian rupees have been rounded to the nearest crore, unless otherwise indicated.

### 4. Key estimates and assumptions

The preparation of consolidated financial statements requires Management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable.

Information about critical judgments in applying accounting policies that have the most significant effect on the carrying amounts of assets and liabilities, are as follows:

## Notes to the Consolidated Financial Statements

### Note 1 : General Information (Continued)

- Evaluation of satisfaction of performance obligation at a point in time for the purpose of revenue recognition  
Determination of revenue under the satisfaction of performance obligations at a point in time necessarily involves making estimates, some of which are of a technical nature, concerning, where relevant, the percentages of completion, costs to completion, the expected revenues from the project or activity and the foreseeable losses to completion. Estimates of project income, as well as project costs, are reviewed periodically. The effect of changes, if any, to estimates is recognised in the consolidated financial statements for the period in which such changes are determined.
- Determination of the estimated useful lives of property plant and equipments and intangible assets and the assessment as to which components of the cost may be capitalized.
- Impairment of Property, Plant and Equipment, Financial assets and Other Non-Financial Assets
- Recognition and measurement of defined benefit obligations
- Recognition of deferred tax assets
- Fair valuation of employee share options
- Recognition and measurement of other provisions
- Rebate and Sales Incentives
- Fair value of financial instruments
- Provisions and Contingent Liabilities
- Evaluation of Control
- Leases

### 5. Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

### 6. Measurement of fair values

The Group's accounting policies and disclosures require the measurement of fair values for financial instruments.

The Group has an established control framework with respect to the measurement of fair values. 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.

When measuring the fair value of a financial asset or a financial liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

## Notes to the Consolidated Financial Statements

### Note 1 : General Information (Continued)

#### 7. Basis of Consolidation

##### (i) Subsidiaries

Subsidiaries are all entities (including special purpose entities) that are controlled by the Company. Control exists when the Group is exposed to, or has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. The financial statements of subsidiaries are included in these consolidated financial statements from the date that control commences until the date that control ceases.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those of previous year. The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and the unrealised profits/ losses, unless cost/revenue cannot be recovered.

The excess of cost to the Group of its investment in subsidiaries, on the acquisition dates over and above the Group's share of equity in the subsidiaries, is recognised as 'Goodwill on Consolidation' being an asset in the consolidated financial statements. The said Goodwill is not amortised, however, it is tested for impairment at each Balance Sheet date and the impairment loss, if any, is provided for. Where the share of equity in subsidiaries as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus' in the consolidated financial statements.

Non-controlling interests in the net assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separately within equity.

Non-controlling interests in the net assets of consolidated subsidiaries consists of:

- (a) The amount of equity attributable to non-controlling interests at the date on which investment in a subsidiary is made; and
- (b) The non-controlling interests share of movements in equity since the date parent subsidiary relationship came into existence.

The profit and other comprehensive income attributable to non-controlling interests of subsidiaries are shown separately in the Statement of Profit and Loss and Statement of Changes in Equity.

Upon loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the consolidated statement of Profit & Loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost and the differential is recognised in Statement of Profit or Loss. Subsequently, it is accounted for as an equity-accounted investee depending on the level of influence retained.

##### (ii) Associates and joint ventures (equity accounted investees)

Associates are those entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the entities but is not control or joint control of those policies.

Joint arrangements are those arrangements over which the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. Investments in associates and joint ventures entities are accounted for using the equity method (equity accounted investees) and are initially recognised at cost. The carrying value of the Group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The Group does not consolidate entities where the non-controlling interest ("NCI") holders have certain significant participating rights that provide for effective involvement in significant decisions in the ordinary course of business of such entities. Investments in such entities are accounted by the equity method of accounting. When the Group's share of losses exceeds its interest in an equity accounted

## Notes to the Consolidated Financial Statements

### Note 1 : General Information (Continued)

investee, the carrying amount of that interest (including any long-term investments) is reduced to zero and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as part of 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

#### (iii) Acquisition of non-controlling interests

Acquisition of some or all of the non-controlling interest ("NCI") is accounted for as a transaction with equity holders in their capacity as equity holders. Consequently, the difference arising between the fair value of the purchase consideration paid and the carrying value of the NCI is recorded as an adjustment to Statement of changes in equity that is attributable to the parent company. The associated cash flows are classified as financing activities. No goodwill is recognised as a result of such transactions.

### 8. Business Combinations

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 Group. 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 Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Consideration transferred does not include amounts related to settlement of pre-existing 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.

## Notes to the Consolidated Financial Statements

### Note 2: Significant Accounting policies

#### 1. Property, Plant and Equipment (PPE)

##### (i) Recognition and measurement

Property, plant and equipment are measured at Original cost net of tax / duty credit availed less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Advances paid towards the acquisition of PPE outstanding at each reporting date are classified as capital advances under Other Non-Current Assets and Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

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.

Property, Plant and Equipment are de-recognised from consolidated financial statements on disposal and gains or losses arising from disposal are recognised in the consolidated Statement of Profit and Loss in the year of occurrence.

Exchange differences on repayment and year end translation of foreign currency loans availed upto March 31, 2016 relating to acquisition of depreciable capital assets are adjusted to the carrying cost of the assets.

##### (ii) Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Consolidated Statement of Profit and Loss during the period in which they are incurred.

When significant parts of Property, Plant and equipments are required to be replaced, the Group derecognises the replaced part and recognises the new part with its own associated useful life and it is depreciated accordingly.

##### (iii) 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 where the Group, based on technical evaluation, the condition of the plants, regular maintenance schedule, material of construction and past experience, has considered useful life of the following items of PPE different from that prescribed in Schedule II to the Act.

| Category               | : | Useful life   |
|------------------------|---|---|
| Leasehold Land         | : | Amortised over the primary lease period.              |
| Plant and Equipments   | : | 7.5 to 30 years                                       |
| Vehicles               | : | 3 to 13 years   |
| Computer Hardware      | : | Depreciated over the estimated useful life of 4 years |
| Leasehold Improvements | : | Lower of the useful life or Lease Period              |

Depreciation on Property, Plant and Equipment of one of the Subsidiaries has been provided as per the written down value method based on the useful lives specified in Schedule II to the Companies Act, 2013.

Assets costing less than INR 5,000 are depreciated at 100% in the year of acquisition.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

## Notes to the Consolidated Financial Statements

### Note 2: Significant Accounting policies (Continued)

#### 2. Investment Property

##### (i) Recognition and measurement

Investment Property comprise of Freehold Land and Building.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Consolidated Statement of Profit and Loss in the period of derecognition.

##### (ii) Depreciation

Depreciation on Buildings classified as Investment Property 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.

#### 3. Intangible Assets

##### (i) Recognition and measurement

Intangible assets are recognised when it is probable that future economic benefits that are attributable to assets will flow to the Group and the cost of the assets can be measured reliably.

Intangible assets are initially measured at cost and are subsequently measured at cost less accumulated amortization (other than goodwill and indefinite life of intangibles ) and any accumulated impairment losses.

Gain or loss arising from derecognition of an intangible asset is recognised in the Consolidated Statement of Profit and Loss.

##### (ii) Amortisation

Intangible assets are amortised over their estimated useful life on Straight Line Method. The useful life of intangible assets are assessed as either finite or indefinite. The amortisation period and the amortisation method for an intangible asset with finite useful life are reviewed at the end of each reporting period. Changes in the expected useful life or expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets are amortised as follows

| Category             | : | Useful life    |
|----------------------|---|----------------|
| Trademark            | : | 10 to 20 years |
| Product Registration | : | 6 years        |
| Computer Software    | : | 3 to 10 years  |

Intangible assets with indefinite useful life are not amortised but are tested for impairment annually and whenever there is an indication that the intangible asset may be impaired. An intangible asset that is not being amortised shall be reviewed each period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset.

#### 4. Research and Development Expenditure

Revenue expenditure on Research & Development is charged to the Consolidated Statement of Profit and Loss of the year in which it is incurred. Capital expenditure incurred during the year on Research & Development is included under additions to Property, Plant and Equipment.

## Notes to the Consolidated Financial Statements

### Note 2: Significant Accounting policies (Continued)

#### 5. Biological Assets

Biological assets are measured at fair value less costs to sell, with any change therein recognised in the Consolidated Statement of Profit or Loss.

#### 6. Impairment of non-financial assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Consolidated Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

Goodwill on business combinations and indefinite life intangibles are included in intangible assets. These are not amortised but are tested for impairment annually or more frequently if events or changes in circumstances indicate that they might be impaired. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognised in the Consolidated Statement of Profit and Loss only, to the extent the amount was previously charged to the Consolidated Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised. An impairment loss recognised for goodwill shall not be reversed in a subsequent period.

#### 7. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is determined using the weighted average method. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Slow and non-moving material, obsolescence, defective inventories are duly provided for and valued at lower of cost and net realizable value. Goods and materials in transit are valued at actual cost incurred upto the date of balance sheet. Materials and supplies held for use in the production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.

Land development project in progress includes cost of land, development management fees, construction cost, allocated interest and expenses attributable to the construction of the project undertaken by the Group.

If payment for inventory is deferred beyond normal credit terms then cost is determined by discounting the future cash flows at an interest rate determined with reference to market rates. The difference between the total cost and the deemed cost is recognised as interest expense over the period of financing under the effective interest method.

Inventories comprising of completed flats and construction Work-in-Progress are valued at lower of cost or net realizable value.

Construction Work in Progress includes cost of land, premium for development rights, construction costs, allocated interest and expenses incidental to the projects undertaken by the Group.

#### 8. Cash and Cash equivalents

Cash and cash equivalents in the balance sheet comprise cash on hand, bank balances and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the Consolidated Statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

## Notes to the Consolidated Financial Statements

### Note 2: Significant Accounting policies (Continued)

#### 9. Grants and Subsidies

Grants are recognised when there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an asset, the cost of the asset is shown at gross value and grant thereon is treated as a deferred grant which is recognised as income in the Consolidated Statement of Profit and Loss over the period and in proportion in which depreciation is charged.

Revenue grants are recognised in the Consolidated Statement of Profit and Loss in the same period as the related cost which they are intended to compensate are accounted for.

#### 10. Assets held for Sale

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all of the following criteria's are met: (i) decision has been made to sell. (ii) the assets are available for immediate sale in its present condition. (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as held for sale are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

#### 11. Financial Assets

##### (i) Initial recognition and measurement

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value, in case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the consolidated Statement of Profit and Loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

##### (ii) Classification and subsequent measurement

###### Financial assets are subsequently classified and measured at

- amortised cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Group changes its business model for managing financial assets.

##### (iii) Trade Receivables and Loans:

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

##### (iv) Debt Instruments

Debt instruments are initially measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') till derecognition on the basis of (i) the entity's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset.

- (a) Measured at amortised cost: Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Consolidated Statement of Profit and Loss.



## Notes to the Consolidated Financial Statements

### Note 2: Significant Accounting policies (Continued)

- (b) Measured at fair value through other comprehensive income: Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Consolidated Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Consolidated Statement of Profit and Loss.
- (c) Measured at fair value through profit or loss: A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Consolidated Statement of Profit and Loss.

#### (v) Equity Instruments

All investments in equity instruments classified under financial assets are initially measured at fair value, the Group may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

The Group makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as other income in the Consolidated Statement of Profit and Loss unless the Group has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognized in OCI. Amounts recognised in OCI are not subsequently reclassified to the Consolidated Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Consolidated Statement of Profit and Loss.

#### (vi) Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

#### (vii) Impairment of Financial Assets for other than Property Development Business

Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financial assets in FVTPL category.

For financial assets other than trade receivables, as per Ind AS 109, the Group recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. The Group's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall.

The impairment losses and reversals are recognised in Consolidated Statement of Profit and Loss.

Impairment of financial assets for Property Development business

The Group applies 'simplified approach' measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
- Trade receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime expected credit loss at each reporting date, right from its initial recognition

## Notes to the Consolidated Financial Statements

### Note 2: Significant Accounting policies (Continued)

#### 12. Financial Liabilities

##### (i) Initial recognition and measurement

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are recognised initially at fair value, in the case of Loans and Borrowings and payables, net of directly attributable transaction costs.

##### (ii) Classification and subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Consolidated Statement of Profit and Loss.

##### (iii) Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, 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 recognition of a new liability. The difference in the respective carrying amounts is recognised in the Consolidated Statement of Profit and Loss.

#### 13. Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment 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.

#### 14. 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, to realise the assets and settle the liabilities simultaneously.

#### 15. Derivative financial instruments

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks respectively. The Group also uses commodity futures contracts to hedge the exposure to oil price 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. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of item being hedged and the type of hedge relationship designated.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of hedged item on a present value basis from the inception of hedge. The gain or loss relating to the effective portion is recognized immediately in the Consolidated Statement of Profit and Loss.

Amounts accumulated in equity are reclassified to the Consolidated Statement of Profit and Loss in the periods when the hedged item affects profit or loss.

## Notes to the Consolidated Financial Statements

### Note 2: Significant Accounting policies (Continued)

#### 16. Share Capital

##### (i) Ordinary equity shares

Incremental costs directly attributable to the issue of ordinary equity shares, are recognized as a deduction from equity.

##### (ii) Treasury shares

The Group has various Employee Stock Options Trust (ESOP) for providing share-based payment to its employees. The Group uses ESOP as a vehicle for distributing shares to employees under the employee remuneration schemes. The ESOP buys shares of the respective companies from the market, for giving shares to employees. The Group treats ESOP an entity under its control and shares held by ESOP are treated as treasury shares in the consolidated financial statements.

Treasury shares are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in capital reserve. Share options exercised during the reporting period are deducted from treasury shares.

#### 17. Provisions and Contingent Liabilities

Provisions are recognized when the Group has a present obligation as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. The expenses relating to a provision is presented in the Consolidated Statement of Profit and Loss net of any reimbursement.

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.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A contingent asset is not recognised but disclosed in the consolidated financial statements where an inflow of economic benefit is probable.

Commitments includes the amount of purchase order (net of advance) issued to parties for completion of assets. Provisions, contingent assets, contingent liabilities and commitments are reviewed at each balance sheet date.

#### 18. Revenue Recognition

##### Revenue from contracts with customers

Revenue from operations comprise sales of goods after the deduction of discounts, goods and service tax and estimated returns. Discounts given by the Group includes trade discounts, volume rebates and other incentives given to the customers. Accumulated experience is used to estimate the provision for discounts. Revenue is only recognized to the extent that it is highly probable a significant reversal will not occur.

Revenue from sales is recognised when goods are supplied and control over the Goods sold is transferred to the buyer which is on dispatch / delivery as per the terms of contracts and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods. This is considered the appropriate point where the performance obligations in the contracts are satisfied as the Group no longer has control over the inventory. Sales are presented net of returns, trade discounts, rebates and sales taxes / Goods and Service Tax (GST).

Income from processing operations is recognised on completion of production / dispatch of the goods, as per the terms of contract.

## Notes to the Consolidated Financial Statements

### Note 2: Significant Accounting policies (Continued)

#### Other Operating revenues

Rental Income arising from operating leases on investment properties is accounted for on a straight line basis over the lease term and is included in revenue in the Consolidated Statement of Profit and Loss due to its operating nature.

Dividend income, including share of profit in LLP, is recognised when the right to receive the same is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of dividend can be measured reliably.

Export Incentives are accrued when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with such incentives.

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that discounts the estimated future cash payments or receipts through the expected life of the financial instruments or a shorter period, where appropriate, to the net carrying amount of the financial assets. Interest income is included in other income in the Consolidated Statement of Profit and Loss.

#### Other Income

Income on assets given on operating lease is recognised on a straight line basis over the lease term in the Consolidated Statement of Profit and Loss.

### 19. Revenue Recognition for Property Development

The Group also derives revenues from sale of properties comprising of both commercial and residential units.

The Group recognises revenue when it determines the satisfaction of performance obligations at a point in time. Revenue is recognised upon transfer of control of promised products to customer in an amount that reflects the consideration which the Group expects to receive in exchange for those products.

In arrangements for sale of units the Group has applied the guidance in Ind AS 115, Revenue from contract with customer, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering sale of units as distinct performance obligations. For allocating the transaction price, the Group has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer.

For sale of units the Group recognises revenue when its performance obligations are satisfied and customer obtains control of the asset.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract Liability is recognised when there is billing in excess of revenue and advance received from customers.

The Group has been entering into Development and Project Management agreements with land-owners. Accounting for income from such projects, measured at fair value, is done on accrual basis as per the terms of the agreement.

The Group receives maintenance amount from the customers and utilises the same towards the maintenance of the respective projects. Revenue is recognised to the extent of maintenance expenses incurred by the Group towards maintenance of respective projects. Balance amount of maintenance expenses to be incurred is reflected as liability under the head other current liabilities.

### 20. Loyalty Program

Sales is allocated between the loyalty programme and the other components of the transaction. The amount allocated to the loyalty programme is deferred, and is recognised as revenue when the Group has fulfilled its obligations to supply the discounted products under the terms of the programme or when it is no longer probable that the points under the programme will be redeemed.

## Notes to the Consolidated Financial Statements

### Note 2: Significant Accounting policies (Continued)

#### 21. Employee Benefits

##### (i) Short-Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Short Term benefits such as salaries, performance incentives, etc., are recognized as an expense at the undiscounted amount in the Consolidated Statement of Profit and Loss of the year in which the employee renders the related service.

The Group has a scheme of Performance Linked Variable Remuneration (PLVR) which rewards its employees based on Economic Value Added (EVA) or Profit Before Tax (PBT). The PLVR amount is related to actual improvement made in EVA or PBT over the previous year when compared with expected improvements.

##### (ii) Post-Employment Benefits

###### (a) Defined Contribution Plans

Payments made to a defined contribution plan such as Provident Fund and Family Pension maintained with Regional Provident Fund Office are charged as an expense in the Consolidated Statement of Profit and Loss as they fall due.

###### (b) Defined Benefit Plans

###### Gratuity Fund

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, after discounting the same. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses are recognized immediately in Other Comprehensive Income (OCI). 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). Net interest expense and other expenses related to defined benefit plans are recognized in Consolidated 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 recognized immediately in Consolidated Statement of Profit and Loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

###### Provident Fund

Provident Fund Contributions other than those made to the Regional Provident Fund Office of the Government which are made to the Trust administered by the Group 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 Group.

###### Pension

Pension plan for eligible employees are considered as defined benefit obligations and are provided for on the basis of an actuarial valuation, using the Projected Unit Credit Method, as at the date of the Balance Sheet.

##### (iii) Other Long-Term Employee Benefits

The Group's net obligation in respect of other long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods are provided on the basis of an actuarial valuation, using the Projected Unit Credit Method, as at the date of the Balance Sheet. Re-measurement are recognized in Consolidated Statement of Profit and Loss in the period in which they arise.

##### (iv) Termination Benefits

All terminal benefits are recognized as an expense in the period in which they are incurred.

## Notes to the Consolidated Financial Statements

### Note 2: Significant Accounting policies (Continued)

#### 22. Share-Based Payments

Employees of the Group receive remuneration in the form of share based payments in consideration of the services rendered.

Under the equity settled share based payment, the fair value on the grant date of the awards given to employees is recognised as 'employee benefit expenses' with a corresponding increase in equity over the vesting period. The fair value of the options at the grant date is calculated basis Black Scholes model. At the end of each reporting period, apart from the non-market vesting condition, the expense is reviewed and adjusted to reflect changes to the level of options expected to vest. When the options are exercised, the Group issues fresh equity shares.

When the terms of an equity-settled award are modified, an additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

#### 23. Leases

Effective 1<sup>st</sup> April, 2019, the Group adopted IND AS 116 - Leases. The Group applied IND AS 116 using modified retrospective approach, under which the cumulative effect of initial application is recognized in retained earnings at 1<sup>st</sup> April 2019. The comparative information presented is not restated. It is presented as previously reported under IND AS 17.

##### Accounting policy applicable before 1<sup>st</sup> April 2019

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in the arrangement.

##### Lessee:

Leases of assets where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Leases of assets under which significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease payments under operating leases are recognised as an expense on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

##### Lessor:

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight line basis over the term of the relevant lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase.

##### Accounting policy applicable from 1<sup>st</sup> April 2019

At the inception it is assessed, whether a contract is a lease or contains a lease. A contract is a lease or contains a lease if it conveys the right to control the use of an identified asset, for a period of time, in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, Group assesses whether the contract involves the use of an identified asset. Use may be specified explicitly or implicitly.

- (i) Use should be physically distinct or represent substantially all of the capacity of a physically distinct asset.

## Notes to the Consolidated Financial Statements

### Note 2: Significant Accounting policies (Continued)

- (ii) If the supplier has a substantive substitution right, then the asset is not identified.
- (iii) Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use.
- (iv) Group has the right to direct the use of the asset.
- (v) In cases where the usage of the asset is predetermined the right to direct the use of the asset is determined when the Group has the right to use the asset or the Group designed the asset in a way that predetermines how and for what purpose it will be used.

At the commencement or modification of a contract, that contains a lease component, Group allocates the consideration in the contract, to each lease component, on the basis of its relative standalone prices. For leases of property, it is elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

#### As a Lessee:

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

Right-of-use asset (ROU):

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

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

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

#### Lease liability:

Lease liability is initially measured at the present value of lease payments that are not paid at the commencement date. Discounting is done using the implicit interest rate in the lease, if that rate cannot be readily determined, then using Group's incremental borrowing rate. Incremental borrowing rate is determined based on entity's borrowing rate adjusted for terms of the lease and type of the asset leased.

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

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

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

## Notes to the Consolidated Financial Statements

### Note 2: Significant Accounting policies (Continued)

Right-of-use asset is presented as a separate category under “Non-current assets” and lease liabilities are presented under “Financial liabilities” in the balance sheet.

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

#### **Lessor:-**

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

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

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

The accounting policies applicable to the Group as a lessor, in the comparative period, were not different from IND AS 116.

#### **Transitional impact:**

On transition to IND AS 116, Group elected to apply practical expedients given by the standard as follows:

- (a) Group has not re-assessed whether a contract is, or contains, a lease at the date of initial application instead it applied the standard to those contracts that were previously identified as leases applying IND AS 17, Leases. Standard is not applied to those contracts that were not previously identified as containing a lease applying IND AS 17.
- (b) IND AS 116 is applied retrospectively, with the cumulative effect of initially applying the Standard, is recognised at the date of initial application. The same approach is adopted for all the leases.
- (c) Comparative information are not restated and it is presented as reported under IND AS 17. The cumulative effect of initially applying this Standard, is done as an adjustment, to the opening balance of retained earnings, at the date of initial application.
- (d) For the leases which is previously classified as operating lease, under IND AS 17, Group recognised the lease liability by measuring the present value of the remaining lease payments, discounted using incremental borrowing rate at the date of initial application.
- (e) Group recognised, Right-of-use asset, at the date of initial application, for leases previously classified as an operating lease applying IND AS 17. Right-of-use asset is measured, on a lease by lease basis, at carrying amount assuming the standard is applied since the commencement date. Discounting to arrive the value of asset is done based on the incremental borrowing rate at the date of initial application. Group also assessed the Right-of-use asset for impairment as per IND AS 36, Impairment of assets, at the date of initial application.
- (f) During transition, no adjustments is made for leases for which the underlying asset is of low value.
- (g) Group has applied a single discount rate for portfolio of leases which has reasonably similar characteristics.
- (h) During transition, impact of IND AS 116 is not given for those leases for which the lease term ends within 12 months of the date of initial application. Those leases were accounted as short term leases as per IND AS 116.

### 24. Borrowing Costs

Borrowing costs are interest and other costs that the Group incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate applicable to the respective borrowing. Borrowing costs that are directly attributable to the acquisition of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is put to use.



## Notes to the Consolidated Financial Statements

### Note 2: Significant Accounting policies (Continued)

Borrowing costs, pertaining to development of long term projects, are transferred to Construction work in progress, as part of the cost of the projects upto the time all the activities necessary to prepare these projects for its intended use or sale are complete.

All other borrowing costs are recognized as an expense in the period in which they are incurred.

### 25. Foreign Exchange Transactions

- (i) Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').
- (ii) Transactions in foreign currency are recorded at exchange rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currency, remaining unsettled at the period end are translated at closing rates. The difference in translation of monetary assets and liabilities and realised gains and losses on foreign currency transactions are recognised in the Consolidated Statement of Profit and Loss. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.
- (iii) The difference in translation of long term monetary assets acquired and liabilities incurred prior to April 01, 2016 and realised gains and losses on foreign currency transactions relating to acquisition of depreciable capital assets are added to or deducted from the cost of the asset and depreciated over the balance life of the asset; and in other cases, accumulated in a Foreign Currency Monetary Item Translation Difference Account and amortised over the balance period of such long term asset / liability, by recognition as income or expense but not beyond March 31, 2020.
- (iv) Realised gains or losses on cancellation of forward exchange contracts are recognised in the Consolidated Statement of Profit and Loss of the period in which they are cancelled.
- (v) In case of foreign operations whose functional currency is different from the parent company's functional currency, the assets and liabilities of such foreign operations, including goodwill and fair value adjustments arising upon acquisition, are translated to the reporting currency at exchange rates at the reporting date. The income and expenses of such foreign operations are translated to the reporting currency at the average exchange rates prevailing during the year. Resulting foreign currency differences are recognized in other comprehensive income/ (loss) and presented within equity as part of 'Exchange differences on translation of financial statements of foreign operations'(FCTR). When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is transferred to the Consolidated Statement of Profit and Loss.

### 26. Taxes on Income

Income tax expense comprises current and deferred tax. It is recognized in Consolidated Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity or in OCI.

#### (i) Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

#### (ii) Minimum Alternate Tax (MAT)

MAT credit is recognised as a deferred tax assets only when and to the extent there is convincing evidence that the Company will pay normal tax during specified period. MAT credit is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

#### (iii) Deferred Tax

Deferred tax is recognized in respect of temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes (including those arising from consolidation adjustments such as unrealized profit on inventory etc.).

## Notes to the Consolidated Financial Statements

### Note 2: Significant Accounting policies (Continued)

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

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 at the reporting date.

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

Deferred Tax assets and liabilities are offset only if:

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

### 27. Earnings Per Share

Basic Earnings per share is calculated by dividing the profit 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 for the period attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

### 28. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

### 29. Exceptional Items

In certain cases when, the size, type or incidence of an item of income or expenses, pertaining to the ordinary activities of the Group is such that its disclosure improves the understanding of the performance of the Group, such income or expense is classified as an exceptional item in the consolidated statement of profit and loss and disclosed in the notes accompanying the Consolidated Financial Statements.

## Notes to the Consolidated Financial Statements

### Note 3 : Property, Plant and Equipment

Amount ₹ in Crore

| Particulars                              | Freehold Land | Leasehold Land | Buildings | Plant and Equipments | Furniture and Fixtures | Vehicles | Computer Hardware | Office Equipments | Leasehold Improvements | Livestock used for R&D | Research Centre | Total    |
|--|---------------|----------------|-----------|----------------------|------------------------|----------|-------------------|-------------------|------------------------|------------------------|-----------------|----------|
| Gross Carrying Amount                    |               |                |           |                      |                        |          |                   |                   |                        |                        |                 |          |
| Balance as at April 01, 2018             | 327.23        | 56.30          | 1,059.47  | 1,296.52             | 46.48                  | 73.14    | 23.78             | 54.24             | 10.05                  | 0.32                   | 0.70            | 2,948.23 |
| Additions                                | 2.27          | 1.36           | 109.31    | 307.22               | 2.97                   | 9.66     | 4.44              | 12.01             | 1.30                   | 0.03                   | 0.27            | 450.84   |
| Acquisition through business Combination | 35.76         | 24.92          | 54.68     | 92.07                | 0.76                   | 1.65     | -                 | 3.90              | 0.69                   | -                      | -               | 214.43   |
| Disposals / Adjustments                  | 3.29          | -              | 47.55     | 28.56                | 0.92                   | 8.02     | 0.83              | 1.09              | 0.02                   | -                      | -               | 90.28    |
| Balance as at March 31, 2019             | 361.97        | 82.58          | 1,175.91  | 1,667.25             | 49.30                  | 76.43    | 27.39             | 69.06             | 12.02                  | 0.35                   | 0.97            | 3,523.22 |
| Additions                                | 3.19          | -              | 59.99     | 146.93               | 6.90                   | 11.74    | 4.98              | 11.68             | 5.37                   | 0.23                   | -               | 250.01   |
| Disposals / Adjustments (refer note 7)   | -             | 59.51          | 0.46      | 4.40                 | 0.98                   | 9.26     | 1.08              | 0.55              | -                      | 0.02                   | -               | 76.26    |
| Balance as at March 31, 2020             | 365.16        | 23.07          | 1,234.44  | 1,809.78             | 55.21                  | 78.91    | 31.29             | 80.19             | 17.39                  | 0.55                   | 0.97            | 3,696.97 |
| Accumulated Depreciation                 |               |                |           |                      |                        |          |                   |                   |                        |                        |                 |          |
| Balance as at April 01, 2018             | -             | 1.81           | 80.90     | 214.62               | 14.57                  | 24.48    | 16.10             | 22.68             | 4.67                   | 0.08                   | 0.20            | 380.11   |
| Additions                                | -             | 0.66           | 30.94     | 88.54                | 4.97                   | 9.66     | 4.95              | 9.42              | 2.14                   | 0.03                   | 0.12            | 151.43   |
| Disposals / Adjustments                  | -             | -              | 2.16      | 0.60                 | 0.76                   | 2.95     | 0.76              | 0.78              | -                      | 0.02                   | -               | 8.04     |
| Balance as at March 31, 2019             | -             | 2.47           | 109.68    | 302.56               | 18.78                  | 31.19    | 20.29             | 31.32             | 6.81                   | 0.09                   | 0.32            | 523.50   |
| Additions                                | -             | 0.27           | 38.33     | 124.47               | 5.48                   | 7.27     | 4.54              | 11.30             | 2.55                   | 0.06                   | 0.13            | 194.40   |
| Disposals / Adjustments                  | -             | 1.38           | 1.45      | 1.41                 | 0.67                   | 1.40     | 1.07              | 0.53              | -                      | 0.01                   | -               | 7.92     |
| Balance as at March 31, 2020             | -             | 1.36           | 146.56    | 425.62               | 23.59                  | 37.06    | 23.76             | 42.09             | 9.36                   | 0.14                   | 0.45            | 709.98   |
| Net Carrying Amount                      |               |                |           |                      |                        |          |                   |                   |                        |                        |                 |          |
| Balance as at April 01, 2018             | 327.23        | 54.49          | 978.57    | 1,081.90             | 31.91                  | 48.66    | 7.68              | 31.56             | 5.38                   | 0.24                   | 0.50            | 2,568.12 |
| Balance as at March 31, 2019             | 361.97        | 80.11          | 1,066.23  | 1,364.69             | 30.52                  | 45.24    | 7.10              | 37.74             | 5.21                   | 0.26                   | 0.65            | 2,999.72 |
| Balance as at March 31, 2020             | 365.16        | 21.71          | 1,087.88  | 1,384.16             | 31.62                  | 41.85    | 7.53              | 38.10             | 8.03                   | 0.41                   | 0.52            | 2,986.99 |

Notes :

- Refer Note No 39 for disclosure of contractual commitments for the acquisition of Property, Plant and Equipment.
- Legal formalities relating to the transfer of title of immovable assets situated at Chennai (acquired as a part of the take over of Agrovet business from Godrej Industries Limited), Ariyalur & Varanavasi (as part of the merger of Cauvery Oil Palm Limited), and Dahej are being complied with. Stamp duty payable thereon is not presently determinable.
- Of the above, a Building carrying value ₹ 51.11 Crore (Previous Year: ₹ 53.74 Crore) is subject to first charge for secured bank loans (Refer Note 19).
- Buildings includes certain Office Premises given on lease in exchange for similar Office Premises in the same building. [Gross Block - ₹ 94.72 crore (previous year - ₹ 94.72 crore) and Net Carrying Amount - ₹ 87.40 crore (previous year - ₹ 88.90 crore)]
- Additions to Property, Plant and Equipments includes ₹13.30 crore (previous year ₹19.18 crore) on account of Exchange Differences arising on conversion of Long Term Foreign Currency Monetary Items relating to acquisition of depreciable assets.
- Addition to Accumulated Depreciation for Plant & Machinery includes provision for impairment of ₹ 0.27 crore (previous year 0.27 crore)
- The Group has adopted Ind AS 116 effective 1<sup>st</sup> April 2019. Consequently, leasehold land of one of the subsidiary has been reclassified from 'Property, Plant & Equipment' to 'Right of Use assets'.
- Refer to note 19 and note 24 for information on property, plant and equipment pledged as security by the Group.

### Note 3a : Capital Work In Progress

- During the year, ₹ 10.34 Crore (Previous Year: ₹ 7.93 Crore) amount of interest cost has been capitalised to capital work-in-progress.

## Notes to the Consolidated Financial Statements

## Note 3b : Investment Property

Amount ₹ in Crore

| Particulars                         | Freehold Land | Buildings     | Total         |
|-------------------------------------|---------------|---------------|---------------|
| <b>Gross Carrying Amount</b>        |               |               |               |
| <b>Balance as at April 01, 2018</b> | <b>0.38</b>   | <b>146.35</b> | <b>146.73</b> |
| Additions                           | -             | -             | -             |
| Disposals / Adjustments             | -             | (24.35)       | (24.35)       |
| <b>Balance as at March 31, 2019</b> | <b>0.38</b>   | <b>170.70</b> | <b>171.08</b> |
| Additions                           | -             | 32.95         | 32.95         |
| Disposals / Adjustments             | -             | (1.08)        | (1.08)        |
| <b>Balance as at March 31, 2020</b> | <b>0.38</b>   | <b>204.73</b> | <b>205.11</b> |
| <b>Accumulated Depreciation</b>     |               |               |               |
| <b>Balance as at April 01, 2018</b> | -             | <b>6.42</b>   | <b>6.42</b>   |
| Additions                           | -             | 2.31          | 2.31          |
| Disposals / Adjustments             | -             | (1.45)        | (1.45)        |
| <b>Balance as at March 31, 2019</b> | -             | <b>10.18</b>  | <b>10.18</b>  |
| Additions                           | -             | 2.60          | 2.60          |
| Disposals / Adjustments             | -             | 0.02          | 0.02          |
| <b>Balance as at March 31, 2020</b> | -             | <b>12.76</b>  | <b>12.76</b>  |
| <b>Net Carrying Amount</b>          |               |               |               |
| Balance as at April 01, 2018        | 0.38          | 139.93        | 140.31        |
| Balance as at March 31, 2019        | 0.38          | 160.52        | 160.90        |
| Balance as at March 31, 2020        | 0.38          | 191.97        | 192.35        |
| <b>Fair Value</b>                   |               |               |               |
| As at April 01, 2018                | 4.15          | 203.53        | 207.68        |
| As at March 31, 2019                | 4.15          | 195.96        | 200.11        |
| As at March 31, 2020                | 4.15          | 233.41        | 237.56        |

## Notes to the Consolidated Financial Statements

### Note 3b : Investment Property (Continued)

1. Information regarding income and expenditure of Investment Property

Amount ₹ in Crore

| Particulars  | For the year            | For the year            |
|--|-------------------------|-------------------------|
|  | ended<br>March 31, 2020 | ended<br>March 31, 2019 |
| Rental income derived from investment properties               | 8.35                    | 8.78                    |
| Direct operating expenses                                      | 3.36                    | 5.47                    |
| Profits arising from investment properties before depreciation | 4.98                    | 3.31                    |
| Less - Depreciation  | 2.60                    | 2.31                    |
| Profits arising from investment properties                     | 2.38                    | 1.00                    |

2. The management has determined that the investment property consists of two class of assets - Freehold Land and Buildings - based on the nature, characteristics and risks of each property.
3. The Group has no restriction on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.
4. The fair valuation is based on current prices in the active market for similar properties. The main input used are quantum, area, location, demand, age of building and trend of fair market rent in the location of the property.
5. The fair value is based on valuation performed by an accredited independent valuer. Fair valuation is based on replacement cost method. The fair value measurement is categorised in level 2 fair value hierarchy.
6. Reconciliation of Fair Value

Amount ₹ in Crore

| Particulars   | Freehold Land | Buildings | Total   |
|---|---------------|-----------|---------|
| Opening balance as at April 01, 2018                  | 4.15          | 203.53    | 207.68  |
| Fair value changes                                    | -             | (31.24)   | (31.24) |
| Purchases   | -             | 23.67     | 23.67   |
| Opening balance as at April 01, 2019                  | 4.15          | 195.96    | 200.11  |
| Fair value changes                                    | -             | (5.15)    | (5.15)  |
| Purchases/ transfer from Property Plant and Equipment | -             | 42.60     | 42.60   |
| Closing balance as at March 31, 2020                  | 4.15          | 233.41    | 237.56  |

## Notes to the Consolidated Financial Statements

## Note 3c : Other Intangible Assets

Amount ₹ in Crore

| Particulars                              | Trademark    | Brand        | Product Registration | Computer Software | Total         |
|--|--------------|--------------|----------------------|-------------------|---------------|
| <b>Gross Carrying Amount</b>             |              |              |                      |                   |               |
| <b>Balance as at April 01, 2018</b>      | <b>16.52</b> | <b>38.22</b> | <b>2.71</b>          | <b>25.94</b>      | <b>83.39</b>  |
| Additions                                | -            | -            | -                    | 2.92              | 2.92          |
| Acquisition through business Combination | -            | 16.55        | -                    | 3.66              | 20.21         |
| <b>Balance as at March 31, 2019</b>      | <b>16.52</b> | <b>54.77</b> | <b>2.71</b>          | <b>32.52</b>      | <b>106.52</b> |
| Additions                                | -            | -            | -                    | 5.95              | 5.95          |
| Disposals / Adjustments                  | -            | -            | -                    | 0.16              | 0.16          |
| <b>Balance as at March 31, 2020</b>      | <b>16.52</b> | <b>54.77</b> | <b>2.71</b>          | <b>38.31</b>      | <b>112.31</b> |
| <b>Accumulated Depreciation</b>          |              |              |                      |                   |               |
| <b>Balance as at April 01, 2018</b>      | <b>12.75</b> | <b>-</b>     | <b>2.28</b>          | <b>12.71</b>      | <b>27.74</b>  |
| Additions                                | 3.77         | -            | 0.43                 | 5.20              | 9.40          |
| Disposals / Adjustments                  | -            | -            | -                    | 0.02              | 0.02          |
| <b>Balance as at March 31, 2019</b>      | <b>16.52</b> | <b>-</b>     | <b>2.71</b>          | <b>17.89</b>      | <b>37.12</b>  |
| Additions                                | -            | 0.83         | -                    | 5.20              | 6.03          |
| Disposals / Adjustments                  | -            | -            | -                    | 0.13              | 0.13          |
| <b>Balance as at March 31, 2020</b>      | <b>16.52</b> | <b>0.83</b>  | <b>2.71</b>          | <b>22.96</b>      | <b>43.02</b>  |
| <b>Net Carrying Amount</b>               |              |              |                      |                   |               |
| Balance as at April 01, 2018             | 3.77         | 38.22        | 0.43                 | 13.23             | 55.65         |
| Balance as at March 31, 2019             | -            | 54.77        | -                    | 14.63             | 69.39         |
| Balance as at March 31, 2020             | -            | 53.94        | -                    | 15.35             | 69.28         |

Note:

1) To give effect to the Order of the Honorable High Court of Judicature at Bombay passed during 2011-12 regarding the scheme of Amalgamation of Godrej Gokarna Oil Palm Limited & Godrej Oil Palm Limited, the amortisation of Grant of Licenses are charged against the balance in the General Reserve Account. (Refer Note No. 18 IV (i))

2) Brands amounting to ₹ 38.22 crore have an indefinite life and are tested for impairment at every year end. Accordingly, no impairment charge was required for the current financial year.

## Note 3d : Intangible Assets Under Development

| Particulars          | Amount ₹ in Crore |
|----------------------|-------------------|
| As at March 31, 2018 | 0.68              |
| As at March 31, 2019 | 2.24              |
| As at March 31, 2020 | 4.79              |

## Notes to the Consolidated Financial Statements

### Note 3e: Biological Assets other than bearer plants

#### A. Reconciliation of carrying amount

Amount ₹ in Crore

| Particulars                              | Oil palm saplings |             | Cattle     |             | PS Birds /<br>Hatching eggs<br>/Broilers | Total        |
|--|-------------------|-------------|------------|-------------|--|--------------|
|  | Qty.              | Amount      | Qty.       | Amount      | Amount                                   |              |
| <b>Balance as April 1, 2018</b>          | <b>6,76,545</b>   | <b>4.26</b> | -          | -           | -  | <b>4.26</b>  |
| Add:                                     |                   |             |            |             |  |              |
| Purchases                                | 5,93,900          | 2.54        | -          | -           | -  | 2.54         |
| Production/ Cost of Development          |                   | 2.27        |            |             |  | 2.27         |
| Less:                                    |                   |             |            |             |  |              |
| Sales / Disposals                        | (5,97,492)        | (4.31)      | -          | -           | -  | (4.31)       |
| Change in fair value less cost to sell:  | -                 | (0.08)      | -          | -           | -  | (0.08)       |
| Realised                                 | -                 | (0.15)      | -          | -           | -  | (0.15)       |
| Unrealised                               | -                 | 0.07        | -          | -           | -  | 0.07         |
| Acquisition through Business Combination |                   |             |            | 4.14        | 63.16                                    | 67.30        |
| <b>Balance as at March 31, 2019</b>      | <b>6,72,953</b>   | <b>4.68</b> | <b>554</b> | <b>4.14</b> | <b>63.16</b>                             | <b>71.98</b> |
| Add:                                     |                   |             |            |             |  |              |
| Purchases                                | 7,15,500          | 3.07        | 63         | 0.42        | 45.70                                    | 49.18        |
| Production/ Cost of Development          |                   | 2.35        | 221        | 1.52        | 262.08                                   | 265.94       |
| Less:                                    |                   |             |            |             |  |              |
| Sales / Disposals                        | (5,80,206)        | (4.06)      | (57)       | (0.00)      | (295.87)                                 | (299.93)     |
| Change in fair value less cost to sell:  | -                 | 0.23        | -          | (0.82)      | (6.91)                                   | (7.50)       |
| Realised                                 | -                 | (0.38)      | -          | (0.31)      | (25.12)                                  | (25.81)      |
| Unrealised                               | -                 | 0.61        | -          | (0.51)      | 18.21                                    | 18.31        |
| <b>Balance as at March 31, 2020</b>      | <b>8,08,247</b>   | <b>6.27</b> | <b>781</b> | <b>5.26</b> | <b>68.16</b>                             | <b>79.69</b> |
| <b>As at March 31, 2019</b>              |                   |             |            |             |  |              |
| Non Current                              |                   | 4.68        |            | 4.14        | 10.18                                    | 19.00        |
| Current                                  |                   | -           |            | -           | 52.98                                    | 52.98        |
| <b>As at March 31, 2020</b>              |                   |             |            |             |  |              |
| Non Current                              |                   | 6.27        |            | 5.26        | 10.42                                    | 21.95        |
| Current                                  |                   | -           |            | -           | 57.74                                    | 57.74        |

The Group has trading operations in oil palm business whereby the group purchases the saplings and sells the saplings once it has achieved the desired growth. During the year ended March 31, 2020, the Group purchased 7,15,500 (Previous year: 5,93,900) number of saplings, out of which 7,15,500 (Previous year: 5,93,900) were still under cultivation.

During the previous year the Group had acquired poultry (PS Birds /Hatching eggs /Broilers) (on acquisition of Godrej Tyson Foods Limited refer note 54) and cattle (on acquisition of Godrej Maxximilk Private Limited).

## Notes to the Consolidated Financial Statements

### Note 3e: Biological Assets other than bearer plants (Continued)

#### B. Measurement of Fair value

##### i. Fair Value hierarchy

The fair value measurements for oil palm saplings, cattles and PS Birds /Hatching eggs /Broilers have been categorised as Level 3 fair values based on the inputs to valuation technique used.

##### ii. Level 3 Fair values

The following table shows a break down of the total gains (losses) recognised in respect of Level 3 fair values-

Amount ₹ in Crore

| Particulars  | March 31, 2020               | March 31, 2019               | March 31, 2020                            |
|--|------------------------------|------------------------------|---|
|  | Oil palm<br>saplings/Cattles | Oil palm<br>saplings/Cattles | PS Birds /<br>Hatching eggs /<br>Broilers |
| <b>Gain/(loss) included in 'other operating revenue'</b> | <b>(0.59)</b>                | (0.08)                       | <b>(6.91)</b>                             |
| Change in fair value (realised)                          | <b>(0.69)</b>                | (0.15)                       | <b>(25.12)</b>                            |
| Change in fair value (unrealised)                        | <b>0.10</b>                  | 0.07                         | <b>18.21</b>                              |

##### iii. Valuation techniques and significant unobservable inputs

| Type   | Valuation technique                                    | Significant unobservable inputs   | Inter-relationship between significant unobservable inputs and fair value measurement   |
|--|--|---|---|
| Oil Palm Saplings - it comprises the stock under cultivation                             | Cost approach and percentage completion method         | Estimated cost of completing the stock under cultivation ₹50.72 to ₹ 117 per sapling  | The estimated fair valuation would increase/(decrease) if<br>- Estimated cost to complete was lower (higher)  |
| Biological assets - it comprises of: PS Bird; Hatching eggs; and Contract farm- Broilers | Discounted cash flows                                  | Estimated price of each component<br>- PS birds - ₹ 21.00 per Hatching eggs (Previous year 28.42),<br>- Hatching eggs - ₹ 27 per Day Old Chicks (Previous year 29.58),<br>- Contract farms- Broilers - ₹ 64.00 per kg for live bird (Previous year 79.50) | The estimated fair valuation would increase/(decrease) if<br>- Estimated price of each component of poultry stock was higher/(lower)<br>- discounting is done for the expected cash flows |
| Cattles  | Market approach with the help of Valuation certificate | Estimated price impact on age, breed and yield of the Cattle  | The estimated fair valuation would increase/(decrease) if<br>- Estimated yield of the cattle is increased or decreased  |



## Notes to the Consolidated Financial Statements

### Note 3e: Biological Assets other than bearer plants (Continued)

#### C. Risk Management strategies related to agricultural activities

The group is exposed to the following risks relating to its plantations, Cattles and PS Bird /Hatching egg /Broiler

##### i. Regulatory and environmental risks

The group is subject to laws and regulations in the country in which it operates. It has established various environmental policies and procedures aimed at compliance with the local environmental and other laws.

##### ii. Supply and demand risks

The Group is exposed to risks arising from fluctuations in the price and sales volume of plants and milk. For oil palm plants, when possible, the group manages this risk by aligning its harvest volume to market supply and demand. Management performs regular industry trend analyses for projected harvest volumes and pricing. For milk, the Group manages this risk by effective marketing tie up for sale of milk.

The Group is exposed to the risk arising from the fluctuations in the price of Hatching eggs, commercial day old chicks and live birds. when the price goes down the management possibly manage this risk by diverting more live birds for processing and when prices goes up the management sells more Hatching eggs, Day old Chicks and Live Birds.

##### iii. Climate and other risks

The Group's oil palm plantations are exposed to the risk of damage from climatic changes, diseases, forest fires and other natural forces. The group has extensive processes in place aimed at monitoring and mitigating those risks, including regular plantation health surveys and industry pest and disease surveys.

The Group is exposed to risks arising from fluctuations in yield and health of the Cattle. Group manages this risk by effective sourcing and maintenance of cattle.

The Group's Live stock are exposed to the extreme climatic changes in summer and winter season. However, the Group has extensive processes in place aimed at monitoring and mitigating those risks, including regular health inspections of Live Stock and adopting Industry best practices by professional qualified veterinarian doctors.

A reasonably possible change of 10% in Estimated cost of completing the stock under cultivation and cattles at the reporting date would have increased (decreased) profit or loss by the amounts shown below.

Amount ₹ in Crore

|  | Profit or (loss) for the year ended<br>March 31, 2020 |               | Profit or (loss) for the year ended<br>March 31, 2019 |               |
|--|---|---------------|---|---------------|
|  | 10% increase  | 10% decrease  | 10% increase  | 10% decrease  |
| Variable cost (Oil palm saplings)  | (0.08)  | 0.09          | (0.08)  | 0.09          |
| Estimated change in valuation-<br>Cattle   | 0.53  | (0.53)        | 0.31  | (0.31)        |
| Estimated change in valuation-<br>Poultry (PS Birds /Hatching eggs<br>/Broilers) | 6.99  | (6.99)        | 6.87  | (6.87)        |
| <b>Cash flow sensitivity (net)</b>   | <b>7.44</b>   | <b>(7.43)</b> | <b>7.09</b>   | <b>(7.09)</b> |

## Notes to the Consolidated Financial Statements

### Note 4a : Equity accounted investees

(Refer Note No 1 sub note 7 ii for Accounting Policy on Equity accounted investees)

| Particulars   | Note | Face Value<br>(₹ unless<br>stated<br>otherwise) | Amount ₹ in Crore    |          |                                    |          |
|---|------|---|----------------------|----------|------------------------------------|----------|
|   |      |   | As at March 31, 2020 |          | As at March 31, 2019<br>(Restated) |          |
|   |      |   | Number               | Value    | Number                             | Value    |
| (I) Investment in Equity Instruments (Fully Paid up unless stated otherwise)                |      |   |                      |          |                                    |          |
| (a) Quoted Investment   |      |   |                      |          |                                    |          |
| (i) Associates  |      |   |                      |          |                                    |          |
| Godrej Consumer Products Ltd.   |      | 1   | 24,28,12,860         | 2,880.26 | 24,28,12,860                       | 2,703.21 |
| (b) Unquoted Investment   |      |   |                      |          |                                    |          |
| (i) Associates  |      |   |                      |          |                                    |          |
| Personalitree Academy Ltd.  | 1    | 10  | 3,89,269             | 1.10     | 3,89,269                           | 1.10     |
| Share Application Money **  |      |   |                      | 0.03     |                                    |          |
| Less: Provision for Diminution in value of Investments                                      |      |   |                      | (1.13)   |                                    | (1.10)   |
| (ii) Joint Ventures   |      |   |                      |          |                                    |          |
| ACI Godrej Agrovvet Private Limited   |      | 100   | 18,50,000            | 102.11   | 18,50,000                          | 73.65    |
| Joint Ventures and Associates of Property Business  |      |   |                      |          |                                    |          |
| Godrej Realty Private Limited   |      | 10  | 8,84,850             | 4.72     | 8,84,850                           | 4.74     |
| Omnivore India Capital Trust  |      | 1,00,000  | 2,44,437             | 26.23    | -                                  | -        |
| Wonder Space Properties Private Limited (classified as subsidiary w.e.f. April 05,2019)     |      | 10  | -                    | -        | 1,14,191                           | 1.26     |
| Wonder City Buildcon Private Limited  |      | 10  | 8,10,420             | -        | 8,10,420                           | -        |
| Godrej Home Constructions Private Limited   |      | 10  | 10,71,770            | -        | 10,71,770                          | -        |
| Wonder Projects Development Private Limited   |      | 10  | 10,70,060            | -        | 11,00,100                          | -        |
| Munjal Hospitality Private Limited (w.e.f June 29, 2019)                                    |      | 13.41   | 6,09,61,200          | 84.32    | -                                  | -        |
| Yujya Developers Private Limited (w.e.f June 29, 2019)                                      |      | 10  | 72,41,360            | 6.83     | -                                  | -        |
| Vivrut Developers Private Limited (w.e.f. February 10, 2020)                                |      | 10  | 7,00,000             | 0.65     | -                                  | -        |
| Godrej Real View Developers Private Limited   |      | 10  | 20,68,000            | -        | 20,68,000                          | -        |
| Pearlite Real Properties Private Limited  |      | 10  | 38,71,000            | 2.39     | 35,52,500                          | -        |
| Godrej Greenview Housing Private Limited  |      | 10  | 12,64,560            | -        | 12,64,560                          | -        |
| Godrej Green Homes Limited  |      | 10  | 3,55,384             | 202.28   | 3,55,384                           | 206.34   |
| Godrej Skyline Developers Private Limited   |      | 10  | 2,60,000             | -        | 2,60,000                           | -        |
| Godrej Landmark Redevelopers Private Limited  |      | 10  | 25,500               | -        | 25,500                             | -        |
| Godrej Redevelopers (Mumbai) Private Limited  |      | 10  | 28,567               | 0.62     | 28,567                             | -        |
| Investment in Preference Shares (Fully paid-up unless stated otherwise) (at Amortised Cost) |      |   |                      |          |                                    |          |
| Godrej Green Homes Limited  |      | 10  | 10,000               | -        | 10,000                             | -        |
| Skyline Developers Private Limited  |      | 10  | 1,30,00,000          | -        | 1,30,00,000                        | 0.42     |
| (II) Investment In Limited Liability Partnerships   |      |   |                      |          |                                    |          |
| Mosaic Landmarks LLP  |      |   |                      | 10.54    |                                    | 11.18    |
| Oxford Realty LLP   |      |   |                      | 6.29     |                                    | -        |
| Dream World Landmarks LLP   |      |   |                      | 4.70     |                                    | 1.69     |
| M S Ramaiah Ventures LLP  |      |   |                      | 0.75     |                                    | 0.82     |

## Notes to the Consolidated Financial Statements

### Note 4a : Equity accounted investees (Contd.)

| Particulars  | Note | Face Value<br>(₹ unless<br>stated<br>otherwise) | Amount ₹ in Crore    |       |                                    |       |
|--|------|---|----------------------|-------|------------------------------------|-------|
|  |      |   | As at March 31, 2020 |       | As at March 31, 2019<br>(Restated) |       |
|  |      |   | Number               | Value | Number                             | Value |
| Mahalunge Township Developers LLP (formerly known as Godrej Land Developers LLP) (Classified as subsidiary till January 31, 2019)  |      |   | 199.72               |       | 200.99                             |       |
| Manjari Housing Projects LLP (formerly known as Godrej Avamark LLP) (Classified as subsidiary till January 31, 2019)               |      |   | 203.95               |       | 205.99                             |       |
| Maan-Hinge Township Developers LLP (formerly known as Godrej Projects (Pune) LLP) (Classified as subsidiary till January 31, 2019) |      |   | 95.00                |       | 89.41                              |       |
| Godrej Irismark LLP  |      |   | -                    |       | -                                  |       |
| Caroa Properties LLP   |      |   | -                    |       | -                                  |       |
| A R Landcraft LLP  |      |   | -                    |       | -                                  |       |
| Godrej Developers & Properties LLP   |      |   | -                    |       | -                                  |       |
| Oasis Landmarks LLP  |      |   | -                    |       | -                                  |       |
| Godrej SSPDL Green Acres LLP   |      |   | -                    |       | -                                  |       |
| Godrej Amitis Developers LLP (formerly known as Amitis Developers LLP)   |      |   | -                    |       | -                                  |       |
| Godrej Construction Projects LLP   |      |   | -                    |       | -                                  |       |
| Bavdhan Realty @ Pune 21 LLP   |      |   | -                    |       | -                                  |       |
| Godrej Housing Projects LLP  |      |   | -                    |       | -                                  |       |
| Godrej Projects North Star LLP   |      |   | -                    |       | -                                  |       |
| Prakhhyat Dwellings LLP  |      |   | -                    |       | -                                  |       |
| Godrej Highview LLP  |      |   | -                    |       | -                                  |       |
| Godrej Irismark LLP  |      |   | -                    |       | -                                  |       |
| Godrej Reserve LLP (formerly known as Sai Srushti Onehub Projects LLP)   |      |   | -                    |       | -                                  |       |
| Godrej Property Developers LLP   |      |   | -                    |       | 0.00                               |       |
| Suncity Infrastructures (Mumbai) LLP (w.e.f. October 10, 2018)   |      |   | -                    |       | 0.00                               |       |
| Roseberry Estate LLP (w.e.f September 18, 2018)  |      |   | -                    |       | -                                  |       |
| Godrej Vestamark LLP (Classified as Joint Venture w.e.f. May 03, 2019)   |      |   | -                    |       | -                                  |       |
| Universal Metro Properties LLP (w.e.f December 02, 2019)   |      |   | -                    |       | -                                  |       |
| Godrej Odyssey LLP (w.e.f September 26, 2019)  |      |   | -                    |       | -                                  |       |
| Manyata Industrial Parks LLP (w.e.f. April 22, 2019)   |      |   | -                    |       | -                                  |       |
|  |      |   | <b>3,831.36</b>      |       | <b>3,499.70</b>                    |       |
| ₹ 0.00 represents amount less than INR 50,000  |      |   |                      |       |                                    |       |
| Aggregate Amount of Quoted Investments   |      |   | <b>2,880.26</b>      |       | 2,703.21                           |       |
| Aggregate Amount of Unquoted Investments   |      |   | <b>952.23</b>        |       | 797.59                             |       |
| Aggregate Provision for Diminution in the Value of Investments   |      |   | <b>(1.13)</b>        |       | (1.10)                             |       |
| Market Value of Quoted Investments   |      |   | <b>12,646.91</b>     |       | 16,684.89                          |       |

#### Note

1 Includes ₹ 0.03 crore paid towards share application money to Personalitree Academy Limited which is considered Doubtful.

## Notes to the Consolidated Financial Statements

## Note 4b : Non Current Financial Assets- Investments

| Name  | Note | Face Value<br>(₹ unless<br>stated<br>otherwise) | Amount ₹ in Crore       |         |                                       |         |  |
|---|------|---|-------------------------|---------|---------------------------------------|---------|--|
|   |      |   | As at<br>March 31, 2020 |         | As at<br>March 31, 2019<br>(Restated) |         |  |
|   |      |   | Number                  | Amount  | Number                                | Amount  |  |
| (l) Investment in Equity Instruments (Fully Paid up unless stated otherwise)<br>At Fair Value Through Profit and Loss |      |   |                         |         |                                       |         |  |
| (a) Quoted Investment   |      |   |                         |         |                                       |         |  |
| Zicom Electronics Security System Ltd.  |      | 10  | 1,73,918                | 0.02    | 1,73,918                              | 0.08    |  |
| Ruchi Soya Industries Ltd.*   | 1    | 2   | 35                      | 0.00    | 3,532                                 | 0.00    |  |
| Agro Tech Foods Ltd.*   |      | 10  | 1                       | 0.00    | 1                                     | 0.00    |  |
| Colgate Palmolive India Ltd.*   |      | 1   | 2                       | 0.00    | 2                                     | 0.00    |  |
| Dabur India Ltd.*   |      | 1   | 6                       | 0.00    | 6                                     | 0.00    |  |
| Gillette India Ltd.*  |      | 10  | 1                       | 0.00    | 1                                     | 0.00    |  |
| Hindustan Unilever Ltd. *   |      | 1   | 751                     | 0.17    | 751                                   | 0.13    |  |
| Marico Ltd.*  |      | 1   | 80                      | 0.00    | 80                                    | 0.00    |  |
| Bajaj Finance Ltd.  |      | 2   | 450                     | 0.10    | 450                                   | 0.14    |  |
| Procter & Gamble Hygiene & Health Care Ltd.*  |      | 10  | 1                       | 0.00    | 1                                     | 0.00    |  |
| Cera Sanitaryware Ltd.  |      | 5   | 1,189                   | 0.26    | 1,189                                 | 0.36    |  |
| HDFC Bank Ltd.  |      | 2   | 444                     | 0.04    | 222                                   | 0.05    |  |
| Infosys Ltd.  |      | 5   | 610                     | 0.04    | 610                                   | 0.05    |  |
| Venkys India Ltd.*  |      | 10  | 1                       | 0.00    | 1                                     | 0.00    |  |
| Just Dial Ltd*  |      | 10  | 82                      | 0.00    | 82                                    | 0.00    |  |
| Advanced Enzyme Technologies Ltd.   |      | 2   | 3,000                   | 0.04    | 3,000                                 | 0.05    |  |
| Vadilal Industries Ltd.   |      | 10  | 2,000                   | 0.09    | 2,000                                 | 0.12    |  |
| DCM Ltd.  |      | 10  | 10,000                  | 0.02    | 5,000                                 | 0.03    |  |
| Maruti Suzuki India Ltd.  |      | 5   | 50                      | 0.02    | 50                                    | 0.03    |  |
| KSE Limited   |      | 10  | 72,934                  | 8.01    | 65,467                                | 9.16    |  |
| Ujjivan Financial Services Ltd.   |      | 10  | 12,204                  | 0.17    | 12,204                                | 0.42    |  |
| Bharat Petroleum  |      | 10  | 2,000                   | 0.06    | 2,000                                 | 0.08    |  |
| Wockhardt Ltd.  |      | 5   | 1,000                   | 0.02    | 1,000                                 | 0.04    |  |
| Whirlpool of India Ltd.   |      | 10  | 500                     | 0.09    | 500                                   | 0.08    |  |
| Alacrity Housing Limited*   |      | 10  | -                       | -       | 100                                   | 0.00    |  |
| Ansal Buildwell Limited*  |      | 10  | 100                     | 0.00    | 100                                   | 0.00    |  |
| Ansal Housing and Construction Limited*   |      | 10  | 300                     | 0.00    | 300                                   | 0.00    |  |
| Ansal Properties and Infrastructure Limited*  |      | 5   | 600                     | 0.00    | 600                                   | 0.00    |  |
| Unitech Limited*  |      | 2   | 13,000                  | 0.00    | 13,000                                | 0.00    |  |
| The Great Eastern Shipping Company Limited*   |      | 10  | 72                      | 0.00    | 72                                    | 0.00    |  |
| Radhe Developers (India) Limited*   |      | 10  | 100                     | 0.00    | 100                                   | 0.00    |  |
| United Textiles Limited*  |      | 10  | 23,700                  | 0.00    | 23,700                                | 0.00    |  |
| (b) Unquoted Investment   |      |   |                         |         |                                       |         |  |
| Bharuch Eco-Aqua Infrastructure Ltd.  |      | 10  | 4,40,000                | 0.44    | 4,40,000                              | 0.44    |  |
| Less : Provision for Diminution in the Value of Investment  |      |   |                         | (0.44)  |                                       | (0.44)  |  |
|   |      |   |                         | -       |                                       | -       |  |
| Avesthagen Ltd.   |      | 7   | 4,69,399                | 12.43   | 4,69,399                              | 12.43   |  |
| Less : Provision for Diminution in the Value of Investment  |      |   |                         | (12.43) |                                       | (12.43) |  |
|   |      |   |                         | -       |                                       | -       |  |
| CBay Infotech Ventures Pvt. Ltd.  |      | 10  | 1,12,579                | 2.33    | 1,12,579                              | 2.33    |  |
| Less : Provision for Diminution in the Value of Investment  |      |   |                         | (2.33)  |                                       | (2.33)  |  |
|   |      |   |                         | -       |                                       | -       |  |
| Gharda Chemicals Ltd.   | 2    | 100   | 114                     | 0.12    | 114                                   | 0.12    |  |
| Less : Provision for Diminution in the Value of Investment  |      |   |                         | (0.12)  |                                       | (0.12)  |  |
|   |      |   |                         | -       |                                       | -       |  |
| HyCa Technologies Pvt. Ltd.   |      | 10  | 12,436                  | 1.24    | 12,436                                | 1.24    |  |
| Less : Provision for Diminution in the Value of Investment  |      |   |                         | (1.24)  |                                       | (1.24)  |  |
|   |      |   |                         | -       |                                       | -       |  |
| Tahir Properties Ltd (Partly paid) *  | 3    | 100   | 25                      | 0.00    | 25                                    | 0.00    |  |
| Less: Forfeited   |      |   |                         | 0.00    |                                       | 0.00    |  |
| Boston Analytics Inc.   |      | \$1   | 13,54,129               | 6.91    | 13,54,129                             | 6.91    |  |
| Less : Provision for Diminution in the Value of Investment  |      |   |                         | (6.91)  |                                       | (6.91)  |  |
|   |      |   |                         | -       |                                       | -       |  |
| The Saraswat Co-op Bank Ltd. *  |      | 10  | 2,000                   | 0.02    | 2,000                                 | 0.02    |  |
| Sachin Industrial Co-operative Society Ltd. *   |      |   |                         | 0.00    |                                       |         |  |
| Isprava Technologies Ltd. (formerly karROX Technologies Ltd.)   |      | 10  | 2,31,171                | 0.07    | 1,95,831                              | 0.04    |  |
| Clean Max Enviro Energy Solution Pvt Ltd .  |      | 10  | 3,133                   | 1.01    | 3,133                                 | 1.01    |  |
| AB Corp Limited*  |      | 10  | 25,000                  | 0.00    | 25,000                                | 0.00    |  |

## Notes to the Consolidated Financial Statements

### Note 4b : Non Current Financial Assets- Investments (Contd.)

| Name  | Note | Face Value<br>(₹ unless<br>stated<br>otherwise) | Amount ₹ in Crore       |         |                                       |         |
|---|------|---|-------------------------|---------|---------------------------------------|---------|
|   |      |   | As at<br>March 31, 2020 |         | As at<br>March 31, 2019<br>(Restated) |         |
|   |      |   | Number                  | Amount  | Number                                | Amount  |
| Lok Housing and Construction Limited*   |      | 10  | 100                     | 0.00    | 100                                   | 0.00    |
| Global Infrastructure & Technologies Limited*                                   |      | 10  | 100                     | 0.00    | 100                                   | 0.00    |
| Premier Energy and Infrastructure Limited*                                      |      | 10  | 100                     | 0.00    | 100                                   | 0.00    |
| D.S. Kulkarni Developers Limited*   |      | 10  | 100                     | 0.00    | 100                                   | 0.00    |
| GOL Offshore Limited *  |      | 10  | 18                      | 0.00    | 18                                    | 0.00    |
| Lotus Green Construction Private Limited*                                       |      | 100   | 1                       | 0.00    | 1                                     | 0.00    |
| Alacrity Housing Limited*   |      | 10  | 100                     | 0.00    | -                                     | -       |
| Brookings Institution India Centre*   |      | 100   | 125                     | 0.00    | 125                                   | 0.00    |
| Shamrao Vithal Co-operative Bank Ltd  |      |   |                         | 0.01    |                                       |         |
| (II) Investment in Debentures or Bonds<br>At Fair Value Through Profit and Loss |      |   |                         |         |                                       |         |
| (a) Unquoted Investment   |      |   |                         |         |                                       |         |
| (i) Joint Ventures  |      |   |                         |         |                                       |         |
| Godrej Realty Private Limited   |      | 10  | 29,89,095               | 2.99    | 29,89,095                             | 2.99    |
| Godrej Green Homes Limited  |      | 1000  | 33,18,000               | 331.80  | 33,18,000                             | 316.60  |
| Wonder City Buildcon Private Limited  |      | 1000  | 3,07,833                | 12.05   | 3,07,833                              | 30.40   |
| Wonder Space Properties Private Limited   |      | 1000  | -                       | -       | 10,19,154                             | 115.58  |
| Wonder Space Properties Private Limited   |      | 1000  | -                       | -       | 3,77,464                              | 37.75   |
| Wonder Space Properties Private Limited   |      | 1000  | -                       | -       | 38,498                                | 4.34    |
| Godrej Home Constructions Private Limited                                       |      | 1000  | 4,13,949                | 23.58   | 4,13,949                              | 41.46   |
| Godrej Redevelopers (Mumbai) Private Limited                                    |      | 1000  | 8,43,736                | 84.48   | 8,43,736                              | 84.48   |
| Wonder Projects Development Private Limited                                     |      | 1000  | 2,77,500                | 27.68   | 2,77,500                              | 27.58   |
| Pearlite Real Properties Private Limited  |      | 1000  | 73,500                  | 10.45   | 7,96,005                              | 81.04   |
| Godrej Real View Developers Private Limited                                     |      | 1000  | 4,61,700                | 46.41   | 4,27,500                              | 42.16   |
| Godrej Skyline Developers Private Limited                                       |      | 100   | 53,04,000               | 52.90   | 53,04,000                             | 52.55   |
| Godrej Greenview Housing Private Limited  |      | 1000  | 2,60,946                | 26.99   | 2,60,946                              | 25.27   |
| Ashank Macbricks Private Limited  |      | 1000  | 4,37,000                | 44.50   | -                                     | -       |
| Yujya Developers Private Limited  |      | 100   | 21,72,348               | 21.72   | -                                     | -       |
| Vivrut Developers Private Limited   |      | 100   | 21,000                  | 2.10    | -                                     | -       |
| Munjjal Hospitality Private Limited   |      | 100   | 9,60,000                | 9.56    | -                                     | -       |
| (IV) Investment in Partnership Firms  |      |   |                         |         |                                       |         |
| View Group LP *   | 4    |   |                         | 0.00    |                                       | 0.00    |
| Less : Provision for Diminution in the Value of Investment                      |      |   |                         | (0.00)  |                                       | (0.00)  |
|   |      |   |                         | -       |                                       | -       |
| (V) Other Investment  |      |   |                         |         |                                       |         |
| Investment in Units of Venture Capital Fund                                     |      |   |                         |         |                                       |         |
| Indian Fund for Sustainable Energy (Infuse Capital)                             |      | 100   | 3,39,959                | 4.26    | 3,27,864                              | 4.55    |
| Omnivore India Capital Trust  |      | 100000  | -                       | -       | 2,444.37                              | 42.85   |
| Aggregate amount of impairment in value of investments                          |      |   |                         | (10.50) |                                       | -       |
|   |      |   |                         | 701.27  |                                       | 921.52  |
| Aggregate Amount of Quoted Investments  |      |   |                         | 9.17    |                                       | 10.84   |
| Aggregate Amount of Unquoted Investments  |      |   |                         | 715.57  |                                       | 934.15  |
| Aggregate Provision for Diminution in the Value of Investments                  |      |   |                         | (23.47) |                                       | (23.47) |
| Market Value of Quoted Investments  |      |   |                         | 9.17    |                                       | 10.84   |

\* Amount less than ₹ 0.01 crore.

### Notes

- "During the year as per the Resolution Plan approved by Hon'ble NCLT, the issued, subscribed and paid-up equity capital of the Ruchi Soya Ltd stand reduced from ₹ 66,82,01,444/- consisting of 33,41,00,722 equity shares of face value of ₹ 2/- each to ₹ 66,82,014/- consisting of 33,41,007 equity shares of ₹ 2/- each thereby reducing the value of issued, subscribed & paid-up equity share capital of the Company by ₹ 66,15,19,430 divided into 33,07,59,715 equity shares of ₹ 2/- each. Accordingly the number shares of Ruchi Soya Ltd held by GIL has been reduced from 3532 to 35 shares".
- The said shares have been refused for registration by the investee company.
- Uncalled Liability on partly paid shares  
- Tahir Properties Ltd. - Equity - ₹ 80 per share (Previous year 2019 - ₹ 80 per share)
- View Group LP has been dissolved on December 14, 2012, however, the Company has still not received an approval from RBI for writing-off the investment.

## Notes to the Consolidated Financial Statements

### Note 5 : Non Current Financial Assets- Trade Receivables

| Particulars                       | Amount ₹ in Crore       |                                       |
|-----------------------------------|-------------------------|---------------------------------------|
|                                   | As at<br>March 31, 2020 | As at<br>March 31, 2019<br>(Restated) |
| (l) Unsecured and Considered Good | <b>89.83</b>            | 14.21                                 |
|                                   | <b>89.83</b>            | 14.21                                 |

### Note 6 : Non Current Financial Assets- Loans

| Particulars   | Amount ₹ in Crore       |                                       |
|---|-------------------------|---------------------------------------|
|   | As at<br>March 31, 2020 | As at<br>March 31, 2019<br>(Restated) |
| (l) Security Deposit  |                         |                                       |
| (a) Secured and Considered Good (Refer Note 1 below)                                | <b>26.33</b>            | 28.57                                 |
| (b) Unsecured and Considered Good   | <b>28.95</b>            | 22.29                                 |
| (c) Unsecured and Considered Doubtful (credit impaired)                             | <b>1.18</b>             | 1.18                                  |
| Less : Allowance for Bad and Doubtful Deposit                                       | <b>(1.18)</b>           | (1.18)                                |
|   | -                       | -                                     |
| (II) Other Loans  |                         |                                       |
| (a) Secured and Considered Doubtful (credit impaired)<br>(refer note 2 and 3 below) | <b>10.33</b>            | 10.33                                 |
| Less : Allowance for Bad and Doubtful Loans   | <b>(10.33)</b>          | (10.33)                               |
|   | -                       | -                                     |
| (b) Unsecured and Considered Good<br>Loans to employees                             | <b>1.32</b>             | 1.15                                  |
|   | <b>56.60</b>            | 52.01                                 |

There are no loans which have significant increase in credit risk.

#### Notes

- Secured Deposits - Projects, are Secured against Terms of Development Agreement.
- The Company had advanced an amount of ₹ 10.33 crore to certain individuals who also pledged certain equity shares as security against the said advance. The Company has enforced its security and lodged the shares for transfer in its name. The said transfer application was rejected and Company has preferred an appeal to the Company Law Board (CLB). The CLB rejected the application and advised the parties to approach the High Court. The Company had filed an appeal before the Honorable High Court against the order of the Company Law Board under section 10 F of the Companies Act, which was disposed of with the direction to keep the transfer of shares in abeyance till the arbitration proceedings between the parties are on. The Honorable Bombay High Court passed an interim order dated September 18, 2012, restraining the Company from inter alia, dealing, selling or creating third party rights, etc. in the pledged shares and referred the matter to arbitration. The Company had filed a Special Leave Petition (SLP) before the Supreme Court against this interim order of the Honorable Bombay High Court which the Supreme Court has dismissed and the matter is presently before the Arbitrator. Single Arbitrator, Justice (Retired), A.P. Shah on 29<sup>th</sup> June 2019 passed an Award ruling that Godrej Industries Ltd shall return all the pledged shares along with the original loan –cum- pledge agreements and the Power of Attorneys executed by the said individuals in favor of Godrej Industries Ltd to the said individuals upon the said Individuals repaying an amount of ₹10.33 crores to Godrej Industries Ltd.

Godrej Industries Ltd, challenged this Award before the Hon'ble High Court of Bombay by way of Section 34 petition under the Arbitration & Conciliation Act, 1996. Hon'ble Bombay High Court by its Order dated 13/09/2019 has now stayed the operation of the said Award dated 29<sup>th</sup> June 2019 till the said Section 34 Petition is finally disposed of. The matter is now pending before the Bombay High Court.

The Management is confident of recovery of this amount as underlying value of the said shares is substantially greater than the amount of loan and interest thereon. However, on a conservative basis, the Company has provided for the entire amount of ₹ 10.33 crore in the books of account.

## Notes to the Consolidated Financial Statements

### Note 6 : Non Current Financial Assets- Loans (Contd.)

3 Details of Loans under section 186 (4) of Companies Act, 2013.

Amount ₹ in Crore

| Particulars                                     | As at March 31, 2020            |                    | As at March 31, 2019            |                    |
|---|---------------------------------|--------------------|---------------------------------|--------------------|
|   | Maximum Balance During the Year | Amount outstanding | Maximum Balance During the Year | Amount outstanding |
| 1 Loans where there is no repayment schedule    |                                 |                    |                                 |                    |
| (i) Federal & Rashmikant                        | 5.83                            | 5.83               | 5.83                            | 5.83               |
| (ii) M/s Dhruv & Co. (Regd.)                    | 4.18                            | 4.18               | 4.18                            | 4.18               |
| (iii) D. R. Kavasmaneck & Dr. P. R. Kavasmaneck | 0.32                            | 0.32               | 0.32                            | 0.32               |

### Note 7 : Non Current Financial Assets- Others

Amount ₹ in Crore

| Particulars   | As at          | As at                        |
|---|----------------|------------------------------|
|   | March 31, 2020 | March 31, 2019<br>(Restated) |
| (I) Bank Deposit with more than 12 months maturity (Refer Note 1 below) | 0.14           | 1.26                         |
| (II) Secured  |                |                              |
| (a) Interest Accrued on Loans (Refer Note 2 below)                      | 3.15           | 3.15                         |
| Provision for Doubtful Loans  | (3.15)         | (3.15)                       |
|   | -              | -                            |
| (III) Unsecured   |                |                              |
| (a) Interest Accrued on Loans   | 1.03           | 1.03                         |
| Provision for Doubtful Loans  | (1.03)         | (1.03)                       |
|   | -              | -                            |
| (IV) Others   |                |                              |
| (a) Balances with Statutory authorities                                 | 2.59           | 9.79                         |
| (b) Claim Receivable  | 1.80           | 1.46                         |
| (c) Deposit   | 0.39           | 33.24                        |
| (d) Others (Refer Note 3 below)   | 3.20           | -                            |
|   | <u>8.12</u>    | <u>45.75</u>                 |

#### Notes

Bank Deposit with more than 12 months maturity includes:

- Fixed Deposits of ₹ 0.12 crore (Previous year ₹0.11 crore ) are pledged with government authorities. Further Fixed deposits with scheduled banks of ₹ 0.01 crores (Previous Year ₹ 0.02 crore) held as margin money towards sales tax registration and fixed deposit of ₹ 0.01 crores (Previous Year ₹ 0.02 crore) are kept as earnest money deposits.
- Interest on loan referred to in sub note (1) under Note 6 - Non Current Loans, amounting to ₹ 3.15 crore was accrued upto March 31, 2000 and has been fully provided for, no interest is being accrued thereafter.
- Fixed deposits held as margin money and lien marked for issuing bank guarantees amounting to ₹ 2.91 Crore (Previous Year: ₹ Nil).

## Notes to the Consolidated Financial Statements

### Note 8 : Deferred Tax Assets (Net of Liabilities)

| Particulars   | Amount ₹ in Crore       |                                       |
|---|-------------------------|---------------------------------------|
|   | As at<br>March 31, 2020 | As at<br>March 31, 2019<br>(Restated) |
| (I) Liabilities   |                         |                                       |
| (a) Property, plant and equipment & Intangible assets       | 201.73                  | 170.94                                |
| (b) Investments   | 4.56                    | 14.31                                 |
| (c) Biological Assets                                       | 6.30                    | -                                     |
|   | <b>212.59</b>           | <b>185.25</b>                         |
| (II) Assets   |                         |                                       |
| (a) Provision for Retirement Benefits                       | 9.69                    | 8.77                                  |
| (b) Indexation benefit on land and shares                   | 0.99                    | 0.94                                  |
| (c) Investments   | 25.73                   | -                                     |
| (d) Biological Assets                                       | -                       | 0.07                                  |
| (e) Inventories   | -                       | 30.96                                 |
| (f) Equity-settled share-based payments                     | 2.09                    | 1.85                                  |
| (g) MAT Credit Entitlement                                  | 10.29                   | 26.55                                 |
| (h) Provision for Doubtful Debts / Advances                 | 35.87                   | 30.17                                 |
| (i) Brought forward Losses                                  | 243.63                  | 400.69                                |
| (j) Unabsorbed Depreciation                                 | 182.54                  | 164.46                                |
| (k) Other Provisions  | 216.02                  | 170.52                                |
| (l) Leases  | 0.73                    | -                                     |
|   | <b>727.58</b>           | <b>834.98</b>                         |
| Deferred Tax Assets (Net of Liabilities)<br>(Refer note 44) | <b>514.99</b>           | <b>649.73</b>                         |

### Note 9 : Other Non Current Assets

| Particulars                             | Amount ₹ in Crore       |                                       |
|---|-------------------------|---------------------------------------|
|   | As at<br>March 31, 2020 | As at<br>March 31, 2019<br>(Restated) |
| (I) Capital Advances                    |                         |                                       |
| Considered Good                         | 59.39                   | 98.13                                 |
| (II) Other Advances                     |                         |                                       |
| (a) Statutory Deposit                   | -                       | 2.67                                  |
| (b) Balance with Government Authorities | 16.01                   | 16.41                                 |
| (c) Prepaid Expense                     | 0.73                    | 0.28                                  |
| (d) Others                              | 6.70                    | 3.46                                  |
| Considered Doubtful                     | 0.46                    | 0.46                                  |
| Provision for Doubtful Advance          | (0.46)                  | (0.46)                                |
|   | <b>82.83</b>            | <b>120.95</b>                         |

### Note 10 : Inventories

| Particulars   | Amount ₹ in Crore       |                                       |
|---|-------------------------|---------------------------------------|
|   | As at<br>March 31, 2020 | As at<br>March 31, 2019<br>(Restated) |
| (I) Raw Materials                                       | 669.81                  | 637.83                                |
| (II) Packing Material                                   | 2.99                    | 2.91                                  |
| (III) Work in Progress                                  | 126.71                  | 121.57                                |
| (IV) Construction Work in Progress (Refer note 2 below) | 1,554.93                | 2,139.43                              |
| (V) Project in Progress                                 | 12.08                   | 68.43                                 |
| (VI) Finished Goods                                     | 715.10                  | 243.92                                |
| (VII) Finished Product - Property Development           | -                       | 71.37                                 |
| (VIII) Stock in Trading                                 | 63.56                   | 87.85                                 |
| (IX) Stores and Spares                                  | 41.71                   | 36.87                                 |
|   | <b>3,186.89</b>         | <b>3,410.18</b>                       |

#### Notes

- Inventories are valued at lower of cost and net realisable value. Cost is computed on weighted average basis and is net of GST Input Tax Credit.
- The write-down of inventories to net realisable value during the year amounted to ₹ 33.32 crores (Previous Year: ₹ 4.75 crores).
- Working capital facilities sanctioned by banks under consortium arrangement are secured by hypothecation of stocks.
- Certain inventories as at March 31, 2020 have been written down to their net realisable values on account of which ₹2.50 crores has been debited to the Statement of Profit and Loss. Further provision of ₹4.21 crores made in the previous years has been reversed into the Statement of Profit and Loss in the current year and included in Cost of materials consumed (31 March 2019 - provision of ₹ 4.42 crores)



## Notes to the Consolidated Financial Statements

### Note 11 : Current Financial Assets- Investments

| Name   | Note | Face Value   | Amount ₹ in Crore       |                                    |
|--|------|--------------|-------------------------|------------------------------------|
|  |      |              | As at<br>March 31, 2020 | As at<br>March 31, 2019 (Restated) |
| (I) Investment in Mutual Funds (At Fair Value Through Profit and Loss) |      |              | <b>2,061.57</b>         | 1,052.10                           |
| (II) Other Investment<br>At Fair Value Through Profit and Loss         |      |              |                         |                                    |
| (a) Unquoted Investment  |      |              |                         |                                    |
| Optionally Convertible Loan Notes/<br>Promissory Notes                 |      |              |                         |                                    |
| Boston Analytics Inc. (15%)  | 1    | \$ 750,000   | <b>3.00</b>             | 3.00                               |
| Less : Provision for Diminution in<br>the Value of Investment          |      |              | <b>(3.00)</b>           | (3.00)                             |
| Boston Analytics Inc. (20%)  | 1    | \$ 15,50,000 | <b>6.73</b>             | 6.73                               |
| Less : Provision for Diminution in<br>the Value of Investment          |      |              | <b>(6.73)</b>           | (6.73)                             |
| Boston Analytics Inc. (12%)  | 2    | \$ 950,000   | <b>4.69</b>             | 4.69                               |
| Less : Provision for Diminution in<br>the Value of Investment          |      |              | <b>(4.69)</b>           | (4.69)                             |
| (III) Investment in equity of associates                               |      |              |                         |                                    |
| (a) Unquoted   |      |              |                         |                                    |
| AI Rahaba International Trading<br>Limited Liability Company           | 3    | 1500         | -                       | -                                  |
|  |      |              | <b>2,061.57</b>         | 1,052.10                           |
| Aggregate Amount of Quoted Investments                                 |      |              | <b>2,061.57</b>         | 1,052.10                           |
| Aggregate Amount of Unquoted Investments                               |      |              | <b>14.42</b>            | 14.42                              |
| Aggregate Provision for Diminution in the Value<br>of Investments      |      |              | <b>(14.42)</b>          | (14.42)                            |
| Market Value of Quoted Investments                                     |      |              | <b>2,061.57</b>         | 1,052.10                           |

#### Notes

- The Optionally Convertible Promissory Notes (15%) of Boston Analytics Inc. in respect of which the Company did not exercise the conversion option and Boston Analytics Inc. promissory notes (20%) where there was a partial conversion option which the Company did not exercise, were due for redemption on June 30, 2009 and August 21, 2009, respectively. The said promissory notes have not been redeemed as of the Balance Sheet date and have been fully provided for.
- 12% promissory notes were repayable on or before December 31, 2011, along with interest on maturity. The said promissory notes have not been redeemed as of the Balance Sheet date and have been fully provided for.
- During the previous year, the management has decided to divest its stake in AI Rahhaba International Trading Limited Liability Company. Further the equity accounted investment in AI Rahhaba International Trading Limited Liability Company is ₹ Nil as at March 31, 2019 on account of losses for the year.

## Notes to the Consolidated Financial Statements

### Note 12 : Current Financial Assets- Trade Receivables

Amount ₹ in Crore

| Particulars   | As at<br>March 31, 2020 | As at<br>March 31, 2019<br>(Restated) |
|---|-------------------------|---------------------------------------|
| (I) Secured and Considered Good (Refer Note 1 below)              | 136.37                  | 88.51                                 |
| (II) Unsecured and Considered Good                                | 1,416.08                | 1,071.78                              |
| (III) Unsecured and Considered Doubtful (credit impaired)         | 100.40                  | 83.54                                 |
| Less : Allowance for Bad and Doubtful Debt                        | (100.40)                | (83.54)                               |
| Net Unsecured and Considered Doubtful                             | -                       | -                                     |
| (IV) Trade receivables having significant increase in credit risk | -                       | -                                     |
|   | <b>1,552.45</b>         | <b>1,160.29</b>                       |

#### Notes

- 1 Secured by Security Deposits collected from Customers, Letter of Credit or Bank Guarantees held against them.
- 2 Refer note 24 for information on trade receivables pledged as security by the Group.

### Note 13a :Cash and Cash Equivalents

Amount ₹ in Crore

| Particulars                                     | As at<br>March 31, 2020 | As at<br>March 31, 2019<br>(Restated) |
|---|-------------------------|---------------------------------------|
| (I) Balances with Banks                         |                         |                                       |
| (a) Current Accounts                            | 461.76                  | 622.08                                |
| (b) Deposits having maturity less than 3 months | 113.21                  | 111.24                                |
| (II) Cheques, Drafts on Hand                    | 11.30                   | 10.46                                 |
| (III) Cash on Hand                              | 4.15                    | 6.69                                  |
|   | <b>590.41</b>           | <b>750.47</b>                         |

### Note 13b : Current Financial Assets - Other Bank Balances

Amount ₹ in Crore

| Particulars  | As at<br>March 31, 2020 | As at<br>March 31, 2019<br>(Restated) |
|--|-------------------------|---------------------------------------|
| (I) Deposits with more than 3 months but less than 12 months maturity (Refer Note 1 below) | 361.26                  | 191.78                                |
| (II) Other Bank Balances (Refer Note 2 to 3)   | 26.79                   | 2.48                                  |
|  | <b>388.05</b>           | <b>194.26</b>                         |

#### Notes

- 1 Include
  - (i) ₹ 46.56 Crore (March 31 2019: ₹ 8.48 Crore) received from flat buyers and held in trust on their behalf in a corpus fund.
  - (ii) Deposits held as Deposit Repayment Reserve amounting to ₹ 0.10 Crore (March 31 2019: ₹ 0.10 Crore).
  - (iii) Fixed deposits held as margin money and lien marked for issuing bank guarantees amounting to ₹ 0.29 Crore (March 31 2019: ₹ 0.86 Crore)
  - (iv) Fixed Deposits of ₹ 1.11 crores (Previous year ₹ 1.21 crores ) are pledged with Banks for Guarantees issued. Further fixed deposits of ₹ 0.06 (Previous year ₹ 0.06 crore ) are kept as earnest money deposit.
- 2 Balances with Banks in current accounts ₹ 0.50 Crore (March 31 2019: ₹ 0.51 Crore) is on account of earmarked balance for unclaimed dividend.
- 3 Balances with Banks in current accounts ₹ 0.82 Crore (March 31, 2019: ₹ 1.16 Crore) is amount received from buyers towards maintenance charges.

## Notes to the Consolidated Financial Statements

### Note 14 : Current Financial Assets- Loans

| Particulars  | Amount ₹ in Crore       |                                       |
|--|-------------------------|---------------------------------------|
|  | As at<br>March 31, 2020 | As at<br>March 31, 2019<br>(Restated) |
| (I) Security Deposit                                 |                         |                                       |
| (a) Secured and Considered Good (Refer Note 1 below) | 200.13                  | 222.58                                |
| (II) Loans to Related Parties                        |                         |                                       |
| (a) Secured and Considered Good (Refer Note 2 below) | -                       | 7.50                                  |
| (b) Unsecured and Considered Good                    | 1,338.44                | 763.59                                |
| (III) Other Loans                                    |                         |                                       |
| (a) Unsecured and Considered Good                    |                         |                                       |
| Loans to employees                                   | 1.22                    | 1.36                                  |
| Other Loans & Advances                               | 95.39                   | 53.71                                 |
| (b) Unsecured and Considered Doubtful                |                         |                                       |
| Inter Corporate Deposit                              | 5.77                    | 5.77                                  |
| Less : Allowance for Bad and Doubtful Deposit        | (5.77)                  | (5.77)                                |
|  | -                       | -                                     |
| Doubtful Loan  | 0.13                    | -                                     |
| Less : Allowance for Bad and Doubtful Deposit        | (0.13)                  | -                                     |
|  | -                       | -                                     |
|  | <b>1,635.18</b>         | <b>1,048.74</b>                       |

#### Note

- Deposits - Projects are Secured against Terms of Development Agreements.
- Loan to related party represents loan given to Prakhhyat Dwelling LLP ₹ Nil (March 31, 2019: ₹ 7.50 Crore), a joint venture of the Group and is secured against immovable property of the LLP.

### Note 15 : Current Financial Assets- Others

| Particulars                               | Amount ₹ in Crore       |                                       |
|---|-------------------------|---------------------------------------|
|   | As at<br>March 31, 2020 | As at<br>March 31, 2019<br>(Restated) |
| I Other Receivables                       | 29.21                   | 19.71                                 |
| II Fair Value of Derivative Contracts     | 3.41                    | 0.06                                  |
| III Deposits - Others                     | 58.23                   | 46.79                                 |
| IV Interest Accrued on Loans and Deposits | 408.35                  | 276.53                                |
| V Income Accrued                          | -                       | 0.06                                  |
| VI Export Benefits Receivables            | 0.26                    | 0.30                                  |
| VII Others                                | 48.17                   | 31.84                                 |
|   | <b>547.63</b>           | <b>375.29</b>                         |

## Notes to the Consolidated Financial Statements

## Note 16 : Other Current Assets

| Particulars   | Amount ₹ in Crore       |                                       |
|---|-------------------------|---------------------------------------|
|   | As at<br>March 31, 2020 | As at<br>March 31, 2019<br>(Restated) |
| (l) Advances other than Capital Advance               |                         |                                       |
| (a) Security Deposit                                  |                         | 172.10                                |
| Statutory Deposits                                    | 109.77                  |                                       |
| Other Deposits  | 3.09                    | 2.60                                  |
|   | <b>112.86</b>           | 174.70                                |
| (b) Other Advances                                    |                         |                                       |
| Advance to Suppliers - Considered Good (refer note 1) | 61.62                   | 100.70                                |
| Advance to Suppliers - Considered Doubtful            | 1.19                    | 1.19                                  |
| Provision for Doubtful Advance                        | (1.19)                  | (1.19)                                |
|   | <b>61.62</b>            | 100.70                                |
| Other Receivables - Considered Good                   | 64.13                   | 108.95                                |
| Advance for Land, Development Rights and Flats        | 145.64                  | 37.31                                 |
| Export Benefit  | 4.46                    | 9.09                                  |
| Unbilled Revenue                                      | 142.41                  | 75.82                                 |
| Employee Advance                                      | 0.01                    | 0.02                                  |
| Prepaid and other advances                            | 22.18                   | 21.94                                 |
|   | <b>553.31</b>           | 528.53                                |

Note 1: Advance to Suppliers and Contractors includes advances amounting to ₹ 1.39 Crore (Previous Year: ₹ 10.78 Crore) secured against bank guarantees.

# Notes to the Consolidated Financial Statements

## Note 17 : Equity

Amount ₹ in Crore

| Particulars   | As at March 31, 2020 |                      | As at March 31, 2019<br>(Restated) |                      |
|---|----------------------|----------------------|------------------------------------|----------------------|
|   | Nos                  | Amount<br>₹ in Crore | Nos                                | Amount<br>₹ in Crore |
| <b>1 Authorised Share Capital</b>   |                      |                      |                                    |                      |
| (a) Equity shares of Re. 1 each   | 80,00,00,000         | 80.00                | 80,00,00,000                       | 80.00                |
| (b) Unclassified Shares of ₹ 10 each  | 10,00,00,000         | 100.00               | 10,00,00,000                       | 100.00               |
|   |                      | 180.00               |                                    | 180.00               |
| <b>2 Issued, Subscribed and Paid up Share Capital</b>   |                      |                      |                                    |                      |
| Equity Shares of Re. 1 each fully paid up   | 33,64,66,016         | 33.65                | 33,63,84,367                       | 33.64                |
| Par Value of Equity Share is Re. 1 each   |                      |                      |                                    |                      |
| Par Value of Unclassified Share is ₹ 10 each  |                      |                      |                                    |                      |
| <b>3 Reconciliation of number of Shares</b>   |                      |                      |                                    |                      |
| Equity Shares   |                      |                      |                                    |                      |
| Number of Shares outstanding at the beginning of the year   | 33,63,84,367         | 33.64                | 33,62,72,731                       | 33.63                |
| Issued during the year  | 81,649               | 0.01                 | 1,11,636                           | 0.01                 |
| Number of Shares outstanding at the end of the year   | 33,64,66,016         | 33.65                | 33,63,84,367                       | 33.64                |
| <b>4 Rights, Preferences And Restrictions attached to Shares</b>  |                      |                      |                                    |                      |
| Equity Shares : The Company has one class of equity shares. Each equity share entitles the holder to one vote. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholding. |                      |                      |                                    |                      |
| <b>5 Share Holding Information</b>  |                      |                      |                                    |                      |
| a) Shareholders holding more than 5% of Equity Shares in the Company:   |                      |                      |                                    |                      |
| Rishad Kaikhushru Naoroji and others (Partners of RKN Enterprises)- 12.66% (previous year 12.66%)   | 4,25,83,272          | 4.26                 | 4,25,83,272                        | 4.26                 |
| Godrej Foundation - 13.38% (previous year 13.38%)   | 4,50,14,972          | 4.50                 | 4,50,14,972                        | 4.50                 |
| <b>6 Equity Shares Reserved for Issue Under Employee Stock Grant (Re. 1 each)</b>   |                      |                      |                                    |                      |
| Employee Stock Grant for which vesting date shall be such date as may be decided by the Compensation Committee (*)  |                      |                      |                                    |                      |
| (a) Employee Stock Grant vesting on 31/05/19  | -                    | -                    | 90,785                             | 0.01                 |
| (b) Employee Stock Grant vesting on 13/05/20  | 19,063               | 0.00                 | -                                  | -                    |
| (c) Employee Stock Grant vesting on 31/05/20  | 42,251               | 0.00                 | 50,655                             | 0.01                 |
| (d) Employee Stock Grant vesting on 13/05/21  | 19,063               | 0.00                 | -                                  | -                    |
| (e) Employee Stock Grant vesting on 31/05/21  | 16,341               | 0.00                 | 19,589                             | 0.00                 |
| (f) Employee Stock Grant vesting on 13/05/22  | 19,063               | 0.00                 | -                                  | -                    |
| The exercise period in respect of the stock grants mentioned above is one month.  |                      |                      |                                    |                      |
| <b>7</b>  |                      |                      |                                    |                      |
| During the period of five years immediately preceding the date as at which the Balance Sheet is prepared :  |                      |                      |                                    |                      |
| Pursuant to the Scheme of Amalgamation of Vora Soaps Limited (VSL) with the Company 19,39,04,681 equity shares allotted as fully paid up to the Equity and Preference Shareholders of VSL.  |                      |                      |                                    |                      |

## Notes to the Consolidated Financial Statements

### Note 17 : Equity (Contd.)

Pursuant to the Scheme of Amalgamation of Wadala Commodities Limited (WCL) with the Company :

(i) 2,00,243 equity shares allotted as fully paid up to the Equity Shareholders of WCL and 10 equity shares allotted as fully paid up to the Preference Shareholders of WCL, without payment being received in cash.

(ii) 67,627 equity shares have been allotted as fully paid up bonus shares to the non-promoter shareholders of the Company.

8 There are no calls unpaid.

9 There are no forfeited shares.

(\*) Amount less than ₹ 0.01 crore.

#### Note

In the FY 2014-15, the Honourable Bombay High Court and High Court of Madhya Pradesh, Indore Bench, approved a Scheme of Amalgamation ("Scheme") of Wadala Commodities Limited (WCL) with the Company effective from April 1, 2014, being the appointed date. The Effective Date was November 21, 2014, being the date of filing the approval of the Respective High Courts with the ROC. Accordingly, the Company had issued 2,00,243 equity shares of the Company in lieu of the equity shares in WCL and 10 equity shares of the Company in lieu of the preference shares in WCL held by the shareholders of the erstwhile WCL and also issued 67,504 bonus equity shares of the Company to the non-promoter shareholders of the Company.

On December 14, 2018, the National Company Law Tribunal ("NCLT"), Mumbai bench vide its Order approved the Scheme of Amalgamation of Vora Soaps Limited (VSL) with the Company. Consequent to the said Order and filing of the final certified Orders with the Registrar of Companies, Maharashtra on December 24, 2018, the Scheme has become effective from the Appointed Date of December 14, 2017. According to the Scheme, the Company cancelled 19,39,04,681 equity shares held by VSL and issued 19,39,04,681 fully paid Equity Shares as a consideration to the Equity and Preference shareholders of Vora Soaps Limited.

### Note 18 : Other Equity

#### I Summary of Other Equity Balance

| Particulars  | Amount ₹ in Crore       |                                       |
|--|-------------------------|---------------------------------------|
|  | As at<br>March 31, 2020 | As at<br>March 31, 2019<br>(Restated) |
| I Capital Reserve on Account of Amalgamation           | 20.34                   | 0.81                                  |
| II Capital Redemption Reserve                          | 31.46                   | 31.46                                 |
| III Securities Premium                                 | 916.63                  | 912.76                                |
| IV Capital Reserve                                     | 28.81                   | 28.45                                 |
| V Special Reserve                                      | 4.03                    | 3.98                                  |
| VI Foreign Currency Monetary Items Translation Reserve | 15.75                   | 11.13                                 |
| VII Items of Other Comprehensive Income                | 53.35                   | (0.03)                                |
| VIII Employee Stock Grants Outstanding                 | 9.48                    | 10.09                                 |
| IX General Reserve                                     | 64.24                   | 64.24                                 |
| X Debenture Redemption Reserve                         | 49.29                   | 56.13                                 |
| XI Gain on sale of subsidiary without losing control   | 180.67                  | 180.67                                |
| XII Non Controlling Interest Reserve                   | 2,090.97                | 1,224.95                              |
| XIII Retained Earnings                                 | 2,288.04                | 1,788.16                              |
|  | <b>5,753.05</b>         | <b>4,312.80</b>                       |

Refer statement of changes in equity for detailed movement in Other Equity balances.

## Notes to the Consolidated Financial Statements

### Note 18 : Other Equity (Contd.)

#### II Nature and purpose of reserve

- a Capital Reserve on Account of Amalgamation : During amalgamation, the excess of net assets taken over the cost of consideration paid is treated as Capital Reserve on account of Amalgamation.
- b Capital Redemption Reserve : The Company has recognised Capital Redemption Reserve on buyback of equity shares from its retained earnings.
- c Securities Premium : The amount received in excess of face value of the equity shares is recognised in Securities Premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium. It is utilised in accordance with the provisions of section 52 of the Companies Act, 2013.
- d Capital Reserve : During amalgamation, the excess of net assets taken, over the cost of consideration paid is treated as capital reserve and also created on Sale of treasury Shares, also profit on sale of treasury shares held by the ESOP Trust is recognised in Capital Reserve. The utilisation will be as per the requirements of the Companies Act, 2013.
- e Special Reserve : Reserve created under section 451C of RBI Act, 1934.
- f Foreign Currency Translation Reserve : The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.
- g Employee Stock Grants Outstanding : The fair value of the equity-settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to Employee Stock Grants Outstanding Account.
- h Reserve for Employee Compensation Expense : The expenses in respect of the Company's ESOP scheme will be charged against the Reserve for employee compensation expense as per court Scheme
- i 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.
- j Debenture Redemption Reserve : The Company is required to create a debenture redemption reserve out of the profits which is available for payment of dividend for the purpose of redemption of debentures.
- k Gain on sale of subsidiary without losing control : The Company participated in the IPO of Godrej Agrovet Limited (GAVL) as a promoter shareholder and sold part of its stake and realised a gain in the Standalone financial statements. Since the Company continues to hold controlling stake in GAVL, the resultant gain is not considered as a part of Consolidated net profits, but is included in Reserves as per the accounting treatment prescribed under IND AS 110 (Consolidated Financial Statements).
- l Non- controlling Interest Reserve : It represents the difference between the consideration paid and the carrying value of non- controlling interest acquired in subsidiaries.
- m Retained Earnings : Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

## Notes to the Consolidated Financial Statements

### Note 18 : Other Equity (Contd.)

#### III Other Comprehensive Income accumulated in Other Equity, net of tax

| Particulars   | Amount ₹ in Crore       |                                       |
|---|-------------------------|---------------------------------------|
|   | As at<br>March 31, 2020 | As at<br>March 31, 2019<br>(Restated) |
| Opening Balance   | (0.03)                  | (32.00)                               |
| Exchange Difference in translating financial statements of foreign operations | 57.79                   | 35.12                                 |
| Cash flow hedges  | (4.41)                  | (3.15)                                |
|   | <b>53.35</b>            | (0.03)                                |

#### IV Notes

(i) To give effect to the Scheme of Amalgamation ("the Scheme") of Godrej Gokarna Oil Palm Ltd (GGOPL), Godrej Oil Palm Ltd (GOPL) and Cauvery Palm Oil Ltd (CPOL) ("the Transferor Companies") with Godrej Agrovet Limited ("the Transferee Company"), effective April 1, 2011, ("the Appointed date") as sanctioned by the Hon'ble High Court of Judicature at Bombay ("the Court"), vide its Order dated March 16, 2012, the following entries have been recorded:

i. Amortisation of Intangible Assets of the Transferor Companies amounting to ₹4.25 Crore for the year ended March 31, 2019, recorded in the books of the Transferee Company are charged against the balance in the General Reserve Account of the Transferee Company. The Gross Book value of these Assets held by the Transferee Company is ₹42.51 Crore.

Had the Scheme not prescribed the above treatment, profit for the Financial Year ended March 31, 2019 would have been lower by ₹2.77 Crore.

Earnings per share has been adjusted for effects of above expenses which have been debited to reserves pursuant to court schemes, and Emphasis of matter paragraph has been given in the audit report issued by the Statutory Auditors on the Consolidated Financial statements.



## Notes to the Consolidated Financial Statements

### Note 19 : Non Current Financial Liabilities - Borrowings

| Particulars  | Amount ₹ in Crore       |                                       |
|--|-------------------------|---------------------------------------|
|  | As at<br>March 31, 2020 | As at<br>March 31, 2019<br>(Restated) |
| (I) Secured Borrowings   |                         |                                       |
| (a) Bonds and Debentures<br>7.82% NIL (Previous Year: 2019 5,000) redeemable non-convertible debentures ("NCD") of face Value ₹ 1,000,000 each | -                       | 500.00                                |
| (b) Term Loans   |                         |                                       |
| (i) From Banks (Refer Note 1)  | 7.35                    | 6.99                                  |
| (II) Unsecured Borrowings  |                         |                                       |
| (a) Term Loans   |                         |                                       |
| (i) From Banks (Refer Note 2 below)  | 603.73                  | 685.97                                |
| (b) Deferred Payment Liabilities (Refer Note 3 and 4 below)  | 1.55                    | 3.24                                  |
|  | <b>612.63</b>           | <b>1,196.20</b>                       |

Notes:

| Particulars   | Amount ₹ in Crore       |                                       |
|---|-------------------------|---------------------------------------|
|   | As at<br>March 31, 2020 | As at<br>March 31, 2019<br>(Restated) |
| 1   |                         |                                       |
| Loans at the interest rate of 1.5% to 1.8% p.a. The interest bearing loan in denominated in Singapore dollar.   | 7.35                    | -                                     |
| Loans at the interest rate of 2.0% to 2.6% p.a repayable in 60 installments from the date of disbursements. The interest bearing loan in denominated in Singapore dollar. | -                       | 6.99                                  |

2 Unsecured loans from Banks

| Particulars  | Amount ₹ in Crore       |                                       |
|--|-------------------------|---------------------------------------|
|  | As at<br>March 31, 2020 | As at<br>March 31, 2019<br>(Restated) |
| Loan carries interest at Fixed rate of 8.50% p.a for an original term upto 60 months and repayable starting June 2018 to March 2022.     | 31.25                   | 62.50                                 |
| Loan carries interest at 1 year MCLR for an original term upto 60 months and repayable starting June 2018 to March 2022.                 | 22.50                   | 45.00                                 |
| Loan carries interest at 1 year MCLR for an original term upto 60 months and repayable starting July 2018 to April 2022.                 | 8.75                    | 17.50                                 |
| Loan carries interest at 1 year MCLR for an original term upto 72 months and repayable starting March 2022 to March 2025                 | 500.00                  | 500.00                                |
| Loan carries interest rate of 8.80% p.a repayable in 16 structured quarterly instalments commencing from January 2018 to December 2022 . | -                       | 1.97                                  |
| Loan carries interest rate of 7.05% p.a repayable in 28 equal quarterly instalments commencing from February 15, 2019.                   | 19.00                   | -                                     |
| Loan carries interest at 1 month treasury bill rate + 21bps spread p.a. is repayable in a single tranche in April 2020                   | -                       | 20.00                                 |
| Loan carries interest at Treasury bill rate + 75bps repayable in 20 equal quarterly installments commencing from July, 2020              | 14.50                   | -                                     |

## Notes to the Consolidated Financial Statements

### Note 19 : Non Current Financial Liabilities - Borrowings (Contd.)

| 2 Unsecured loans from Banks (Contd.)  |  | Amount ₹ in Crore                     |  |
|--|--|---------------------------------------|--|
| Particulars  | As at<br>March 31, 2020  | As at<br>March 31, 2019<br>(Restated) |  |
| Loan carries interest rate of 3 months T Bill + 175 bps. The loan is repayable in 60 monthly installments commencing from July 2020. | -  | 16.00                                 |  |
| Loan carries interest at Treasury bill rate + 100bps repayable in 16 equal quarterly installments commencing from 31 December, 2020  | 7.73   | -                                     |  |
| Loan carries interest rate of 7.05% p.a repayable in 28 structured quarterly instalments commencing February 15,2019                 | -  | 23.00                                 |  |
| 3  | Deferred Loan against acquisition of Lease hold Land is availed at interest rate of 14% under the scheme floated by the Directorate of Industries, Government of Uttar Pradesh. Loan repayment shall be performed on a half yearly basis for a period of 6 years from 1 <sup>st</sup> July 2016 up to 1 <sup>st</sup> Jan 2022. Total loan availed was ₹6.18 crore and outstanding for the year ended March 31, 2020 was ₹2.58 crore ( Previous year ₹ 3.09 crore) with current maturity disclosed separately in note no. 26 at ₹ 1.03 crore ( Previous year ₹ 1.03 crore) . |                                       |  |
| 4  | Deferred Sales Tax Loan is availed interest free under the scheme floated by the Directorate of Industries, Government of Andhra Pradesh. Loan repayment shall be performed on an annual basis 14 years from the year of collection, up to March 2021. Total loan availed was ₹ 4.67 crore and outstanding for the year ended March 31, 2020 was ₹ 1.34 (Previous year ₹ 2.41 crore) with current maturity disclosed separately in note 26 at ₹ 1.34 crore (Previous year ₹ 1.23 crore) .  |                                       |  |
| 5  | The Group does not have any default as on the Balance Sheet date in repayment of loan or interest.   |                                       |  |

### Note 20 : Non Current Financial Liabilities - Others

|                        |                         | Amount ₹ in Crore                     |  |
|------------------------|-------------------------|---------------------------------------|--|
| Particulars            | As at<br>March 31, 2020 | As at<br>March 31, 2019<br>(Restated) |  |
| (I) Non Trade Payable  | 0.86                    | 0.51                                  |  |
| (II) Security Deposits | 0.49                    | 0.50                                  |  |
|                        | <b>1.35</b>             | 1.01                                  |  |

### Note 21 : Non Current Provisions

|                              |                         | Amount ₹ in Crore                   |  |
|------------------------------|-------------------------|-------------------------------------|--|
| Particulars                  | As at<br>March 31, 2020 | As at<br>March 31, 2019<br>Restated |  |
| I Defined Benefit Obligation | 31.16                   | 24.08                               |  |
| II Other Long Term Benefit   | 2.91                    | 2.87                                |  |
|                              | <b>34.07</b>            | 26.95                               |  |

## Notes to the Consolidated Financial Statements

### Note 22 : Deferred Tax Liabilities (Net)

|   |                         | Amount ₹ in Crore                     |  |
|---|-------------------------|---------------------------------------|--|
| Particulars   | As at<br>March 31, 2020 | As at<br>March 31, 2019<br>(Restated) |  |
| (I) Liabilities   |                         |                                       |  |
| (a) Property, plant and equipment                           | <b>182.78</b>           | 219.30                                |  |
| (b) Investments   | <b>0.31</b>             | -                                     |  |
| (c) MAT Credit Entitlement                                  |                         |                                       |  |
| (d) Biological Assets                                       | <b>0.12</b>             | 8.96                                  |  |
| (e) Brought forward Losses                                  | <b>0.09</b>             | 0.70                                  |  |
| (f) Other provisions  | <b>68.66</b>            | 64.44                                 |  |
|   | <b>251.96</b>           | 293.40                                |  |
| (II) Assets   |                         |                                       |  |
| (a) Provision for Retirement Benefits                       | <b>2.43</b>             | 3.00                                  |  |
| (b) Provision for Doubtful Debts / Advances                 | <b>6.23</b>             | 6.81                                  |  |
| (c) MAT Credit Entitlement                                  | -                       | 5.22                                  |  |
| (d) Leases  | <b>0.75</b>             | -                                     |  |
|   | <b>9.41</b>             | 15.03                                 |  |
| Deferred Tax Liabilities (Net Of Assets)<br>(refer note 44) | <b>242.55</b>           | 278.37                                |  |

### Note 23 : Other Non Current Liabilities

|                |                         | Amount ₹ in Crore                     |  |
|----------------|-------------------------|---------------------------------------|--|
| Particulars    | As at<br>March 31, 2020 | As at<br>March 31, 2019<br>(Restated) |  |
| (I) Others     |                         |                                       |  |
| Deferred Grant | <b>21.19</b>            | 20.41                                 |  |
| Others         | <b>1.02</b>             | 0.91                                  |  |
|                | <b>22.21</b>            | 21.32                                 |  |

## Notes to the Consolidated Financial Statements

## Note 24 : Current Financial Liabilities Borrowings

| Particulars  | Amount ₹ in Crore       |                                       |
|--|-------------------------|---------------------------------------|
|  | As at<br>March 31, 2020 | As at<br>March 31, 2019<br>(Restated) |
| (I) Secured Borrowings                                       |                         |                                       |
| (a) Term Loan from Bank (Refer Note 1 below)                 | -                       | 11.73                                 |
| (b) Loans Repayable on Demand                                |                         |                                       |
| (i) From Banks (Refer Note 1 below)                          | <b>903.58</b>           | 804.36                                |
| (c) Other Loans  |                         |                                       |
| (i) Cash Credit (Refer Note 2 below)                         | <b>155.36</b>           | 119.46                                |
| (ii) Buyer's Credit (Refer Note 3 below)                     | <b>0.21</b>             | -                                     |
| (II) Unsecured Borrowings                                    |                         |                                       |
| (a) Term Loans   |                         |                                       |
| (i) From Banks (Refer Note 4 below)                          | <b>1,285.07</b>         | 1,290.00                              |
| (b) Loans Repayable on Demand                                |                         |                                       |
| (i) From Banks (Refer Note 5 below)                          | <b>1,387.70</b>         | 1,363.08                              |
| (ii) Bank Overdraft repayable on demand (Refer Note 6 below) | <b>148.84</b>           | 176.03                                |
| (c) Other Loans  |                         |                                       |
| (i) Commercial Papers (Refer Note 7 below)                   | <b>1,829.23</b>         | 1,696.00                              |
| (ii) Working Capital Loan (Refer Note 8 below)               | <b>312.61</b>           | 133.51                                |
| (iii) Cash Credit  | <b>14.55</b>            | 0.36                                  |
| (iv) Buyer's Credit (Refer Note 3 below)                     | <b>0.27</b>             | 31.94                                 |
|  | <b>6,037.42</b>         | 5,626.47                              |

## Notes:

## 1 Loan repayable on demand includes

- (i) The Working Capital Loan (WCL) of ₹ 500 Crore (Previous Year: ₹ 800 Crore) from SBI is secured by a primary charge of hypothecation of Current Assets of the subsidiary company and work-in-progress of Godrej Projects Development Limited (wholly owned subsidiary) and by a collateral of Mortgage of Immovable property (including all fit-outs therein) of the Company at Unit No 5C, on the 5<sup>th</sup> Floor in Godrej One (along with car parking spaces) at Pirojshanagar, Vikhroli East, Mumbai and the hypothecation of Current Assets excluding work-in-progress of Godrej Projects Development Limited (wholly owned subsidiary of Godrej Properties Limited) The WCL of ₹ 400 Crore (Previous Year: ₹ Nil) from SBI is secured by a collateral of Mortgage of Immovable property (including all fit-outs therein) of the Company at Unit No 5C, on the 5<sup>th</sup> Floor in Godrej One (along with car parking spaces) at Pirojshanagar, Vikhroli East, Mumbai and the hypothecation of Current Assets excluding work-in-progress of Godrej Projects Development Limited (wholly owned subsidiary of Godrej Properties Limited).
- (ii) Working capital facilities sanctioned by banks under consortium arrangement are secured by hypothecation of stocks and book debts, carries interest rate at 3 month MCLR+0.1% repayable by May 2019.
- (iii) Foreign currency loans from Banks are at an interest rate of Nil (Previous year LIBOR + 65 bps) and were repayable within 180 days in the previous year.

- 2 (i) Cash Credit from banks are repayable on demand and carries interest at the rate of MCLR + 0.25 and 8.20% to 10% per annum (Previous year 1 Year MCLR + 25 to 55 bps and 8.60% per annum) . The cash credit from Bank is secured against inventories and receivables.

## Notes to the Consolidated Financial Statements

### Note 24 : Current Financial Liabilities Borrowings (Contd.)

- (ii) Cash Credit availed from SBI is secured by a primary charge of hypothecation of Current Assets of a subsidiary company and work-in-progress of Godrej Projects Development Limited (wholly owned subsidiary) and by a collateral of Mortgage of Immovable property (including all fit-outs therein) of the subsidiary company at Unit No 5C, on the 5<sup>th</sup> Floor in Godrej One (along with car parking spaces) at Pirojshanagar, Vikhroli East, Mumbai and the hypothecation of Current Assets excluding work-in-progress of Godrej Projects Development Limited (wholly owned subsidiary) and is payable on demand.

3 Buyers credit are at an interest rate of 3 to 6 month LIBOR + 40 to 120 bps and are repayable within 6 months.

4 Unsecured Loans from Bank

| Particulars  | Amount ₹ in Crore       |                                       |
|--|-------------------------|---------------------------------------|
|  | As at<br>March 31, 2020 | As at<br>March 31, 2019<br>(Restated) |
| Loan carries interest rate from 8.0%p.a. to 8.75%p.a. repayable by July 20   | 540.00                  | -                                     |
| Loan carries interest rate from 8.05%p.a. to 8.10%p.a. repayable by July 20  | 100.00                  | -                                     |
| Loan carries interest rate from 7.75%p.a. repayable by June 20   | 100.00                  | -                                     |
| Loan carries interest rate from 7.95%p.a. to 8.00%p.a. repayable by June 20  | 130.00                  | -                                     |
| Loan carries interest rate from 7.00%p.a. to 7.05%p.a. repayable by Sept 20  | 285.00                  | -                                     |
| Loan carries interest rate from 8.00%p.a. to 8.15%p.a. repayable by May 20   | 75.00                   | -                                     |
| Loan carries interest rate from 8.45%p.a. to 8.95p.a. repayable at 28 equal quarterly installment of ₹ 1.00 crore each from 15 February 2019 | 55.07                   | 460.00                                |
| Loan carries interest rate at 1 month MCLR repayable by April 2019   | -                       | 55.00                                 |
| Loan carries interest rate of 7.99%. repayable by May 2019   | -                       | 150.00                                |
| Loan carries interest rate at 1 month MCLR repayable by May 2019   | -                       | 100.00                                |
| Loan carries interest rate at 6month MCLR+0.05% repayable by May 2019  | -                       | 25.00                                 |
| Loan carries interest rate at 3month MCLR repayable by May 2019  | -                       | 25.00                                 |
| Loan carries interest rate at 3 month MCLR + 0.25 % p.a. repayable by May 2019   | -                       | 150.00                                |
| Loan carries interest rate at 6month MCLR repayable by June 2019   | -                       | 75.00                                 |
| Loan carries interest rate at 6month+0.05% MCLR repayable by June 2019   | -                       | 155.00                                |
| Loan carries interest rate at 6month+0.05% MCLR repayable by July 2019   | -                       | 50.00                                 |
| Loan carries interest rate of 5.95% to 9.35% repayable on different dates up to three months from the date of financial statements           | -                       | 45.00                                 |

5 Loans repayable on demand

| Particulars  | Amount ₹ in Crore       |                                       |
|--|-------------------------|---------------------------------------|
|  | As at<br>March 31, 2020 | As at<br>March 31, 2019<br>(Restated) |
| Loans carrying interest rate 7.85% to 9.00%              | -                       | 1,271.50                              |
| Loan carries interest at 4.95% repayable within 6 months | 100.79                  | -                                     |
| Loan carries interest at 5% repayable within 6 months    | -                       | 91.58                                 |
| Loans carrying interest rate 6.45% to 8.30%              | 1,286.91                | -                                     |

6 Overdraft facilities having balance of ₹ 148.84 crore (March 31, 2019 ₹ 176.03 crore) carries interest rate of 7.85% to 9.00% .

## Notes to the Consolidated Financial Statements

### Note 24 : Current Financial Liabilities Borrowings (Contd.)

| Particulars  | Amount ₹ in Crore       |                                       |
|--|-------------------------|---------------------------------------|
|  | As at<br>March 31, 2020 | As at<br>March 31, 2019<br>(Restated) |
| 7 Commercial Papers  |                         |                                       |
| Commercial Papers carries interest at 5.25% p.a. to 5.68% p.a. repayable during the period April to June 2020  | 920.00                  | -                                     |
| Commercial Papers carries interest at 7.16% p.a. to 7.58% p.a. repayable during the period April to June 2019  | -                       | 940.00                                |
| Commercial Papers carries interest at 5.93% p.a. to 6.75% p.a. repayable during the period April to June 2020  | 761.12                  | -                                     |
| Commercial Papers carries interest at 7.48% to 7.91% p.a. repayable during the period April to June 2019   | -                       | 656.00                                |
| Commercial Papers carries interest at 5.10% p.a. to 7.50% p.a. repayable during the period April to June 2020  | 148.11                  | -                                     |
| Commercial Paper carries interest rate of 6.73% to 8.49% p.a. repayable during the period April to June 2019   | -                       | 100.00                                |
| 8 Working capital loan (Rupee) from banks carries interest rate of 4.96% to 9.00% (March 31, 2019 6.35% to 8.45%). These loans are repayable on different dates. |                         |                                       |
| 9 The Group does not have any default as on the Balance Sheet date in repayment of loan or Interest.   |                         |                                       |

### Note 25 : Current Financial Liabilities - Trade Payables

| Particulars  | Amount ₹ in Crore       |                                       |
|--|-------------------------|---------------------------------------|
|  | As at<br>March 31, 2020 | As at<br>March 31, 2019<br>(Restated) |
| (I) Trade Payables   |                         |                                       |
| (a) Outstanding dues of Micro and Small Enterprises (Refer Note 1 below) | 30.97                   | 38.23                                 |
| (b) Outstanding dues of creditors other than Micro and Small Enterprises | 1,268.54                | 875.76                                |
| (II) Acceptances   | 880.89                  | 964.25                                |
|  | <b>2,180.40</b>         | <b>1,878.24</b>                       |

#### Note

- 1 Disclosure Under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2019-20, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.

| Particulars  | Amount ₹ in Crore       |                                       |
|--|-------------------------|---------------------------------------|
|  | As at<br>March 31, 2020 | As at<br>March 31, 2019<br>(Restated) |
| (i) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per MSME act)   |                         |                                       |
| a. Principal amount due to micro and small enterprise  | 30.97                   | 38.23                                 |
| b. Interest due on above *   | 0.08                    | 0.28                                  |
| (ii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period              | -                       | -                                     |
| (iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006 | -                       | -                                     |
| (iv) The amount of interest accrued and remaining unpaid at the end of each accounting year  | 0.19                    | 0.28                                  |
| (v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises  | -                       | -                                     |

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

## Notes to the Consolidated Financial Statements

### Note 26 : Current Financial Liabilities- Others

| Particulars   | Amount ₹ in Crore       |                                       |
|---|-------------------------|---------------------------------------|
|   | As at<br>March 31, 2020 | As at<br>March 31, 2019<br>(Restated) |
| (I) Current Maturities of Long Term Debts                                       |                         |                                       |
| (a) Secured   |                         |                                       |
| Term Loan from Others   | 509.49                  | -                                     |
| (b) Unsecured   |                         |                                       |
| Term Loan from Bank   | 62.50                   | 249.99                                |
| Term Loan from Others   | -                       | 41.28                                 |
|   | <b>571.99</b>           | 291.27                                |
| (II) Current Maturities of Deferred payment liabilities (refer note 19.3)       | 1.03                    | 1.03                                  |
| (III) Current Maturities of Deferred Sales Tax Liability (refer note 19.4)      | 1.34                    | 1.23                                  |
| (IV) Interest Accrued but not due   | 29.02                   | 24.59                                 |
| (V) Unpaid Dividends  | 0.68                    | 0.50                                  |
| (VI) Unpaid Matured Deposits  |                         |                                       |
| (a) Principal Amount  | 0.74                    | 1.00                                  |
| (b) Interest accrued  | 0.01                    | 0.03                                  |
|   | <b>0.75</b>             | 1.03                                  |
| (VII) Others  |                         |                                       |
| (a) Non Trade Payable   | 112.33                  | 121.53                                |
| (b) Advance Share of Profit from Joint Ventures                                 | 47.85                   | 18.62                                 |
| (c) Deposits  | 97.48                   | 94.60                                 |
| (d) Forward Cover Contracts Payable   | -                       | 4.81                                  |
| (e) Derivative Liability  | -                       | 1.06                                  |
| (f) Put Option Liability  | 83.25                   | 18.48                                 |
| (g) Others (includes payable for development rights, accrual for expenses etc.) | 380.17                  | 244.81                                |
|   | <b>721.08</b>           | 503.91                                |
| (VIII) Current Maturities of Finance Lease Obligations (refer note 45)          | 22.53                   | -                                     |
|   | <b>1,348.42</b>         | <b>823.56</b>                         |

## Notes to the Consolidated Financial Statements

### Note 27 : Other Current Liabilities

| Particulars   | Amount ₹ in Crore       |                                       |
|---|-------------------------|---------------------------------------|
|   | As at<br>March 31, 2020 | As at<br>March 31, 2019<br>(Restated) |
| (I) Other Advances  |                         |                                       |
| (a) Amount received against Sale of Flats / Units and Advances from Customers | 365.56                  | 1,525.22                              |
| (II) Others   |                         |                                       |
| (a) Other Liabilities   | 30.59                   | 27.10                                 |
| (b) Statutory Liabilities   | 52.51                   | 58.62                                 |
| (c) Deferred Grant  | 1.26                    | 1.22                                  |
|   | <b>449.92</b>           | <b>1,612.16</b>                       |

### Note 28 : Current Provisions

| Particulars  | Amount ₹ in Crore       |                                       |
|--|-------------------------|---------------------------------------|
|  | As at<br>March 31, 2020 | As at<br>March 31, 2019<br>(Restated) |
| (I) Provision for Employee Benefits                |                         |                                       |
| a) Defined Benefit Obligation                      | 7.59                    | 8.11                                  |
| b) Other Long Term Benefit                         | 10.85                   | 8.58                                  |
| (II) Others  |                         |                                       |
| a) Provision for Sales Return (Refer note 1 below) | 34.12                   | 33.75                                 |
| b) Provision for Tax                               | 15.31                   | 4.66                                  |
| c) Others  | 3.02                    | 2.01                                  |
|  | <b>70.89</b>            | <b>57.11</b>                          |

| 1                                      | Amount ₹ in Crore       |                                       |
|--|-------------------------|---------------------------------------|
|  | As at<br>March 31, 2020 | As at<br>March 31, 2019<br>(Restated) |
| Movement of provision for sales return |                         |                                       |
| Opening Provision                      | 33.75                   | 25.26                                 |
| Add : Provision made for the year      | 201.39                  | 146.69                                |
| Less: Utilised during the year         | 200.96                  | 137.98                                |
| Less: Reversed during the year         | 0.06                    | 0.22                                  |
| Closing Provision                      | <b>34.12</b>            | <b>33.75</b>                          |

The Group makes a provision on estimated sales return based on historical experience. The Sales returns are generally expected within a year.

2. Others include provision made during the year for Legal Cases. The same is expected to be settled in foreseeable future. (Utilised: ₹ Nil (Previous Year: ₹ Nil), Accrued: ₹ 1.02 Crore (Previous Year: ₹ 0.25 Crore)).



## Notes to the Consolidated Financial Statements

### Note 29 : Revenue From Operations

| Particulars  | Amount ₹ in Crore            |  |
|--|------------------------------|--|
|  | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019<br>(Restated) |
| I Sale of Products                                   | 10,988.04                    | 10,635.66                                  |
| II Sale of Services                                  | 138.05                       | 63.75                                      |
| III Other Operating Revenue                          |                              |  |
| (a) Export Incentives                                | 18.99                        | 28.88                                      |
| (b) Rental Income                                    | 21.74                        | 11.26                                      |
| (c) Processing Charges                               | 0.24                         | 1.04                                       |
| (d) Sale of Scrap                                    | 2.26                         | 2.49                                       |
| (e) Dividend Income                                  | 0.01                         | 0.38                                       |
| (f) Other Income from Customers of Property Business | 95.73                        | 77.33                                      |
| (g) Others   | 26.28                        | 27.48                                      |
|  | <b>11,291.34</b>             | 10,848.27                                  |
| Fair value of Biological Assets                      | (0.59)                       | (0.08)                                     |
|  | <b>11,290.75</b>             | 10,848.19                                  |

- 1 Disaggregation of revenue from contracts with customers  
The Group derives revenue from the sale of products in the following major segments:

| Sale of Products                | Amount ₹ in Crore            |  |
|---------------------------------|------------------------------|--|
|                                 | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019<br>(Restated) |
| Chemicals                       | 1,556.91                     | 1,640.41                                   |
| Animal Feeds                    | 3,717.72                     | 3,096.77                                   |
| Veg Oils                        | 1,082.78                     | 1,113.75                                   |
| Estate and Property Development | 2,199.48                     | 2,652.02                                   |
| Dairy                           | 1,198.77                     | 1,156.72                                   |
| Crop Protection                 | 1,084.69                     | 978.46                                     |
| Others                          | 147.69                       | (2.47)                                     |
|                                 | <b>10,988.04</b>             | 10,635.66                                  |

- 2 Reconciliation of revenue from contracts with customers

| Particulars   | Amount ₹ in Crore            |  |
|---|------------------------------|--|
|   | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019<br>(Restated) |
| Revenue from contracts with customers as per the contract price               | 11,119.08                    | 10,767.77                                  |
| Adjustments made to contract price on account of :-                           |                              |  |
| a) Less: Discounts / Rebates / Incentives                                     | (232.45)                     | (272.39)                                   |
| b) Less: Sales Returns /Credits / Reversals                                   | 1.32                         | (1.33)                                     |
| c) Add: Significant financing component                                       | 102.11                       | 141.41                                     |
| d) Any other adjustments  | (2.02)                       | 0.20                                       |
| Revenue from contracts with customers as per the statement of Profit and Loss | <b>10,988.04</b>             | 10,635.66                                  |

- 3 Geographical disaggregation

| Particulars         | Amount ₹ in Crore            |  |
|---------------------|------------------------------|--|
|                     | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019<br>(Restated) |
| Sales in India      | 9,912.32                     | 9,524.91                                   |
| Sales outside India | 1,075.72                     | 1,110.75                                   |

- 4 Refer note 56 (b) for significant changes in contract assets and contract liabilities balances and 56 (c) for note on performance obligation.

## Notes to the Consolidated Financial Statements

### Note 30 : Other Income

| Particulars  | Amount ₹ in Crore            |  |
|--|------------------------------|--|
|  | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019<br>(Restated) |
| I Interest Income  | 359.24                       | 236.97                                     |
| II Gain on Foreign Exchange Translation                                  | 5.44                         | 1.41                                       |
| III Profit on sale of Property, Plant and Equipment (refer note 1 below) | 0.08                         | 25.22                                      |
| IV Profit on Sale of Current Investments                                 | 98.13                        | 66.04                                      |
| V Changes in fair value of financial assets of FVTPL                     | 28.30                        | 95.62                                      |
| VI Claims Received   | 0.98                         | 1.20                                       |
| VII Liabilities no longer required written back                          | 6.88                         | 7.38                                       |
| VIII Recovery of Bad Debts written off                                   | 1.08                         | 0.82                                       |
| IX Royalty & Technical Knowhow   | 5.07                         | 1.30                                       |
| X Grant amortization   | 1.43                         | 1.30                                       |
| XI Miscellaneous Income  | 64.98                        | 44.25                                      |
|  | <b>571.61</b>                | <b>481.51</b>                              |

#### Notes

- 1 Other income for the previous year ended March 31, 2019 includes non-recurring income of ₹25.22 crore being profit on sale of land.

### Note 31a : Cost of Material Consumed

| Particulars                               | Amount ₹ in Crore            |  |
|---|------------------------------|--|
|   | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019<br>(Restated) |
| I Raw Material Consumed                   |                              |  |
| Inventory at the Commencement of the year | 637.83                       | 546.04                                     |
| Add : Purchases (Net)                     | 6,286.64                     | 5,710.18                                   |
|   | <b>6,924.47</b>              | <b>6,256.22</b>                            |
| Less : Inventory at the Close of the year | (669.81)                     | (637.83)                                   |
| Total Raw Material Consumed               | <b>6,254.66</b>              | <b>5,618.39</b>                            |
| II Packing Material Consumed              |                              |  |
| Inventory at the Commencement of the year | 2.91                         | 4.35                                       |
| Add : Purchases (Net)                     | 50.00                        | 53.42                                      |
|   | <b>52.91</b>                 | <b>57.77</b>                               |
| Less : Inventory at the Close of the year | (2.99)                       | (2.91)                                     |
| Total Packing Material Consumed           | <b>49.92</b>                 | <b>54.86</b>                               |
| Total Material Consumed (I+II)            | <b>6,304.58</b>              | <b>5,673.25</b>                            |

## Notes to the Consolidated Financial Statements

### Note 31b : Cost of Sale - Property Development

| Particulars                                      | Amount ₹ in Crore            |  |
|--|------------------------------|--|
|  | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019<br>(Restated) |
| Land/Development Rights                          | 777.45                       | 53.38                                      |
| Construction, Material & Labour                  | 423.99                       | 251.62                                     |
| Architect Fees                                   | 13.08                        | 2.23                                       |
| Other Cost                                       | 193.80                       | 98.02                                      |
| Finance Cost                                     | 79.49                        | 148.11                                     |
| <b>Total Cost of Sale - Property Development</b> | <b>1,487.81</b>              | <b>553.36</b>                              |

### Note 32 : Changes in Inventories of Finished Goods, Stock in Trade and Work in Progress

| Particulars  | Amount ₹ in Crore            |  |
|--|------------------------------|--|
|  | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019<br>(Restated) |
| I Inventory at the Commencement of the year            |                              |  |
| Finished Goods   | 315.29                       | 294.58                                     |
| Stock in Trade   | 87.85                        | 52.47                                      |
| Work in Progress                                       | 2,261.00                     | 3,798.25                                   |
| <b>Total Inventory at the Commencement of the year</b> | <b>2,664.14</b>              | <b>4,145.30</b>                            |
| Add:   |                              |  |
| Transferred on acquisition of control                  | 230.00                       | 110.10                                     |
| Less :   |                              |  |
| Transferred to Expenses                                | (88.20)                      | (0.09)                                     |
| Transferred to Investment Property                     | (15.02)                      | -  |
| Transferred on loss of control                         | (226.72)                     | -  |
| II Inventory at the End of the year                    |                              |  |
| Finished Goods   | (715.10)                     | (315.29)                                   |
| Stock in Trade   | (63.56)                      | (87.85)                                    |
| Work in Progress                                       | (1,681.64)                   | (2,261.00)                                 |
| Biological Assets                                      | (68.18)                      | -  |
| <b>Total Inventory at the End of the year</b>          | <b>(2,528.48)</b>            | <b>(2,664.14)</b>                          |
| <b>Changes in Inventories (I-II)</b>                   | <b>35.72</b>                 | <b>1,591.17</b>                            |

## Notes to the Consolidated Financial Statements

## Note 33 : Employee Benefit Expense

Amount ₹ in Crore

| Particulars                                  | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019<br>(Restated) |
|--|------------------------------|--|
| I Salaries and Wages                         | 598.19                       | 513.83                                     |
| II Contribution to Provident and Other Funds | 34.91                        | 28.15                                      |
| III Expenses on Employee Stock Option Scheme | 9.55                         | 8.79                                       |
| IV Staff Welfare Expense                     | 36.22                        | 36.24                                      |
|  | <b>678.87</b>                | <b>587.01</b>                              |

## Note 34 : Finance Costs

Amount ₹ in Crore

| Particulars  | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019<br>(Restated) |
|--|------------------------------|--|
| I Interest   | 488.91                       | 553.94                                     |
| Less : Transferred to Construction work-in-progress and Capital work-in-progress | (105.69)                     | (158.02)                                   |
| Net Interest   | 383.22                       | 395.92                                     |
| II Other Borrowing Costs   | 109.65                       | 111.79                                     |
|  | <b>492.87</b>                | <b>507.71</b>                              |

## Note 35 a : Depreciation and Amortisation Expenses

Amount ₹ in Crore

| Particulars  | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019<br>(Restated) |
|--|------------------------------|--|
| I Depreciation on Property, Plant and Equipment              | 194.40                       | 151.43                                     |
| II Depreciation on Investment Property                       | 2.60                         | 2.31                                       |
| III Amortisation on Intangible Assets                        | 6.03                         | 9.40                                       |
| IV Depreciation on Rights of Use Assets                      | 30.80                        | -  |
| Less : Transfer from General Reserve (Refer note. 18 IV (i)) | -                            | (4.25)                                     |
|  | <b>233.84</b>                | <b>158.89</b>                              |

## Notes to the Consolidated Financial Statements

### Note 35 b : Other Expenses

| Particulars   | Amount ₹ in Crore            |  |
|---|------------------------------|--|
|   | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019<br>(Restated) |
| I Consumption of Stores and Spares                            | 46.18                        | 38.89                                      |
| II Power and Fuel   | 231.41                       | 203.60                                     |
| III Processing Charges  | 188.50                       | 113.96                                     |
| IV Rent (Refer note 1 below)                                  | 14.29                        | 36.39                                      |
| V Rates & Taxes   | 32.21                        | 17.31                                      |
| VI Repairs and Maintenance                                    |                              |  |
| (a) Machinery   | 31.82                        | 25.10                                      |
| (b) Buildings   | 16.39                        | 19.99                                      |
| (c) Other Assets  | 8.25                         | 48.64                                      |
| VII Insurance   | 8.90                         | 6.59                                       |
| VIII Freight  | 129.29                       | 121.14                                     |
| IX Commission   | 6.81                         | 38.23                                      |
| X Advertisement and Publicity                                 | 184.99                       | 120.11                                     |
| XI Selling and Distribution Expenses                          | 11.53                        | 12.45                                      |
| XII Bad Debts Written Off                                     | 22.85                        | 18.67                                      |
| XIII Provision / (Write back) for Doubtful Debts and Advances | 4.90                         | 4.58                                       |
| XIV Loss on Foreign Exchange Translation                      | 10.06                        | 8.18                                       |
| XV Loss on Sale of Property, Plant and Equipment              | 0.67                         | 0.17                                       |
| XVI Changes in fair value of financial assets at FVTPL        | 2.88                         | 9.88                                       |
| XVII Research Expense   | 4.14                         | 3.97                                       |
| XVIII Legal and Professional fees                             | 85.52                        | 67.29                                      |
| XIX Miscellaneous Expenses                                    | 403.46                       | 294.27                                     |
|   | <b>1,445.05</b>              | <b>1,209.41</b>                            |

Note :

- Rental expenses amounting to ₹ 9.13 crore (previous year ₹ 9.13 crore) are netted off with rental income in respect of certain premises in the same building.

### Note 36 : Exceptional Items

| Particulars  | Amount ₹ in Crore            |  |
|--|------------------------------|--|
|  | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019<br>(Restated) |
| I Profit on sale of Strategic Investments (refer note 1 below)                                     | -                            | 88.30                                      |
| II Inventory destroyed and written off to mitigate losses on account of COVID (refer note 2 below) | (3.00)                       | -  |
| III Fair valuation of biological assets (refer note 2 below)                                       | (6.92)                       | -  |
|  | <b>(9.92)</b>                | <b>88.30</b>                               |

Notes :

- Exceptional item for the previous year ended March 31, 2019 relates to remeasurement gain on fair valuation of existing stake in a Joint venture and an Associate. On March 27, 2019 a subsidiary of company increased its stake and acquired control of Godrej Tyson Foods Limited and Godrej Maxximilk Private Limited (which were earlier a Joint Venture and an Associate respectively). On obtaining control, the Group remeasured the existing stake at fair value and recognised the remeasurement gain in the consolidated statement of profit and loss in accordance with Ind AS.

## Notes to the Consolidated Financial Statements

### Note 36 : Exceptional Items (Contd.)

- 2 With the outbreak of COVID-19 pandemic, the business of Godrej Tyson Foods Limited, a sub-subsidiary company was adversely impacted in sales and profitability. The last few weeks of the financial year witnessed a sharp drop in prices as well as demand for poultry and related products on account of false rumours linking COVID-19 to poultry consumption. This necessitated the subsidiary to take certain exceptional measures to mitigate losses on account of which inventory to the tune of ₹ 3 crore had to be destroyed and written off. The crash in prices towards end of March 2020 required the subsidiary to recognise a loss of ₹6.92 crore in respect of fair valuation of biological assets. This total loss disclosed under exceptional item is ₹ 9.92 crores.

### Note 37 : Earnings Per Share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

| Particulars  | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019<br>(Restated) |
|--|------------------------------|--|
| (a) Calculation of weighted average number of equity shares - Basic  |                              |  |
| (i) Number of equity shares at the beginning of the year (in units)  | <b>33,63,84,367</b>          | 33,62,72,731                               |
| (ii) Number of equity shares issued during the year (in units)   | <b>81,649</b>                | 1,11,636                                   |
| (iii) Number of equity shares outstanding at the end of the year (in units)                                    | <b>33,64,66,016</b>          | 33,63,84,367                               |
| (iv) Weighted average number of equity shares outstanding during the year (in units)                           | <b>33,64,45,436</b>          | 33,63,60,336                               |
| (b) Calculation of weighted average number of equity shares - Diluted  |                              |  |
| (i) Number of potential equity shares at the beginning of the year (in units)                                  | <b>33,65,45,396</b>          | 33,64,84,969                               |
| (ii) Number of potential equity shares at the end of the year (in units)                                       | <b>33,65,81,797</b>          | 33,65,45,396                               |
| (iii) Weighted average number of potential equity shares outstanding during the year (in units)                | <b>33,65,78,913</b>          | 33,65,37,445                               |
| (c) Net Profit Attributable to Owners of the Company   | <b>552.18</b>                | 589.53                                     |
| Net Profit Attributable to Owners of the Company from continuing operations                                    | <b>378.51</b>                | 664.53                                     |
| Net Profit Attributable to Owners of the Company from discontinued operations                                  | <b>173.67</b>                | (75.00)                                    |
| Earnings per share for profit from continuing operation attributable to owners of the company                  |                              |  |
| (i) Basic Earnings Per Share of Re 1 each  | <b>11.25</b>                 | 19.76                                      |
| (ii) Diluted Earnings Per Share of Re 1 each   | <b>11.25</b>                 | 19.75                                      |
| Earnings per share for profit/(loss) from discontinued operation attributable to owners of the company         |                              |  |
| (i) Basic Earnings Per Share of Re 1 each  | <b>5.16</b>                  | (2.23)                                     |
| (ii) Diluted Earnings Per Share of Re 1 each   | <b>5.16</b>                  | (2.23)                                     |
| Earnings per share for profit from continuing and discontinued operation attributable to owners of the company |                              |  |
| (i) Basic Earnings Per Share of Re 1 each  | <b>16.41</b>                 | 17.53                                      |
| (ii) Diluted Earnings Per Share of Re 1 each   | <b>16.41</b>                 | 17.52                                      |

## Notes to the Consolidated Financial Statements

### Note 38 : Contingent Liabilities

| Particulars   | Amount ₹ in Crore       |                                       |
|---|-------------------------|---------------------------------------|
|   | As at<br>March 31, 2020 | As at<br>March 31, 2019<br>(Restated) |
| <b>I Claims against the Group not acknowledged as debts</b>   |                         |                                       |
| (a) Excise duty / Service Tax demands relating to disputed classification, post manufacturing expenses, assessable values, etc. which the Group has contested and is in appeal at various levels.   | <b>342.73</b>           | 249.54                                |
| (b) Customs Duty demands relating to lower charge, differential duty, classification, etc.  | <b>1.43</b>             | 3.92                                  |
| (c) Sales Tax demands relating to purchase tax on Branch Transfer / disallowance of high seas sales, etc. at various levels.  | <b>66.16</b>            | 51.22                                 |
| (d) GST demands relating to issues pertaining to cenvat credit transition to GST. The said amount includes up-to-date interest.   | <b>2.57</b>             | -                                     |
| (e) Octroi demand relating to classification issue on import of Palm Stearine and interest thereon.   | <b>0.29</b>             | 0.29                                  |
| (f) Stamp duties claimed on certain properties which are under appeal by the Group.   | <b>1.82</b>             | 1.82                                  |
| (g) Income tax demands against which the Group has preferred appeals.   | <b>139.39</b>           | 163.10                                |
| (h) Industrial relations matters under appeal.  | <b>0.38</b>             | 0.52                                  |
| (i) Claims not acknowledged as debts represent cases filed by parties in the Consumer forum, Civil Court and High Court and disputed by the Group as advised by our advocates. In the opinion of the management the claims are not sustainable. | <b>247.35</b>           | 249.45                                |
| (j) Others  | <b>5.61</b>             | 5.61                                  |
| <b>II Surety Bonds</b>  |                         |                                       |
| (a) Surety Bonds given by the Holding Company in respect of refund received from excise authority for exempted units of associate company (Refer Note 1 below)  | <b>38.54</b>            | 33.11                                 |
| (b) Bonds issued by Group on behalf of related party  | <b>1.21</b>             | 1.21                                  |
| <b>III Other money for which the Group is Contingently liable</b>   |                         |                                       |
| (a) Case / Claim filed by Processors for claiming various expenses  | <b>4.93</b>             | 5.00                                  |
| <b>IV Contingent liabilities relating to interest in Associates</b>   | <b>338.44</b>           | 208.61                                |

#### Notes

- The Corporate surety bond of ₹ 38.54 crore ( previous year ₹ 33.11 crore) is in respect of refund received from excise authority for exempted units (North East) of Godrej Consumer Products Limited, an associate company.
- The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.  
It is not practicable to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forums/ authorities.
- The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. In view of the management, the liability for the period from date of the SC order to 31 March 2019 is not significant and has been provided in the consolidated financial statements. Further, pending decision on the subject review petition and directions from the EPFO, the impact for the past period, if any, is not ascertainable and consequently no effect has been given in the accounts.

## Notes to the Consolidated Financial Statements

### Note 39 : Commitments

Amount ₹ in Crore

| Particulars   | As at          | As at                        |
|---|----------------|------------------------------|
|   | March 31, 2020 | March 31, 2019<br>(Restated) |
| I Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for. | <b>169.06</b>  | 110.16                       |
| II Outstanding Export Obligation under EPCG Scheme  | <b>46.94</b>   | 34.72                        |
| III Uncalled liability on partly paid shares / debentures (*)   | <b>0.00</b>    | 0.00                         |
| IV Contracts for Purchase of Raw Material   | <b>120.70</b>  | 113.90                       |
| V Commitments relating to interest in Associates  | <b>8.82</b>    | 5.98                         |

\* Amount less than ₹ 0.01 crore

#### Notes

- One of the Subsidiary Company enters into construction contracts for Civil, Elevator, External Development, MEP work etc. with its vendors. The total amount payable under such contracts will be based on actual measurements and negotiated rates, which are determinable as and when the work under the said contracts are completed.
- One of the Subsidiary Company entered into development agreements with owners of land for development of projects. Under the agreements the Group is required to pay certain payments/ deposits to the owners of the land and share in built up area/ revenue from such developments in exchange of undivided share in land as stipulated under the agreements.

#### Note 40 : Information on Subsidiaries, Joint Ventures and Associates:

(a) The subsidiary Companies considered in the Consolidated Financial Statements are :

| Sr. No.  | Name of the Company  | Place of business / Country of incorporation | Percentage of Holding |                                 |
|--|--|--|-----------------------|---------------------------------|
|  |  |  | As at March 31, 2020  | As at March 31, 2019 (Restated) |
| <b>Subsidiaries of Godrej Industries Limited</b> |  |  |                       |                                 |
| 1  | Godrej Agrovet Limited   | India  | <b>59.28%</b>         | 58.15%                          |
| 2  | Godrej Properties Limited (refer note 1 below)                                   | India  | <b>49.36%</b>         | 54.25%                          |
| 3  | Natures Basket Limited (upto July 04, 2019) (refer note 55)                      | India  | -                     | 100%                            |
| 4  | Ensemble Holdings & Finance Limited (refer note 54-IV)                           | India  | <b>100%</b>           | 100%                            |
| 5  | Godrej International Limited   | Isle of Man                                  | <b>100%</b>           | 100%                            |
| 6  | Godrej International Trading & Investments Pte. Ltd.                             | Singapore                                    | <b>100%</b>           | 100%                            |
| 7  | Godrej One Premises Management Private Limited                                   | India  | <b>58.00%</b>         | 58.00%                          |
| 8  | Godrej Industries Limited Employee Stock Option Trust                            | India  | <b>100%</b>           | 100%                            |
| <b>Subsidiaries of Godrej Agrovet Limited</b>    |  |  |                       |                                 |
| 9  | Godvet Agrochem Limited  | India  | <b>100%</b>           | 100%                            |
| 10   | Astec Lifesciences Limited   | India  | <b>62.37%</b>         | 57.67%                          |
| 11   | Creamline Dairy Products Limited   | India  | <b>51.91%</b>         | 51.91%                          |
| 12   | Godrej Maxximilk Private Limited<br>(subsidiary with effect from March 27, 2019) | India  | <b>74.00%</b>         | 62.97%                          |
| 13   | Godrej Tyson Foods Limited<br>(subsidiary with effect from March 27, 2019)       | India  | <b>51.00%</b>         | 51.00%                          |



## Notes to the Consolidated Financial Statements

### Note 40 : Information on Subsidiaries, Joint Ventures and Associates (Contd.):

| Sr. No.   | Name of the Company   | Place of business / Country of incorporation | Percentage of Holding |                                 |
|---|---|--|-----------------------|---------------------------------|
|   |   |  | As at March 31, 2020  | As at March 31, 2019 (Restated) |
| <b>Subsidiaries of Godrej Properties Ltd.</b>                                       |   |  |                       |                                 |
| 14  | Godrej Projects Development Limited   | India  | 100%                  | 100%                            |
| 15  | Godrej Garden City Properties Private Limited   | India  | 100%                  | 100%                            |
| 16  | Godrej Hillside Properties Private Limited  | India  | 100%                  | 100%                            |
| 17  | Godrej Home Developers Private Limited  | India  | 100%                  | 100%                            |
| 18  | Godrej Prakriti Facilities Private Limited  | India  | 100%                  | 100%                            |
| 19  | Prakritiplaza Facilities Management Private Limited   | India  | 100%                  | 100%                            |
| 20  | Godrej Highrises Properties Private Limited   | India  | 100%                  | 100%                            |
| 21  | Godrej Genesis Facilities Management Private Limited  | India  | 100%                  | 100%                            |
| 22  | Citystar InfraProjects Limited  | India  | 100%                  | 100%                            |
| 23  | Godrej Residency Private Limited  | India  | 100%                  | 100%                            |
| 24  | Godrej Properties Worldwide Inc., USA   | USA  | 100%                  | 100%                            |
| 25  | Godrej Landmark Redevelopers Private Limited (w.e.f. March 15, 2019)  | India  | 100%                  | 100%                            |
| 26  | Wonder Space Properties Private Limited (Classified as Subsidiary w.e.f. April 05, 2019 to December 17, 2019) | India  | 96.03%                | N.A                             |
| 27  | Wonder Space Properties Private Limited (Classified as Wholly Owned Subsidiary w.e.f. December 18, 2019)      | India  | 100%                  | N.A                             |
| 28  | Cear Lifesapce Private Limited (w.e.f. March 20, 2020)  | India  | 100%                  | N.A                             |
| <b>Limited Liability Partnership (LLP) (held through Godrej Properties Limited)</b> |   |  |                       |                                 |
| 1   | Godrej Highrises Realty LLP   | India  | 100%                  | 100%                            |
| 2   | Godrej Project Developers & Properties LLP  | India  | 100%                  | 100%                            |
| 3   | Godrej Skyview LLP  | India  | 100%                  | 100%                            |
| 4   | Godrej Green Properties LLP   | India  | 100%                  | 100%                            |
| 5   | Godrej Projects (Soma) LLP  | India  | 100%                  | 100%                            |
| 6   | Godrej Projects North LLP   | India  | 100%                  | 100%                            |
| 7   | Godrej Athenmark LLP  | India  | 100%                  | 100%                            |
| 8   | Godrej Vestamark LLP (upto May 02, 2019)  | India  | 100%                  | 100%                            |
| 9   | Godrej City Facilities Management LLP (w.e.f. March 18, 2019)   | India  | 100%                  | 100%                            |
| 10  | Embellish Houses LLP (w.e.f. February 13, 2019)   | India  | 100%                  | 100%                            |
| 11  | Godrej Florentine LLP (w.e.f. June 21, 2019)  | India  | 100%                  | N.A.                            |
| 12  | Godrej Odyssey LLP (w.e.f. June 21, 2019 upto September 25, 2019)   | India  | N.A.                  | N.A.                            |
| 13  | Godrej Olympia LLP (w.e.f. June 21, 2019)   | India  | 100%                  | N.A.                            |
| 14  | Ashank Facility management LLP (w.e.f. July 9, 2019)  | India  | 100%                  | N.A.                            |
| 15  | Ashank Realty management LLP (w.e.f. May 30, 2019)  | India  | 100%                  | N.A.                            |

#### Note

- The Company (GIL) has power and de facto control over Godrej Properties Limited (GPL) (even without overall majority of shareholding and voting power). Accordingly, there is no loss of control of GIL over GPL post the QIP and GIL continues to consolidate GPL as a subsidiary.
- In case of LLPs percentage of holding in the above table denotes the Share of Profits in the LLP.

## Notes to the Consolidated Financial Statements

### Note 40 : Information on Subsidiaries, Joint Ventures and Associates (Contd.):

#### (b) Interests in Joint Ventures :

| Sr. No.   | Name of the Company   | Place of business / Country of incorporation | Percentage of Holding |                                 |
|---|---|--|-----------------------|---------------------------------|
|   |   |  | As at March 31, 2020  | As at March 31, 2019 (Restated) |
| <b>Companies</b>  |   |  |                       |                                 |
| <b>Joint Venture partner of Godrej Agrovet Limited</b>    |   |  |                       |                                 |
| 1   | ACI Godrej Agrovet Private Limited  | Bangladesh                                   | 50%                   | 50%                             |
| <b>Joint Venture partner of Godrej Properties Limited</b> |   |  |                       |                                 |
| 1   | Godrej Realty Private Limited   | India  | 51%                   | 51%                             |
| 2   | Godrej Redevelopers (Mumbai) Private Limited                                      | India  | 51%                   | 51%                             |
| 3   | Wonder Space Properties Private Limited (upto April 04, 2019)                     | India  | N.A.                  | 25.10%                          |
| 4   | Wonder City Buildcon Private Limited  | India  | 25.10%                | 25.10%                          |
| 5   | Godrej Home Constructions Private Limited   | India  | 25.10%                | 25.10%                          |
| 6   | Godrej Greenview Housing Private Limited  | India  | 20%                   | 20%                             |
| 7   | Wonder Projects Development Private Limited                                       | India  | 20%                   | 20%                             |
| 8   | Godrej Real View Developers Private Limited                                       | India  | 20%                   | 20%                             |
| 9   | Pearlite Real Properties Private Limited  | India  | 49%                   | 49%                             |
| 10  | Godrej Skyline Developers Private Limited   | India  | 26%                   | 26%                             |
| 11  | Godrej Green Homes Private Limited (formerly known as Godrej Green Homes Limited) | India  | 50%                   | 50%                             |
| 12  | Ashank Macbricks Private Limited (w.e.f. July 31, 2018)                           | India  | 20%                   | 20%                             |
| 13  | Munjaj Hospitality Private Limited (w.e.f. June 29, 2019)                         | India  | 12%                   | N.A.                            |
| 14  | Yujya Developers Private Limited (w.e.f. December 02, 2019)                       | India  | 20%                   | N.A.                            |
| 15  | Vivrut Developers Private Limited (w.e.f. February 10, 2019)                      | India  | 20%                   | N.A.                            |
| <b>Limited Liability Partnership (LLP)</b>                |   |  |                       |                                 |
| 1   | Godrej Property Developers LLP  | India  | 32%                   | 32%                             |
| 2   | Mosiac Landmarks LLP  | India  | 1%                    | 1%                              |
| 3   | Dream World Landmarks LLP   | India  | 40%                   | 40%                             |
| 4   | Oxford Realty LLP   | India  | 35%                   | 35%                             |
| 5   | Godrej SSPDL Green Acres LLP  | India  | 37%                   | 37%                             |
| 6   | Oasis Landmarks LLP   | India  | 38%                   | 38%                             |
| 7   | M S Ramaiah Ventures LLP  | India  | 49.50%                | 49.50%                          |
| 8   | Caroa Properties LLP  | India  | 35%                   | 35%                             |
| 9   | Godrej Construction Projects LLP  | India  | 34%                   | 34%                             |
| 10  | Godrej Housing Projects LLP   | India  | 50%                   | 50%                             |
| 11  | Godrej Amitis Developers LLP (formerly known as Amitis Developers LLP)            | India  | 46%                   | 46%                             |
| 12  | A R Landcraft LLP   | India  | 40%                   | 40%                             |
| 13  | Prakhhyat Dwellings LLP   | India  | 50%                   | 42.50%                          |
| 14  | Bavdhan Realty @ Pune 21 LLP  | India  | 45%                   | 45%                             |
| 15  | Godrej Highview LLP   | India  | 40%                   | 40%                             |

## Notes to the Consolidated Financial Statements

### Note 40 : Information on Subsidiaries, Joint Ventures and Associates (Contd.):

| Sr. No. | Name of the Company  | Place of business / Country of incorporation | Percentage of Holding |                                 |
|---------|--|--|-----------------------|---------------------------------|
|         |  |  | As at March 31, 2020  | As at March 31, 2019 (Restated) |
| 16      | Godrej Irismark LLP  | India  | 50%                   | 50%                             |
| 17      | Godrej Projects North Star LLP   | India  | 55%                   | 55%                             |
| 18      | Godrej Developers & Properties LLP   | India  | 37.50%                | 37.50%                          |
| 19      | Roseberry Estate LLP (w.e.f. September 18, 2018)   | India  | 49%                   | 49%                             |
| 20      | Suncity Infrastructures (Mumbai) LLP (w.e.f. October 10, 2018)   | India  | 50%                   | 50%                             |
| 21      | Godrej Reserve LLP (formerly known as Sai Srushti Onehub Projects LLP)   | India  | 21.70%                | 21.70%                          |
| 22      | Maan-Hinge Township Developers LLP (formerly known as Godrej Projects (Pune) LLP) (Considered as subsidiary till January 31, 2019) | India  | 40%                   | 40%                             |
| 23      | Mahalunge Township Developers LLP (formerly known as Godrej Land Developers LLP) (Considered as subsidiary till January 31, 2019)  | India  | 40%                   | 40%                             |
| 24      | Godrej Vestamark LLP (upto May 03, 2019)   | India  | 58.775%               | N.A.                            |
| 25      | Manyata Industrial Park LLP (upto April 22, 2019)  | India  | 1%                    | N.A.                            |
| 26      | Godrej Odyssey LLP (w.e.f. September 26, 2019 )  | India  | 55%                   | N.A.                            |
| 27      | Universal Metro Properties LLP (w.e.f. September 26, 2019 )  | India  | 49%                   | N.A.                            |
| 28      | Manjari Housing Projects LLP (formerly known as Godrej Avamark LLP) (Considered as subsidiary till January 31, 2019)               | India  | 40%                   | 40%                             |

#### (c) Investment in Associates :

| Sr. No. | Name of the Company   | Country of Incorporation | Percentage of Holding |                                 |
|---------|---|--------------------------|-----------------------|---------------------------------|
|         |   |                          | As at March 31, 2020  | As at March 31, 2019 (Restated) |
| 1       | Godrej Consumer Products Limited  | India                    | <b>23.75%</b>         | 23.75%                          |
| 2       | Personalitree Academy Limited<br>(Associate of Ensemble Holdings & Finance Limited) | India                    | <b>25.49%</b>         | 25.49%                          |
| 3       | Al Rahaba International Trading LLC<br>(Associate of Godrej Agrovet Limited)        | U.A.E                    | <b>24%</b>            | 24%                             |

## Notes to the Consolidated Financial Statements

### Note 41 : Disclosures of Joint Ventures and Associates :

#### 1 Equity accounted investees:

Financial information of Joint Ventures and Associates that are material to the Group is provided below :

| Name of the entity  | Place of business / Country of incorporation | % of ownership interest | Relationship      | Accounting method | Amount ₹ in Crore |                 |
|---|--|-------------------------|-------------------|-------------------|-------------------|-----------------|
|   |  |                         |                   |                   | Carrying Amounts  |                 |
|   |  |                         |                   |                   | March 31, 2020    | March 31, 2019  |
| Godrej Consumer Products Limited                          | India  | 23.75%                  | Associate         | Equity method     | 2,880.26          | 2,703.21        |
| ACI Godrej Agrovet Private Limited                        | Bangladesh                                   | 50%                     | Joint Venture     | Equity method     | 102.11            | 73.65           |
| Al Rahaba International Trading Limited Liability Company | U.A.E  | 24%                     | Associate         | Equity method     | -                 | -               |
| Personalitree Academy Ltd.                                | India  | 25.49%                  | Associate         | Equity method     | -                 | -               |
| Oxford Realty LLP   | India  | 35.00%                  | Joint Venture     | Equity method     | 6.29              | -               |
| Wonder City Buildcon Private Limited                      | India  | 25.10%                  | Joint Venture     | Equity method     | -                 | -               |
| Godrej Redevelopers (Mumbai) Private Limited              | India  | 51.00%                  | Joint Venture     | Equity method     | 0.62              | -               |
| Pearlite Real Properties Private Limited                  | India  | 49.00%                  | Joint Venture     | Equity method     | 2.39              | -               |
| <b>Total equity accounted investments</b>                 |  |                         |                   |                   | <b>2,991.68</b>   | <b>2,776.86</b> |
| Omnivore India Capital Trust                              | India  |                         | Investment entity | Equity method     | 26.23             | 42.85           |

#### 2 Summary financial information of material Joint Venture and Associates not adjusted for the percentage ownership held by the Company, is as follows:

| Particulars   | Amount ₹ in Crore                |                      |                                    |                      |                      |                                      |  |  |
|---|----------------------------------|----------------------|------------------------------------|----------------------|----------------------|--------------------------------------|--|--|
|   | Godrej Consumer Products Limited |                      | ACI Godrej Agrovet Private Limited |                      | Oxford Realty LLP    | Wonder City Buildcon Private Limited | Godrej Redevelopers (Mumbai) Private Limited | Pearlite Real Properties Private Limited |
|   | As at March 31, 2020             | As at March 31, 2019 | As at March 31, 2020               | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2020                 | As at March 31, 2020                         | As at March 31, 2020                     |
| Ownership   | 23.75%                           | 23.75%               | 50%                                | 50%                  | 35%                  | 25.10%                               | 51%  | 49%                                      |
| Cash and cash equivalent  | 602.87                           | 862.21               | 15.48                              | 5.83                 | 15.22                | 8.60                                 | 75.22  | 27.91                                    |
| Other current assets  | 4,205.47                         | 3,826.20             | 255.31                             | 163.83               | 209.64               | 411.39                               | 279.30                                       | 261.91                                   |
| Total current assets  | 4,808.34                         | 4,688.41             | 270.79                             | 169.66               | 224.86               | 419.99                               | 354.52                                       | 289.82                                   |
| Total non-current assets  | 10,148.67                        | 9,481.67             | 220.50                             | 159.53               | 8.60                 | 12.04                                | 8.79   | 5.27                                     |
| <b>Total assets</b>   | <b>14,957.01</b>                 | <b>14,170.08</b>     | <b>491.29</b>                      | <b>329.19</b>        | <b>233.46</b>        | <b>432.03</b>                        | <b>363.31</b>                                | <b>295.09</b>                            |
| Current liabilities   |                                  |                      |                                    |                      |                      |                                      |  |  |
| Financial liabilities (excluding trade payables and provisions) | 2,010.11                         | 1,301.05             | 28.34                              | 99.32                | 60.75                | 210.89                               | 2.89   | 14.82                                    |
| Other liabilities   | 2,536.45                         | 2,590.73             | 255.69                             | 64.47                | 137.16               | 290.22                               | 352.14                                       | 256.52                                   |
| Total current liabilities                                       | 4,546.56                         | 3,891.78             | 284.03                             | 163.79               | 197.91               | 501.12                               | 355.02                                       | 271.34                                   |
| Non Current liabilities   |                                  |                      |                                    |                      |                      |                                      |  |  |
| Financial liabilities (excluding trade payables and provisions) | 2,395.11                         | 2,822.33             | 54.73                              | 18.86                | -                    | -                                    | -  | -  |
| Other liabilities   | 116.98                           | 189.47               | -                                  | -                    | 0.10                 | -                                    | 0.63   | 0.19                                     |
| Total non current liabilities                                   | 2,512.09                         | 3,011.80             | 54.73                              | 18.86                | 0.10                 | -                                    | 0.63   | 0.19                                     |
| <b>Total liabilities</b>  | <b>7,058.65</b>                  | <b>6,903.58</b>      | <b>338.76</b>                      | <b>182.65</b>        | <b>198.01</b>        | <b>501.12</b>                        | <b>355.65</b>                                | <b>271.53</b>                            |
| <b>Net assets</b>   | <b>7,898.36</b>                  | <b>7,266.50</b>      | <b>152.53</b>                      | <b>146.54</b>        | <b>35.45</b>         | <b>(69.09)</b>                       | <b>7.66</b>                                  | <b>23.56</b>                             |
| <b>Groups' share of net assets</b>                              | <b>1,875.86</b>                  | <b>1,725.79</b>      | <b>76.26</b>                       | <b>73.27</b>         | <b>12.41</b>         | <b>(17.34)</b>                       | <b>3.90</b>                                  | <b>11.55</b>                             |
| Adjustment on Consolidation                                     | -                                | -                    | -                                  | -                    | (6.12)               | 17.34                                | (3.28)                                       | (9.16)                                   |
| <b>Carrying amount of interest in Associate / Joint Venture</b> | <b>2,880.26</b>                  | <b>2,703.21</b>      | <b>102.11</b>                      | <b>73.65</b>         | <b>6.29</b>          | <b>-</b>                             | <b>0.62</b>                                  | <b>2.39</b>                              |

## Notes to the Consolidated Financial Statements

## Note 41 : Disclosures of Joint Ventures and Associates (Contd.):

Amount ₹ in Crore

| Particulars   | Godrej Consumer Products Limited |                           | ACI Godrej Agrovet Private Limited |                           | Oxford Realty LLP         | Wonder City Buildcon Private Limited | Godrej Redevelopers (Mumbai) Private Limited | Pearlite Real Properties Private Limited |
|---|----------------------------------|---------------------------|------------------------------------|---------------------------|---------------------------|--------------------------------------|--|--|
|   | Year ended March 31, 2020        | Year ended March 31, 2019 | Year ended March 31, 2020          | Year ended March 31, 2019 | Year ended March 31, 2020 | Year ended March 31, 2020            | Year ended March 31, 2020                    | Year ended March 31, 2020                |
| Revenues  | 9,826.51                         | 10,221.07                 | 1,027.17                           | 654.86                    | 640.66                    | 286.83                               | 1,143.27                                     | 532.00                                   |
| Interest income                                     | 84.29                            | 93.27                     | 0.25                               | 0.19                      | -                         | -                                    | -  | -  |
| Depreciation and amortisation                       | 197.28                           | 169.98                    | 21.51                              | 19.93                     | 0.61                      | 0.16                                 | 0.85   | 0.27                                     |
| Interest expense                                    | 217.41                           | 160.74                    | (6.56)                             | (11.23)                   | 1.12                      | 1.06                                 | 5.29   | 8.83                                     |
| Expenses other than above                           | -                                | -                         | -                                  | -                         | 496.73                    | 338.40                               | 1,102.21                                     | 466.14                                   |
| Income tax expense                                  | (263.82)                         | (256.20)                  | (9.60)                             | (4.93)                    | 50.05                     | 7.96                                 | 22.75  | 15.70                                    |
| <b>Profit for the year</b>                          | <b>1,496.58</b>                  | <b>2,341.53</b>           | <b>58.97</b>                       | <b>10.67</b>              | <b>92.15</b>              | <b>(60.76)</b>                       | <b>12.19</b>                                 | <b>41.06</b>                             |
| Other comprehensive income                          | 223.20                           | 138.51                    | 0.21                               | -                         | -                         | -                                    | -  | -  |
| <b>Total comprehensive income</b>                   | <b>1,719.78</b>                  | <b>2,480.04</b>           | <b>59.18</b>                       | <b>10.67</b>              | <b>92.15</b>              | <b>(60.76)</b>                       | <b>12.19</b>                                 | <b>41.06</b>                             |
| Group's share of profit as per JV / Associate Books | 315.54                           | 513.22                    | 29.49                              | 5.33                      | 32.25                     | (15.25)                              | 6.22   | 20.12                                    |
| Add: Adjustments on Consolidation                   | 18.09                            | 33.02                     | -                                  | -                         | -                         | -                                    | -  | -  |
| Group's share of profit                             | 333.63                           | 546.24                    | 29.49                              | 5.33                      | 32.25                     | (15.25)                              | 6.22   | 20.12                                    |
| Group's share of Other comprehensive income         | 13.65                            | 32.90                     | 0.11                               | -                         | -                         | -                                    | -  | -  |
| Group's share of Total comprehensive income         | 347.28                           | 579.13                    | 29.59                              | 5.33                      | 32.25                     | (15.25)                              | 6.22   | 20.12                                    |

Aggregate information for those joint ventures and associate that are not material to the Group are as under:

## (i) Investment in Joint Venture

Amount ₹ in Crore

| Particulars                                     | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---------------------------|---------------------------|
| Carrying amount of Investment in Joint Ventures | 819.74                    | 722.85                    |
| Profit For the Year                             | (352.01)                  | (29.71)                   |
| Other Comprehensive Income for the year         | -                         | -                         |
| Total Comprehensive Income                      | (352.01)                  | (21.66)                   |
| Group's share of total comprehensive income     | (128.46)                  | 13.95                     |

## (ii) Investment In Associate

Amount ₹ in Crore

| Particulars                                 | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---------------------------|---------------------------|
| Carrying amount of Investment in Associate  | 0.00                      | 0.00                      |
| Profit For the Year *                       | 0.00                      | 0.00                      |
| Other Comprehensive Income for the year     | 0.00                      | 0.00                      |
| Total Comprehensive Income                  | 0.00                      | 0.00                      |
| Group's share of total comprehensive income | 0.00                      | 0.00                      |

₹ 0.00 represents amount less than ₹ 0.01 crore

## Notes to the Consolidated Financial Statements

### Note 42 : Financial Information of subsidiaries that have material non-controlling interests

#### 1 Subsidiaries that have material non-controlling interests is provided below :

| Name of the entity        | Place of business / country of incorporation | Ownership interest held by the group |                      | Ownership interest held by non-controlling interest |                      | Principal activities   |
|---------------------------|--|--------------------------------------|----------------------|---|----------------------|--|
|                           |  | As at March 31, 2020                 | As at March 31, 2019 | As at March 31, 2020                                | As at March 31, 2019 |  |
| Godrej Agrovet Limited    | India  | 59.28%                               | 58.15%               | 40.72%  | 41.85%               | Animal Feeds, Agri Inputs, Vegetable Oil, Dairy, Integrated Poultry business, Cultivation of Seeds |
| Godrej Properties Limited | India  | 49.36%                               | 54.25%               | 50.64%  | 45.75%               | Estate and Property Development  |

#### 2 The following table summarises Financial Information of subsidiaries that have material non-controlling interests, before any inter-company eliminations

##### (i) Summarised Statement of Profit and Loss

Amount ₹ in Crore

|   | Godrej Agrovet Limited    |                           | Godrej Properties Limited |                           |
|---|---------------------------|---------------------------|---------------------------|---------------------------|
|   | Year ended March 31, 2020 | Year ended March 31, 2019 | Year ended March 31, 2020 | Year ended March 31, 2019 |
| Total Income                                  | 7,010.86                  | 5,970.84                  | 2,914.59                  | 3,221.98                  |
| Profit for the year                           | 306.19                    | 329.04                    | 267.21                    | 253.15                    |
| Other Comprehensive Income                    | (3.74)                    | (0.92)                    | (0.50)                    | (0.23)                    |
| Profit allocated to non-controlling interests | 121.54                    | 138.05                    | 134.48                    | 115.86                    |
| OCI allocated to non-controlling interests    | (1.77)                    | (0.39)                    | (0.25)                    | (0.10)                    |
| Dividends paid to non-controlling interests   | 35.19                     | 36.16                     | -                         | -                         |

##### (ii) Summarised Balance Sheet

Amount ₹ in Crore

|   | Godrej Agrovet Limited |                      | Godrej Properties Limited |                      |
|---|------------------------|----------------------|---------------------------|----------------------|
|   | As at March 31, 2020   | As at March 31, 2019 | As at March 31, 2020      | As at March 31, 2019 |
| Non-current liabilities                             | 269.20                 | 300.43               | 14.35                     | 512.25               |
| Current liabilities                                 | 2,210.24               | 1,883.86             | 5,287.15                  | 5,111.48             |
|   | 2,479.44               | 2,184.30             | 5,301.50                  | 5,623.73             |
| Non-current assets                                  | 2,567.69               | 2,369.34             | 2,461.42                  | 2,572.82             |
| Current assets                                      | 2,132.35               | 1,864.90             | 7,644.56                  | 5,519.92             |
|   | 4,700.04               | 4,234.24             | 10,105.98                 | 8,092.74             |
| Net assets  | 2,220.60               | 2,049.94             | 4,804.48                  | 2,469.01             |
| Net assets attributable to non-controlling interest | 904.12                 | 857.88               | 2,432.78                  | 1,129.57             |

## Notes to the Consolidated Financial Statements

### Note 42 : Financial Information of subsidiaries that have material non-controlling interests (Contd.)

#### (iii) Summarised Cash Flow

Amount ₹ in Crore

|   | Godrej Agrovvet Limited         |                                 | Godrej Properties Limited       |                                 |
|---|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
|   | Year ended<br>March 31,<br>2020 | Year ended<br>March 31,<br>2019 | Year ended<br>March 31,<br>2020 | Year ended<br>March 31,<br>2019 |
| Cash flows from(used in) operating activities         | 239.78                          | 447.74                          | (229.74)                        | 478.06                          |
| Cash flows from(used in) investing activities         | (255.16)                        | (237.22)                        | (1,721.18)                      | (980.58)                        |
| Cash flows from(used in) financing activities         | 36.36                           | (216.56)                        | 1,972.23                        | 969.78                          |
| Net increase /(decrease) in cash and cash equivalents | 20.98                           | (6.04)                          | 21.31                           | 467.26                          |

### Note 43 : Goodwill and Other Intangible Assets with indefinite useful life

The Goodwill arises from the Group's Cash Generating Units as follows:

Amount ₹ in Crore

|                                   | As at<br>March 31, 2020 | As at<br>March 31, 2019<br>(Restated) |
|-----------------------------------|-------------------------|---------------------------------------|
| CGUs of Godrej Agrovvet Limited   | 480.61                  | 390.85                                |
| CGUs of Godrej Properties Limited | 193.67                  | 193.67                                |
| Others                            | 9.06                    | 9.06                                  |
|                                   | <b>683.34</b>           | <b>593.58</b>                         |

#### 1 Godrej Agrovvet Limited

The recoverable amount of this CGU is the higher of its fair value less cost to sell and its value in use. The goodwill allocated to Agrovvet business pertains to a listed entity and accordingly, the fair value of the CGU is determined based on market capitalisation (level 1 fair value).

#### 2 Godrej Properties Limited

The recoverable amount of this CGU is the higher of its fair value less cost to sell and its value in use. The goodwill allocated to estate & property development pertains to a listed entity and accordingly, the fair value of the CGU is determined based on market capitalisation (level 1 fair value).

## Notes to the Consolidated Financial Statements

## Note 44 : Income Tax Expense

Amount ₹ in Crore

| Particulars  | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019<br>(Restated) |
|--|------------------------------|--|
| <b>I Tax Expense relating to continuing operations recognised in the Consolidated Statement of Profit and Loss</b> |                              |  |
| Current Income Tax   | 172.45                       | 62.60                                      |
| Adjustments in respect of earlier years  | 1.22                         | 14.99                                      |
| Deferred Income Tax Liability / (Asset), net   |                              |  |
| Origination and reversal of temporary differences  | 155.90                       | 158.49                                     |
| Change in Tax rate   | (33.38)                      | 0.05                                       |
| Mat Credit (Utilisation)/Entitlement   | (13.33)                      | 4.95                                       |
| Recognition of previously unrecognised tax losses  | (10.06)                      | (18.86)                                    |
| Deferred Tax Expense   | 99.13                        | 144.63                                     |
| Tax Expense For the Year   | 272.80                       | 222.22                                     |
| <b>II Amounts recognised in other comprehensive income</b>   |                              |  |
| Items that will not be reclassified to profit or loss  |                              |  |
| Tax on remeasurements of defined benefit liability (asset)   | 1.31                         | 1.08                                       |
| Items that will be reclassified to profit or loss  |                              |  |
| Tax on the effective portion of gains and loss on hedging instruments in a cash flow hedge                         | -                            | (0.12)                                     |
|  | 1.31                         | 0.96                                       |
| <b>III Amounts recognised in Equity</b>  |                              |  |
| Tax (expense) on amortisation of Intangibles as per Oil Palm Companies Merger Scheme approved by Bombay High Court | -                            | (1.48)                                     |
|  | -                            | (1.48)                                     |
| <b>IV Reconciliation of effective tax rate</b>   |                              |  |
| Profit Before Tax from continuing operations   | 907.34                       | 1,160.95                                   |
| Tax using the Company's domestic tax rate  | 317.03                       | 402.84                                     |
| Tax effect of  |                              |  |
| Tax impact of income not subject to tax  | (72.48)                      | (65.25)                                    |
| Tax effects of amounts which are not deductible for taxable income   | 23.89                        | 5.25                                       |
| Previously unrecognised tax losses and unabsorbed depreciation now recouped to reduce deferred tax expense         | (10.06)                      | (18.86)                                    |
| Deferred tax assets not recognized because realization is not probable   | 79.28                        | 83.05                                      |
| Additional allowance for tax purpose   | -                            | (5.61)                                     |
| Change in recognised deductible temporary differences  | (7.28)                       | (8.79)                                     |
| Adjustment for current tax of prior years  | 1.22                         | 14.99                                      |
| Tax on share of loss/(profit) of equity accounted investees  | (42.98)                      | (156.23)                                   |
| Tax impact on distribution of profit by Joint Venture  | 4.45                         | -  |
| Utilization of MAT credit during the year  | -                            | (5.64)                                     |
| Impact of derecognition of deferred tax asset on MAT credit entitlement  | 0.69                         | -  |
| Effect of different tax rate   | 16.15                        | (3.16)                                     |
| Change in Tax Rate   | (33.38)                      | -  |
| Deferred tax asset created at higher than group domestic tax rate  | (5.63)                       | -  |
| Others   | 1.91                         | (20.37)                                    |
|  | 272.80                       | 222.22                                     |



# Notes to the Consolidated Financial Statements

## Note 44 : Income Tax Expense (Contd.)

### V Movement in deferred tax balances

Amount ₹ in Crore

| Particulars                             | Deferred tax asset March 31, 2019 | Deferred tax liability March 31, 2019 | Net balance March 31, 2019 | Recognised in profit or loss | Recognised in OCI | Recognised directly in equity | Acquired in business combinations | Other  | Net balance March 31, 2020 | Deferred tax asset March 31, 2020 | Deferred tax liability March 31, 2020 |
|---|-----------------------------------|---------------------------------------|----------------------------|------------------------------|-------------------|-------------------------------|-----------------------------------|--------|----------------------------|-----------------------------------|---------------------------------------|
| Deferred tax asset                      |                                   |                                       |                            |                              |                   |                               |                                   |        |                            |                                   |                                       |
| Property, plant and equipment           | (170.94)                          | (219.30)                              | (390.24)                   | 5.73                         | -                 | 0.00                          | -                                 | -      | (384.51)                   | (201.73)                          | (182.78)                              |
| Indexation benefit on land and shares   | 0.94                              | -                                     | 0.94                       | 0.05                         | -                 | -                             | -                                 | -      | 0.99                       | 0.99                              | -                                     |
| Investments                             | (14.31)                           | -                                     | (14.31)                    | 11.64                        | -                 | -                             | (2.19)                            | -      | (4.87)                     | (4.56)                            | (0.31)                                |
| Inventories                             | 30.96                             | -                                     | 30.96                      | (5.22)                       | -                 | -                             | -                                 | -      | 25.73                      | 25.73                             | -                                     |
| Employee benefits                       | 8.77                              | 3.00                                  | 11.77                      | (0.01)                       | 0.36              | -                             | -                                 | -      | 12.12                      | 9.69                              | 2.43                                  |
| Equity-settled share-based payments     | 1.85                              | -                                     | 1.85                       | 0.24                         | -                 | -                             | -                                 | -      | 2.09                       | 2.09                              | -                                     |
| MAT Credit Entitlement                  | 26.55                             | 5.23                                  | 31.78                      | (21.49)                      | -                 | -                             | -                                 | -      | 10.29                      | 10.29                             | -                                     |
| Biological Assets                       | 0.07                              | (8.96)                                | (8.90)                     | 2.49                         | -                 | -                             | -                                 | -      | (6.41)                     | (6.30)                            | (0.12)                                |
| Leases                                  | -                                 | -                                     | -                          | (0.32)                       | -                 | 1.80                          | -                                 | -      | 1.48                       | 0.73                              | 0.75                                  |
| Provision for Doubtful Debts / Advances | 30.17                             | 6.81                                  | 36.98                      | 5.12                         | -                 | -                             | -                                 | -      | 42.10                      | 35.87                             | 6.23                                  |
| Brought forward Losses                  | 400.69                            | (0.70)                                | 399.99                     | (156.83)                     | -                 | -                             | 0.41                              | -      | 243.55                     | 243.63                            | (0.09)                                |
| Unabsorbed Depreciation                 | 164.46                            | -                                     | 164.46                     | 18.08                        | -                 | -                             | -                                 | -      | 182.54                     | 182.54                            | -                                     |
| Other provisions                        | 170.52                            | (64.44)                               | 106.09                     | 41.39                        | 0.26              | -                             | 0.06                              | (0.46) | 147.36                     | 216.02                            | (68.66)                               |
| Tax assets (Liabilities)                | 649.73                            | (278.37)                              | 371.36                     | (99.13)                      | 0.62              | 1.80                          | (1.72)                            | (0.46) | 272.44                     | 514.99                            | (242.55)                              |
| Set off tax                             |                                   |                                       |                            |                              |                   |                               |                                   |        |                            |                                   |                                       |
| Net tax assets                          | 649.73                            | (278.37)                              | 371.36                     | (99.13)                      | 0.62              | 1.80                          | (1.72)                            | (0.46) | 272.44                     | 514.99                            | (242.55)                              |

Amount ₹ in Crore

| Particulars                             | Deferred tax asset April 01, 2018 | Deferred tax liability April 01, 2018 | Net balance April 1, 2018 | Recognised in profit or loss | Recognised in OCI | Recognised directly in equity | Acquired in business combinations | Other | Net balance March 31, 2019 | Deferred tax asset March 31, 2019 | Deferred tax liability March 31, 2019 |
|---|-----------------------------------|---------------------------------------|---------------------------|------------------------------|-------------------|-------------------------------|-----------------------------------|-------|----------------------------|-----------------------------------|---------------------------------------|
| Deferred tax asset                      |                                   |                                       |                           |                              |                   |                               |                                   |       |                            |                                   |                                       |
| Property, plant and equipment           | (104.81)                          | (181.34)                              | (286.15)                  | (87.38)                      | -                 | 0.83                          | (17.54)                           | -     | (390.24)                   | (170.94)                          | (219.30)                              |
| Indexation benefit on land and shares   | 0.87                              | -                                     | 0.87                      | 0.07                         | -                 | -                             | -                                 | -     | 0.94                       | 0.94                              | -                                     |
| Investments                             | (2.53)                            | 0.76                                  | (1.77)                    | (12.55)                      | -                 | -                             | -                                 | -     | (14.31)                    | (14.31)                           | -                                     |
| Inventories                             | 39.14                             | -                                     | 39.14                     | (8.18)                       | -                 | -                             | -                                 | -     | 30.96                      | 30.96                             | -                                     |
| Employee benefits                       | 8.06                              | 1.30                                  | 9.36                      | 2.03                         | 0.38              | -                             | -                                 | -     | 11.77                      | 8.77                              | 3.00                                  |
| Equity-settled share-based payments     | 1.63                              | -                                     | 1.63                      | 0.22                         | -                 | -                             | -                                 | -     | 1.85                       | 1.85                              | -                                     |
| MAT Credit Entitlement                  | 20.90                             | -                                     | 20.90                     | 6.33                         | -                 | -                             | 4.52                              | 0.03  | 31.78                      | 26.55                             | 5.23                                  |
| Biological Assets                       | -                                 | (0.08)                                | (0.08)                    | 0.03                         | -                 | -                             | (8.85)                            | -     | (8.90)                     | 0.07                              | (8.96)                                |
| Provision for Doubtful Debts / Advances | 8.22                              | 5.77                                  | 13.99                     | 22.99                        | -                 | -                             | -                                 | -     | 36.98                      | 30.17                             | 6.81                                  |
| Brought forward Losses                  | 564.39                            | (0.59)                                | 563.80                    | (166.28)                     | -                 | -                             | 2.47                              | -     | 399.99                     | 400.69                            | (0.70)                                |
| Unabsorbed Depreciation                 | 92.92                             | -                                     | 92.92                     | 71.54                        | -                 | -                             | -                                 | -     | 164.46                     | 164.46                            | -                                     |
| Other provisions                        | 143.98                            | (68.30)                               | 75.68                     | 26.56                        | (0.10)            | -                             | 1.97                              | 1.98  | 106.09                     | 170.52                            | (64.44)                               |
| Tax assets (Liabilities)                | 772.77                            | (242.48)                              | 530.29                    | (144.63)                     | 0.28              | 0.83                          | (17.42)                           | 2.01  | 371.36                     | 649.73                            | (278.37)                              |
| Set off tax                             |                                   |                                       |                           |                              |                   |                               |                                   |       |                            |                                   |                                       |
| Net tax assets                          | 772.77                            | (242.48)                              | 530.29                    | (144.63)                     | 0.28              | 0.83                          | (17.42)                           | 2.01  | 371.36                     | 649.73                            | (278.37)                              |

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

A new section 115BAA was inserted in the Income Tax Act, 1961, by The Government of India on September 20, 2019 vide the Taxation Laws (Amendment) Ordinance 2019 which provides an option to companies for paying income tax at reduced rates in accordance with the provisions/conditions defined in the said section. Accordingly:

- One of the subsidiary company has elected to exercise the option. The said subsidiary company has recognized provision for income tax for the year ended March 31, 2020 and re-measured its deferred tax balances on the basis of the rate prescribed in the said section.
- One of the subsidiary company have decided to continue with the existing tax structure for the year ended March 31, 2020.

## Notes to the Consolidated Financial Statements

### Note 45 : Leases

Effective April 01, 2019, the Group has adopted Ind AS 116 Leases using modified retrospective approach.

#### 1. Cost, Accumulated Depreciation and Carrying Amount

Amount ₹ in Crore

| Particulars                                    | Land and Buildings | Leasehold Land | Other equipments | Total         |
|--|--------------------|----------------|------------------|---------------|
| <b>Cost</b>                                    |                    |                |                  |               |
| <b>Balance at 1<sup>st</sup> April 2019</b>    | <b>98.17</b>       | <b>59.51</b>   | -                | <b>157.68</b> |
| Additions                                      | 4.12               | 17.26          | 11.19            | 32.57         |
| Disposals                                      | (1.62)             | -              | -                | (1.62)        |
| <b>Balance at 31 March 2020</b>                | <b>100.68</b>      | <b>76.77</b>   | <b>11.19</b>     | <b>188.64</b> |
| <b>Accumulated depreciation and impairment</b> |                    |                |                  |               |
| <b>Balance at 1<sup>st</sup> April 2019</b>    | <b>39.30</b>       | <b>1.39</b>    | -                | <b>40.69</b>  |
| Depreciation                                   | 27.81              | 0.63           | 2.36             | 30.80         |
| Eliminated on disposals of assets              | (0.03)             | -              | -                | (0.03)        |
| <b>Balance at 31 March 2020</b>                | <b>67.08</b>       | <b>2.02</b>    | <b>2.36</b>      | <b>71.46</b>  |
| <b>Carrying amounts</b>                        |                    |                |                  |               |
| As at 1 April 2019                             | 58.87              | 59.51          | -                | 116.99        |
| <b>Balance at 31 March 2020</b>                | <b>33.60</b>       | <b>74.74</b>   | <b>8.83</b>      | <b>117.17</b> |

#### 2. Breakdown of lease expenses

Amount ₹ in Crore

| Particulars                | Year ended March 31, 2020 |
|----------------------------|---------------------------|
| Short-term lease expense   | 14.16                     |
| Low value lease expense    | 0.13                      |
| <b>Total lease expense</b> | <b>14.29</b>              |

#### 3. Cash outflow on Leases

Amount ₹ in Crore

| Particulars                         | Year ended March 31, 2020 |
|-------------------------------------|---------------------------|
| Repayment of lease liabilities      | 31.14                     |
| Interest on lease liabilities       | 6.07                      |
| Short-term lease expense            | 11.30                     |
| <b>Total cash outflow on leases</b> | <b>48.51</b>              |

#### 4. Maturity analysis

Amount ₹ in Crore

| Particulars                | Total | Less than 1 year | Between 1 and 5 years | Over 5 years | Weighted average effective interest rate % |
|----------------------------|-------|------------------|-----------------------|--------------|--|
| <b>As at 31 March 2020</b> |       |                  |                       |              |  |
| Lease liabilities          | 65.74 | 23.90            | 36.51                 | 5.33         | 8%-9%                                      |
|                            | 65.74 | 23.90            | 36.51                 | 5.33         |  |

The above amounts include principal and interest

## Notes to the Consolidated Financial Statements

### Note 45 : Leases (Contd.)

#### As a Lessor

#### 5. Undiscounted lease payments to be received for operating leases

| Particulars                            | Amount ₹ in Crore            |                              |
|--|------------------------------|------------------------------|
|  | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
| Year 1                                 | 11.90                        | 13.53                        |
| More than 1 year and less than 5 years | 48.61                        | 26.43                        |
| Later than 5 years                     | -                            | -                            |
| <b>Total</b>                           | <b>60.51</b>                 | <b>39.96</b>                 |

#### 6. Impact on Retained Earnings due to adopting the modified Retrospective Approach

| Particulars                      | Amount ₹ in Crore       |
|----------------------------------|-------------------------|
|                                  | As at<br>April 01, 2019 |
| Recognition of Lease Assets      | 73.66                   |
| Recognition of Lease Liabilities | 82.45                   |
| Net Impact in Retained Earnings  | (8.79)                  |

#### 7. Reconciliation between operating lease commitments disclosed in March 2019 financials applying Ind AS 17 and lease liabilities recognised in the statement of financial position

| Particulars  | Amount ₹ in Crore       |
|--|-------------------------|
|  | As at<br>March 31, 2019 |
| Operating lease commitments disclosed in March 2019 financials (under Ind AS 17)     | 87.11                   |
| Less: Discounting impact   | (4.66)                  |
| Lease liabilities recognised in the statement of financial position as at April 2019 | 82.45                   |

## Notes to the Consolidated Financial Statements

### Note 46 : Employee Benefits

#### I DEFINED CONTRIBUTION PLAN

##### Provident Fund :

The contributions to the Provident Fund and Family Pension Fund of certain employees are made to a Government administered Provident Fund and there are no further obligations beyond making such contributions.

#### II DEFINED BENEFIT PLAN

##### Gratuity :

The Group participates in the Employees' Group Gratuity-cum-Life Assurance Scheme of ICICI Prudential Life Insurance Co. Ltd, HDFC Standard Life Insurance Co. Ltd. and SBI 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 Group's scheme whichever is more beneficial to the employees.

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.

##### Provident Fund :

The Group manages the Provident Fund plan through a Provident Fund Trust for a majority of its employees which is permitted under The Employees' Provident Fund and Miscellaneous Provisions Act, 1952. 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 Group 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 Group has been higher in the past years. The actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the below provided assumptions there is no shortfall as at March 31, 2020.

| Particulars   | Amount ₹ in Crore |                |
|---|-------------------|----------------|
|   | March 31, 2020    | March 31, 2019 |
| Plan assets at period end, at fair value            | 239.07            | 224.67         |
| Provident Fund Corpus                               | 232.34            | 218.3          |
| Valuation assumptions under Deterministic Approach: |                   |                |
| Weighted Average Yield                              | 8.43%-8.66%       | 8.49%-8.72%    |
| Weighted Average YTM                                | 8.44%-8.90%       | 8.54%-8.93%    |
| Guaranteed Rate of Interest                         | 8.50%-8.65%       | 8.65%          |

##### Pension :

The Group has Pension plan for eligible employees. 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.

## Notes to the Consolidated Financial Statements

### Note 46 : Employee Benefits (Contd.)

III The amounts recognised in the Group's Consolidated financial statements as at the year end are as under :

Amount ₹ in Crore

|  | Gratuity                                |   | Pension   |   |
|--|---|---|---|---|
|  | As at<br>March 31, 2020                 | As at<br>March 31, 2019   | As at<br>March 31, 2020                           | As at<br>March 31, 2019                           |
| <b>a) Change in Present Value of Obligation</b>                      |   |   |   |   |
| Present value of the obligation at the beginning of the year         | 85.00                                   | 76.39   | 0.54  | 0.53  |
| Current Service Cost   | 7.03                                    | 6.92  | -   | -   |
| Past Service Cost  | (0.16)                                  | -   | -   | -   |
| Interest Cost  | 6.40                                    | 5.93  | -   | -   |
| Contribution by Plan Participants                                    | -                                       | -   | -   | -   |
| Actuarial (Gain) / Loss on Obligation due to demographic assumptions | (0.02)                                  | (0.64)  | -   | 0.17  |
| Actuarial (Gain) / Loss on Obligation due to experience adjustments  | 1.02                                    | 2.94  | -   | -   |
| Actuarial (Gain) / Loss on Obligation due to financial assumptions   | 4.89                                    | 0.47  | 0.15  | -   |
| Effect of Liability Transfer in / out                                | (1.39)                                  | (0.40)  | -   | -   |
| Benefits Paid  | (11.10)                                 | (9.52)  | (0.15)  | (0.16)  |
| Acquisitions   | 0.09                                    | 2.91  | -   | -   |
| Present value of the obligation at the end of the year               | <b>91.75</b>                            | <b>85.00</b>  | <b>0.54</b>                                       | <b>0.54</b>                                       |
| <b>b) Change in Plan Assets</b>                                      |   |   |   |   |
| Fair value of Plan Assets at the beginning of the year               | 56.74                                   | 51.62   | -   | -   |
| Return on Plan Assets  | 1.41                                    | 2.31  | -   | -   |
| Actuarial (Gain) / Loss on Plan Assets                               | 0.43                                    | 0.32  | -   | -   |
| Contributions by the Employer  | 5.36                                    | 6.53  | -   | -   |
| Interest Cost  | 2.19                                    | 1.70  | -   | -   |
| Effect of Liability Transfer in / out                                | 0.00                                    | 0.01  | -   | -   |
| Benefits Paid  | (9.60)                                  | (7.74)  | -   | -   |
| Acquisitions   | -                                       | 2.63  | -   | -   |
| Fair value of Plan Assets at the end of the year                     | <b>55.68</b>                            | <b>56.74</b>  | -   | -   |
| <b>c) Amounts Recognised in the Balance Sheet :</b>                  |   |   |   |   |
| Present value of Obligation at the end of the year                   | 91.75                                   | 85.00   | -   | -   |
| Fair value of Plan Assets at the end of the year                     | 55.68                                   | 56.74   | -   | -   |
| Net Obligation at the end of the year                                | <b>36.08</b>                            | <b>28.26</b>  | -   | -   |
| <b>d) Amounts Recognised in the statement of Profit and Loss :</b>   |   |   |   |   |
| Current Service Cost   | 7.03                                    | 6.92  | -   | -   |
| Interest cost on Obligation  | 6.40                                    | 5.93  | -   | -   |
| Return on Plan Assets  | (1.41)                                  | (2.31)  | -   | -   |
| Net Cost Included in Personnel Expenses                              | <b>12.02</b>                            | <b>10.54</b>  | -   | -   |
| <b>e) Amounts Recognised in Other Comprehensive Income (OCI):</b>    |   |   |   |   |
| Actuarial (Gain) / Loss on Obligation For the Period                 | 5.89                                    | 2.78  | -   | -   |
| Return on Plan Assets, Excluding Interest Income                     | 0.43                                    | 0.34  | -   | -   |
| Net (Income) / Expense For the Period Recognised in OCI              | <b>6.31</b>                             | <b>3.12</b>   | -   | -   |
| <b>f) Actual Return on Plan Assets</b>                               | <b>0.99</b>                             | <b>1.99</b>   | -   | -   |
| <b>g) Actuarial Assumptions</b>                                      |   |   |   |   |
| i) Discount Rate   | 6.44-7.79% P.A.                         | 7.07-7.79% P.A.   | 6.86% P.A.  | 7.78% P.A.  |
| ii) Expected Rate of Return on Plan Assets                           | 6.86% P.A.                              | 7.39% P.A.  | -   | -   |
| iii) Salary Escalation Rate  | 5.00-8.00% P.A.                         | 5.00-9.50% P.A.   | -   | -   |
| iv) Employee Turnover  | 1.00-15.00% P.A.                        | For service 4 yrs & Below 15.00 % p.a. & For service 5 yrs and above 2.00-2.80 % p.a. | 1.00% P.A.  | 1.00% P.A.  |
| v) Mortality   | Indian Assured Lives Mortality(2006-08) | Indian Assured Lives Mortality(2006-08)   | Indian Assured Lives Mortality (2006-08) Ultimate | Indian Assured Lives Mortality (2006-08) Ultimate |

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

## Notes to the Consolidated Financial Statements

### Note 46 : Employee Benefits (Contd.)

#### IV 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.

Amount ₹ in Crore

| Particulars                             | March 31, 2020 |          | March 31, 2019 |          |
|---|----------------|----------|----------------|----------|
|   | Increase       | Decrease | Increase       | Decrease |
| Discount rate (1% movement)             | (5.11)         | 5.81     | (4.36)         | 5.15     |
| Future salary growth (1% movement)      | 5.81           | 0.37     | 5.18           | (4.65)   |
| Rate of employee turnover (1% movement) | 0.22           | (0.49)   | 0.71           | (0.92)   |

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

#### V Plan assets comprise the following

Amount ₹ in Crore

| Particulars                 | March 31, 2020 | March 31, 2019 |
|-----------------------------|----------------|----------------|
| Insurer managed fund (100%) | 55.68          | 56.74          |

#### VI Expected future benefit payments of Gratuity

Amount ₹ in Crore

|                |       |
|----------------|-------|
| March 31, 2020 | 16.47 |
| March 31, 2021 | 7.70  |
| March 31, 2022 | 8.30  |
| March 31, 2023 | 9.48  |
| March 31, 2024 | 11.49 |
| Thereafter     | 46.99 |

### Note 46 : Employee Stock Benefit Plans

#### (i) Employee Stock Grant Scheme of Godrej Industries Limited

- The Company had set up the Employees Stock Grant Scheme 2011 (ESGS) pursuant to the approval by the Shareholders at their Meeting held on January 17, 2011.
- 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.
- The Scheme applies to the Eligible Employees who are in whole time employment of the Company or its Subsidiary Companies. The entitlement of each employee would be decided by the Compensation Committee of the respective Company based on the employee's performance, level, grade, etc.
- The total number of Stock Grants to be awarded under the ESGS Scheme are restricted to 25,00,000 (Twenty Five Lac) fully paid up equity shares of the Company. Not more than 5,00,000 (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.
- 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 from the date on which the Stock Grants are awarded for a period of three consecutive years, or as may be determined by Compensation Committee, 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.

## Notes to the Consolidated Financial Statements

### Note 46 : Employee Stock Benefit Plans (Contd.)

- (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 Re. 1 per share. The fair value of the employee share options has been measured using the Black-Scholes Option Pricing Model 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.

Following table lists the average inputs to the model used for the plan for the year ended March 31, 2020:

| Particulars   | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 | Description of the Inputs used  |
|---|------------------------------|------------------------------|---|
| Dividend yield %  | 0.37%                        | 0.31%                        | Dividend yield of the options is based on recent dividend activity.   |
| Expected volatility %   | 28%-31%                      | 28%-31%                      | Expected volatility of the option is based on historical volatility, during a period equivalent to the option life, of the observed market prices of the Company's publicly traded equity shares. |
| Risk free Interest rate %                                     | 6.91% to 7.95%               | 6.91% to 7.95%               | Risk-free interest rates are based on the government securities yield in effect at the time of the grant.   |
| Expected life of share options                                | 1 to 3 years                 | 1 to 3 years                 |   |
| Weighted Average Market price on date of granting the options | 471.20                       | 564.45                       |   |

- (h) The Status of the above plan is as under:

| Particulars                                      | Numbers                         |                                 |  |   |
|--|---------------------------------|---------------------------------|--|---|
|  | Year ended<br>March 31,<br>2020 | Year ended<br>March 31,<br>2019 | Weighted<br>average<br>Exercise<br>Price (₹) | Weighted<br>average<br>Share Price<br>(₹) |
| Options Outstanding at the Beginning of the Year | 1,61,029                        | 2,19,380                        |  |   |
| Options Granted                                  | 60,372                          | 58,767                          |  |   |
| Options Vested                                   | 81,649                          | 1,11,636                        | 1.00   | 472.42                                    |
| Options Exercised                                | 81,649                          | 1,11,636                        |  |   |
| Options Lapsed / Forfeited                       | 23,971                          | 5,482                           |  |   |
| Total Options Outstanding at the end of the year | 1,15,781                        | 1,61,029                        |  |   |

- (i) The weighted average exercise price of the options outstanding as on March 31, 2020 is Re. 1 (previous year Re. 1 per share) and the weighted average remaining contractual life of the options outstanding as on March 31, 2020 is 0.73 years (previous year 0.73 years)

## Notes to the Consolidated Financial Statements

### Note 46 : Employee Stock Benefit Plans (Contd.)

#### 2 Godrej Properties Limited Employee Stock Option Plans & Stock Grant Scheme

##### (i) Employee Stock Grant Scheme

a) The Company instituted an Employee Stock Grant Scheme (GPL ESGS) approved by the Board of Directors, the Shareholders and the Remuneration Committee.

| Particulars                                      | No. of Options       |                      | Weighted Average Exercise Price | Weighted average Share Price (₹) |
|--|----------------------|----------------------|---------------------------------|----------------------------------|
|  | As at March 31, 2020 | As at March 31, 2019 |                                 |                                  |
| Options Outstanding at the beginning of the year | 1,33,913             | 1,81,859             |                                 |                                  |
| Options granted                                  | 50,797               | 58,635               |                                 |                                  |
| Options exercised                                | 70,888               | 78,585               | 5                               | 915.12                           |
| Less : Option lapsed                             | 2,745                | 27,996               |                                 |                                  |
| Options Outstanding at the year end              | 1,11,077             | 1,33,913             |                                 |                                  |

b) The weighted average exercise price of the options outstanding as at March 31, 2020 is ₹ 5 per share (Previous Year: ₹ 5 per share) and the weighted average remaining contractual life of the options outstanding as at March 31, 2020 is 0.74 years (Previous Year: 0.76 years)

c) The fair value of the employee share options has been measured using the Black-Scholes Option Pricing Model. The weighted average fair value of the options granted is ₹ 756.42 (Previous Year: ₹ 593.60). The following table lists the average inputs to the model used for the plan for the year ended March 31, 2020:

The following table lists the average inputs to the model used for the plan for the year ended March 31, 2019:

| Particulars   | For the year March 31, 2020 | For the year March 31, 2019 | Description of the Inputs used  |
|---|-----------------------------|-----------------------------|---|
| Dividend yield %  | -                           | -                           | Dividend yield of the options is based on recent dividend activity.   |
| Expected volatility %   | 33%-51%                     | 32% - 42%                   | Expected volatility of the option is based on historical volatility, during a period equivalent to the option life, of the observed market prices of the Company's publicly traded equity shares. |
| Risk free Interest rate %                                     | 6.37%-7.07%                 | 6.31 % - 7.20%              | Risk-free interest rates are based on the government securities yield in effect at the time of the grant.   |
| Expected life of share options                                | 1 to 3 years                | 1 to 3 years                |   |
| Weighted Average Market price on date of granting the options | ₹ 760.99                    | ₹ 598.00                    |   |

d) The expense arising from ESGS scheme during the year is ₹ 4.38 Crore (Previous Year: ₹ 3.55 Crore).



## Notes to the Consolidated Financial Statements

### Note 46 : Employee Stock Benefit Plans (Contd.)

#### 3 Godrej Agrovet Limited Employee Stock Option Plans & Stock Grant Scheme

##### (i) Employee Stock Option Plans of Godrej Agrovet Limited

###### Employee Stock Grants

The Company has participated in the Godrej Industries Limited Employee Stock Grant Scheme 2011 and on May 30, 2011 the Compensation Committee of the Company has approved the grant of stocks to certain eligible employees in terms of the Employee Stock Grant Scheme 2011. The grants would vest in three equal parts every year over the next three years. The exercise price is Re. 1 per equity share as provided in the scheme. The Company has provided ₹ 0.81 crore (Previous Year ₹1.09 crore ) for the aforesaid eligible employees for the current financial year.

###### Employee Stock Option - Equity Settled

The Company had set up the Employees Stock Grant Scheme 2018 (ESGS) pursuant to the approval by the Shareholders by way of postal ballot, the result of which was declared on June 20, 2018.

The ESGS Scheme is effective from April 1, 2018, (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 2018 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.

The Scheme applies to the Eligible Employees who are in whole time employment of the Company or its Subsidiary Companies. The entitlement of each employee would be decided by the Nomination and Remuneration Committee of the respective Company based on the employee's performance, level, grade, etc.

The total number of Stock Grants to be awarded under the ESGS Scheme are restricted to 25,00,000 (Twenty five Lac) fully paid up equity shares of the Company. Not more than 5,00,000 (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.

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 from the date on which the Stock Grants are awarded for a period of three consecutive years, or as may be determined by the Nomination and Remuneration Committee, 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.

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 Nomination and Remuneration Committee.

The Exercise Price of the shares has been fixed at ₹ 10 per share. The fair value of the employee share options has been measured using the Black-Scholes Option Pricing Model 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. The Company has provided ₹ 1.96 crore (Previous Year ₹ 1.16 crore ) for all the eligible employees for current year.

## Notes to the Consolidated Financial Statements

### Note 46 : Employee Stock Benefit Plans (Contd.)

Following table lists the average inputs to the model used for the plan for the year ended March 31, 2020:

| Particulars   | As at<br>March 31, 2020 | As at<br>March 31, 2019 | Description of the Inputs used  |
|---|-------------------------|-------------------------|---|
| Dividend yield %  | 0.87%                   | 0.73%                   | Dividend yield of the options is based on recent dividend activity.   |
| Expected volatility %   | 28% - 29%               | 27%                     | Expected volatility of the option is based on historical volatility, during a period equivalent to the option life, of the observed market prices of the Company's publicly traded equity shares. |
| Risk free Interest rate %                                     | 6.563% to<br>7.043%     | 7.174% to<br>7.744%     | Risk-free interest rates are based on the government securities yield in effect at the time of the grant.   |
| Expected life of share options                                | 1 to 3 years            | 1 to 3 years            |   |
| Weighted Average Market price on date of granting the options | 515.37                  | 619.95                  |   |

The Status of the above plan is as under:

| Particulars   | Numbers                 |                         | Weighted<br>average Exercise<br>Price (₹) | Weighted<br>average Share<br>Price (₹) |
|---|-------------------------|-------------------------|---|--|
|   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |   |  |
| Options Outstanding at the Beginning of the Year        | 42,705                  | -                       |   |  |
| Options Granted   | 53,484                  | 42,705                  |   |  |
| Options Vested  | 13,159                  | -                       |   |  |
| Options Exercised                                       | 13,159                  | -                       | 10.00                                     | 312.47                                 |
| Options Lapsed / Forfeited                              | 13,796                  | -                       |   |  |
| Options Lapsed / Forfeited to be re-granted             | -                       | -                       |   |  |
| <b>Total Options Outstanding at the end of the year</b> | <b>69,234</b>           | <b>42,705</b>           |   |  |

The weighted average exercise price of the options outstanding as on March 31, 2020 is ₹ 10/- (previous year ₹ 10/- per share)

#### 4 Astec Lifescience Limited Employee Stock Option Plans & Stock Grant Scheme

##### (i) Employee stock option scheme (ESOS,2015)

The Group has implemented Employees under Employee stock option scheme (ESOS, 2015) which was approved by the Shareholders at the 21<sup>st</sup> Annual General Meeting. The employee stock option scheme is designed to provide incentives to all the permanent employees to deliver long-term returns. Under the plan, participants are granted options which will vest in 4 years (40% in 1<sup>st</sup> year, 30% in 2<sup>nd</sup> year, 20% in 3<sup>rd</sup> year and 10% in 4<sup>th</sup> year) from the date of grant. Participation in the plan is at the discretion of the Compensation Committee / Board of Directors of the Group.

Once vested, the options remain exercisable for a period of three years.

Options are granted at the market price on which the options are granted to the employees under ESOS 2015. When exercisable, each option is convertible into one equity share.

## Notes to the Consolidated Financial Statements

### Note 46 : Employee Stock Benefit Plans (Contd.)

#### (ii) Employee stock option plan (ESOP,2012)

The company has implemented Employee Stock Option Plan (ESOP 2012) which was approved by the Shareholders at the Extra-Ordinary General Meeting of the company in the Year 2012. The employee stock option plan is designed to provide incentives to all the permanent employees to deliver long-term returns. Under the plan, participants are granted options which will vest in 4 years (40% in 1<sup>st</sup> year, 30% in 2<sup>nd</sup> year, 20% in 3<sup>rd</sup> year and 10% in 4<sup>th</sup> year) from the grant date. Participation in the plan is at the discretion of the Compensation Committee / Board of Directors of the company.

Once vested, the options remains exercisable for a period of seven years.

Options are granted under ESOP 2012 at an exercise price of ₹ 34/- each. When exercisable, each option is convertible into one equity share.

Set out below is a summary of options granted under both the plans:

#### Employee stock option plan (ESOP,2012)

| Particulars                 | March 31, 2020                              |                   | March 31, 2019                              |                   |
|-----------------------------|---|-------------------|---|-------------------|
|                             | Average exercise price per share option (₹) | Number of options | Average exercise price per share option (₹) | Number of options |
| Opening balance             | 34.00                                       | 18,700            | 34.00                                       | 37,200            |
| Granted during the period   | -   | -                 | -   | -                 |
| Exercised during the period | 34.00                                       | 9,900             | 34.00                                       | 18,500            |
| Lapsed during the period    | -   | -                 | -   | -                 |
| Closing balance             |   | 8,800             |   | 18,700            |
| Vested and exercisable      |   | -                 |   | 15,700            |

#### Employee stock option scheme (ESOS,2015)

| Particulars                 | March 31, 2020                              |                   | March 31, 2019                              |                   |
|-----------------------------|---|-------------------|---|-------------------|
|                             | Average exercise price per share option (₹) | Number of options | Average exercise price per share option (₹) | Number of options |
| Opening balance             | 387.35                                      | 34,500            | 387.35                                      | 40,000            |
| Granted during the period   | -   | -                 | -   | -                 |
| Exercised during the period | 387.35                                      | 4,800             | 387.35                                      | 5,500             |
| Lapsed during the period    | -   | -                 | -   | -                 |
| Closing balance             |   | 29,700            |   | 34,500            |
| Vested and exercisable      |   | -                 |   | 22,500            |

No options expired during the periods covered in the above tables.

## Notes to the Consolidated Financial Statements

### Note 46 : Employee Stock Benefit Plans (Contd.)

Share options outstanding at the end of the year have the following expiry date and exercise prices:

| Grant date  | Expiry date      | Exercise price | March 31, 2020<br>Share options | March 31, 2019<br>Share options |
|---|------------------|----------------|---------------------------------|---------------------------------|
| January 31, 2015  | January 30, 2023 | 34.00          | -                               | -                               |
| January 31, 2015  | January 30, 2024 | 34.00          | -                               | 3,200                           |
| January 31, 2015  | January 30, 2025 | 34.00          | 1,000                           | 4,800                           |
| January 31, 2015  | January 30, 2026 | 34.00          | 3,800                           | 5,700                           |
| May 16, 2015  | May 15, 2023     | 34.00          | -                               | -                               |
| May 16, 2015  | May 15, 2024     | 34.00          | -                               | -                               |
| May 16, 2015  | May 15, 2025     | 34.00          | 2,000                           | 2,000                           |
| May 16, 2015  | May 15, 2026     | 34.00          | 2,000                           | 3,000                           |
| July 26, 2016   | July 25, 2020    | 387.35         | 8,000                           | 12,000                          |
| July 26, 2016   | July 25, 2021    | 387.35         | 9,700                           | 10,500                          |
| July 26, 2016   | July 25, 2022    | 387.35         | 8,000                           | 8,000                           |
| July 26, 2016   | July 25, 2023    | 387.35         | 4,000                           | 4,000                           |
| <b>Total</b>  |                  |                | <b>38,500</b>                   | <b>53,200</b>                   |
| Weighted average remaining contractual life of options outstanding at end of period |                  |                | <b>2.51</b>                     | 3.76                            |

#### (i) Fair value of options granted

The fair value of grant date of options granted during the year ended March 31, 2020 is mentioned in the table below. The fair value at grant date is determined using the Black Scholes model which takes into account the exercise price, the term of option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

| Grant date       | Expiry date      | Fair Value | March 31, 2020<br>Share options | March 31, 2019<br>Share options |
|------------------|------------------|------------|---------------------------------|---------------------------------|
| January 31, 2015 | January 30, 2023 | 95.84      | -                               | -                               |
| January 31, 2015 | January 30, 2024 | 109.41     | -                               | 3,200                           |
| January 31, 2015 | January 30, 2025 | 109.91     | 1,000                           | 4,800                           |
| January 31, 2015 | January 30, 2026 | 110.49     | 3,800                           | 5,700                           |
| May 16, 2015     | May 15, 2023     | 105.77     | -                               | -                               |
| May 16, 2015     | May 15, 2024     | 118.18     | -                               | -                               |
| May 16, 2015     | May 15, 2025     | 119.30     | 2,000                           | 2,000                           |
| May 16, 2015     | May 15, 2026     | 119.67     | 2,000                           | 3,000                           |
| July 26, 2016    | July 25, 2020    | 100.00     | 8,000                           | 12,000                          |
| July 26, 2016    | July 25, 2021    | 159.00     | 9,700                           | 10,500                          |
| July 26, 2016    | July 25, 2022    | 278.00     | 8,000                           | 8,000                           |
| July 26, 2016    | July 25, 2023    | 297.00     | 4,000                           | 4,000                           |
| <b>Total</b>     |                  |            | <b>38,500</b>                   | <b>53,200</b>                   |

## Notes to the Consolidated Financial Statements

### Note 46 : Employee Stock Benefit Plans (Contd.)

The model inputs for options granted during the period ended March 31, 2019 included:

#### ESOS, 2015 granted on July 26, 2016

Options are granted for a consideration as mentioned in the below table and 40% of options vest after 1 year, 30% of options after 2 years, 20% of options after 3 years and 10% of options after 4 years. Vested options are exercisable for a period of 3 years after vesting.

| Particulars                                       | July 25, 2020 | July 25, 2021 | July 25, 2022 | July 25, 2023 |
|---|---------------|---------------|---------------|---------------|
| Exercise Price                                    | ₹ 387.35      | ₹ 387.35      | ₹ 387.35      | ₹ 387.35      |
| Grant Date  | July 26, 2016 | July 26, 2016 | July 26, 2016 | July 26, 2016 |
| Expiry Date                                       | July 25, 2020 | July 25, 2021 | July 25, 2022 | July 25, 2023 |
| Share price at grant date                         | ₹ 387.35      | ₹ 387.35      | ₹ 387.35      | ₹ 387.35      |
| Expected price volatility of the company's shares | 57%           | 66%           | 115%          | 109%          |
| Expected dividend yield                           | 0.00%         | 0.00%         | 0.00%         | 0.00%         |
| Risk free interest rate                           | 8.27%         | 8.17%         | 8.20%         | 8.32%         |

The model inputs for options granted during the year ended March 31, 2016 included:

#### ESOP, 2012- Option B granted on May 16, 2015

Options are granted for a consideration as mentioned in the below table and 40% of options vest after 1 year, 30% of options after 2 years, 20% of options after 3 years and 10% of options after 4 years. Vested options are exercisable for a period of 7 years after vesting.

| Particulars                                       | May 15, 2023                 | May 15, 2024                 | May 15, 2025                 | May 15, 2026                 |
|---|------------------------------|------------------------------|------------------------------|------------------------------|
| Exercise Price                                    | ₹ 34 (March 31, 2016 - ₹ 34) | ₹ 34 (March 31, 2016 - ₹ 34) | ₹ 34 (March 31, 2016 - ₹ 34) | ₹ 34 (March 31, 2016 - ₹ 34) |
| Grant Date  | May 16, 2015                 | May 16, 2015                 | May 16, 2015                 | May 16, 2015                 |
| Expiry Date                                       | May 15, 2023                 | May 15, 2024                 | May 15, 2025                 | May 15, 2026                 |
| Share price at grant date                         | ₹ 138                        | ₹ 138                        | ₹ 138                        | ₹ 138                        |
| Expected price volatility of the company's shares | 71%                          | 139%                         | 121%                         | 108%                         |
| Expected dividend yield                           | 0.91%                        | 0.91%                        | 0.91%                        | 0.91%                        |
| Risk free interest rate                           | 8.30%                        | 8.19%                        | 8.21%                        | 8.30%                        |

## Notes to the Consolidated Financial Statements

### Note 46 : Employee Stock Benefit Plans (Contd.)

The model inputs for options granted during the year ended March 31, 2015 included:

#### ESOP, 2012- Option A granted on 31 January 2015

Options are granted for a consideration as mentioned below in the table and vest 40% of options after 1 year, 30% of options after 2 years, 20% of options after 3 years and 10% of options after 4 years. Vested options are exercisable for a period of 7 years after vesting.

| Particulars                                       | January 30, 2023             | January 30, 2024             | January 30, 2025             | January 30, 2026             |
|---|------------------------------|------------------------------|------------------------------|------------------------------|
| Exercise Price                                    | ₹ 34 (March 31, 2016 - ₹ 34) | ₹ 34 (March 31, 2016 - ₹ 34) | ₹ 34 (March 31, 2016 - ₹ 34) | ₹ 34 (March 31, 2016 - ₹ 34) |
| Grant Date  | January 31, 2015             | January 31, 2015             | January 31, 2015             | January 31, 2015             |
| Expiry Date                                       | January 30, 2023             | January 30, 2024             | January 30, 2025             | January 30, 2026             |
| Share price at grant date                         | ₹ 127.70                     | ₹ 127.70                     | ₹ 127.70                     | ₹ 127.70                     |
| Expected price volatility of the company's shares | 72%                          | 143%                         | 120%                         | 108%                         |
| Expected dividend yield                           | 0.78%                        | 0.78%                        | 0.78%                        | 0.78%                        |
| Risk free interest rate                           | 8.27%                        | 8.17%                        | 8.20%                        | 8.32%                        |

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

#### Expense arising from share based payment transactions

Total expenses arising from share-based payment transactions recognised in profit or loss as part of employee benefit expense were as follows:

| Particulars                | Amount ₹ in Crore |                |
|----------------------------|-------------------|----------------|
|                            | March 31, 2020    | March 31, 2019 |
| Employee stock option plan | 0.06              | 0.16           |
| <b>TOTAL</b>               | <b>0.06</b>       | <b>0.16</b>    |

## Notes to the Consolidated Financial Statements

## Note 47 : Segment Information

a) Segment information for continuing operations

Amount ₹ in Crore

| Information about primary business segments   | Chemicals |          | Animal Feed |          | Veg Oils |          | Estate & Property Development |          | Finance & Investments |          | Dairy    |          | Crop Protection |          | Others   |          | Total     |           |  |
|---|-----------|----------|-------------|----------|----------|----------|-------------------------------|----------|-----------------------|----------|----------|----------|-----------------|----------|----------|----------|-----------|-----------|--|
|   | Current   | Previous | Current     | Previous | Current  | Previous | Current                       | Previous | Current               | Previous | Current  | Previous | Current         | Previous | Current  | Previous | Current   | Previous  |  |
|   | Year      | Year     | Year        | Year     | Year     | Year     | Year                          | Year     | Year                  | Year     | Year     | Year     | Year            | Year     | Year     | Year     | Year      | Year      |  |
| <b>(I) Revenue</b>  |           |          |             |          |          |          |                               |          |                       |          |          |          |                 |          |          |          |           |           |  |
| External Sales  | 1,594.71  | 1,665.52 | 3,717.72    | 3,093.46 | 1,093.84 | 1,123.79 | 3,079.70                      | 3,254.60 | 26.06                 | 104.84   | 1,065.72 | 1,160.83 | 1,096.38        | 987.54   | 188.22   | 27.42    | 11,862.36 | 11,418.00 |  |
| Intersegment Sales  | 9.02      | 7.94     | -           | -        | 0.02     | 0.12     | 26.99                         | 43.15    | 258.33                | 360.71   | 136.19   | 1.09     | -               | -        | 401.65   | 21.15    | 834.19    | 434.16    |  |
| Total Sales   | 1,603.73  | 1,673.46 | 3,717.72    | 3,093.46 | 1,093.86 | 1,123.91 | 3,106.68                      | 3,297.75 | 284.39                | 465.55   | 1,203.92 | 1,161.92 | 1,096.38        | 987.54   | 589.87   | 48.57    | 12,696.55 | 11,852.16 |  |
| Less: Intersegment Sales  | (9.02)    | (7.94)   | -           | -        | (0.02)   | (0.12)   | (26.99)                       | (43.15)  | (258.33)              | (360.71) | (136.19) | (1.09)   | -               | -        | (401.65) | (21.15)  | (834.19)  | (434.16)  |  |
| <b>Total Revenue</b>  | 1,594.71  | 1,665.52 | 3,717.72    | 3,093.46 | 1,093.84 | 1,123.79 | 3,079.70                      | 3,254.60 | 26.06                 | 104.84   | 1,065.72 | 1,160.83 | 1,096.38        | 987.54   | 188.22   | 27.42    | 11,862.36 | 11,418.00 |  |
| <b>(II) Results</b>   |           |          |             |          |          |          |                               |          |                       |          |          |          |                 |          |          |          |           |           |  |
| Segment result before interest and tax  | 139.59    | 131.09   | 153.17      | 129.92   | 98.58    | 125.56   | 792.72                        | 576.29   | 25.89                 | 94.90    | (0.18)   | 14.66    | 230.95          | 231.27   | (80.14)  | 5.29     | 1,360.58  | 1,308.98  |  |
| Unallocated expenses  |           |          |             |          |          |          |                               |          |                       |          |          |          |                 |          |          |          | (21.52)   | (212.62)  |  |
| Finance Costs   |           |          |             |          |          |          |                               |          |                       |          |          |          |                 |          |          |          | (492.87)  | (507.71)  |  |
| Profit / (Loss) Before Share of Profit of Equity Accounted Investees and Tax from continuing operations |           |          |             |          |          |          |                               |          |                       |          |          |          |                 |          |          |          | 646.19    | 588.65    |  |
| Taxes   |           |          |             |          |          |          |                               |          |                       |          |          |          |                 |          |          |          | (272.80)  | (222.22)  |  |
| Share of Profit of Equity Accounted Investees (net of Income Tax)                                       |           |          |             |          |          |          |                               |          |                       |          |          |          |                 |          |          |          | 261.15    | 572.30    |  |
| <b>Profit after tax from Continuing Operations</b>  |           |          |             |          |          |          |                               |          |                       |          |          |          |                 |          |          |          | 634.54    | 938.73    |  |
| Segment Assets  | 1,351.98  | 1,372.28 | 1,297.36    | 1,114.17 | 556.91   | 543.58   | 10,489.06                     | 8,557.33 | 3,361.54              | 3,086.54 | 806.21   | 758.27   | 1,340.49        | 1,196.63 | 536.39   | 581.16   | 19,739.93 | 17,209.97 |  |
| Unallocated Assets  |           |          |             |          |          |          |                               |          |                       |          |          |          |                 |          |          |          | 725.19    | 904.26    |  |
| Total Assets  |           |          |             |          |          |          |                               |          |                       |          |          |          |                 |          |          |          | 20,465.12 | 18,114.23 |  |
| Segment Liabilities   | 621.11    | 394.20   | 961.55      | 1,027.78 | 67.98    | 72.54    | 5,191.98                      | 5,631.88 | 6.54                  | 2.29     | 334.58   | 284.96   | 463.32          | 459.56   | 250.60   | 153.85   | 7,897.66  | 8,032.06  |  |
| Unallocated Liabilities   |           |          |             |          |          |          |                               |          |                       |          |          |          |                 |          |          |          |           |           |  |
| Total Liabilities   |           |          |             |          |          |          |                               |          |                       |          |          |          |                 |          |          |          |           |           |  |
| Cost incurred during the year to acquire segment assets   | 28.03     | 64.28    | 136.33      | 83.84    | 39.64    | 69.87    | 107.46                        | 43.96    | 0.18                  | 0.12     | 36.00    | 37.10    | 40.92           | 54.01    | 18.28    | 214.64   | 406.85    | 567.82    |  |
| Cost incurred on unallocated assets   |           |          |             |          |          |          |                               |          |                       |          |          |          |                 |          |          |          |           |           |  |
| Total Cost incurred during the year to acquire segment assets   |           |          |             |          |          |          |                               |          |                       |          |          |          |                 |          |          |          |           |           |  |
| Segment Depreciation  | 37.37     | 32.56    | 38.19       | 30.93    | 28.39    | 18.60    | 37.83                         | 25.63    | 1.54                  | 1.39     | 30.60    | 23.48    | 27.64           | 19.41    | 21.33    | 2.86     | 222.88    | 154.86    |  |
| Unallocated Depreciation  |           |          |             |          |          |          |                               |          |                       |          |          |          |                 |          |          |          |           |           |  |
| Total Depreciation  |           |          |             |          |          |          |                               |          |                       |          |          |          |                 |          |          |          | 10.96     | 8.28      |  |
|   |           |          |             |          |          |          |                               |          |                       |          |          |          |                 |          |          |          | 233.84    | 163.14    |  |

## Notes to the Consolidated Financial Statements

### Note 47 : Segment Information (Contd.)

Amount ₹ in Crore

| Information about Secondary Business Segments | Current Year     | Previous Year    |
|---|------------------|------------------|
| <b>Revenue by Geographical markets</b>        |                  |                  |
| India   | 10,784.42        | 10,551.67        |
| Outside India                                 | 1,077.94         | 866.33           |
| <b>Total</b>                                  | <b>11,862.36</b> | <b>11,418.00</b> |

Amount ₹ in Crore

| Carrying Amount of Segment assets                | Current Year     | Previous Year    |
|--|------------------|------------------|
| India  | 20,286.17        | 17,792.65        |
| Outside India                                    | 178.95           | 321.58           |
| Assets held for Discontinued Operations in India | -                | 157.02           |
| <b>Total</b>                                     | <b>20,465.12</b> | <b>18,271.25</b> |

## Notes :

- The Company has disclosed Business Segment as the primary segment. Segments have been identified taking into account the nature of the products, the different risks and returns, the organisational structure and the internal reporting system.
- Chemicals segment includes the business of production and sale of Oleochemicals and Surfactants such as Fatty Acids, Fatty Alcohols, Esters and Waxes, refined glycerine, Alpha Olefin Sulphonates, Sodium Lauryl Sulphate and Sodium Lauryl Ether Sulphate.
- Animal Feed segment includes the business of production and sale of compound feeds for cattle, poultry, shrimp and fish.
- Veg Oils segment includes the business of processing and bulk trading of refined vegetable oils & vanaspati, international vegetable oil trading and Oil Palm Plantation.
- Estate & property development segment includes the business of development and sale of real estate and leasing and leave and licensing of properties.
- Finance & Investments includes investments in associates companies and other investments.
- Dairy Business includes milk and milk products
- Crop protection business includes agri inputs.
- Others includes Integrated Poultry and tissue culture, Seeds business, energy generation through windmills and gourmet foods and fine beverages.
- Unallocable expenditure includes expenses incurred on common services at the corporate level and relate to the Group as a whole.
- The geographical segments consists of Sales in India which represent sales to customers located in India and Sales outside India represent sales to customers located outside India.
- Segment Revenue Reconciliation in terms of the measure reported to the Chief Operating Decision Maker:

(Amounts in ₹ Crore)

| Particulars                  | Current Year     | Previous Year    |
|------------------------------|------------------|------------------|
| Revenue from Operations      | 11,290.75        | 10,848.19        |
| Other Income                 | 571.61           | 481.51           |
| Exceptional Items            | -                | 88.30            |
| <b>Total Segment Revenue</b> | <b>11,862.36</b> | <b>11,418.00</b> |

#### Segment Information relating to discontinued operations (refer note 55)

(Amounts in ₹ Crore)

| Particulars                                   | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|---|------------------------------|------------------------------|
| Segment Revenue (including Exceptional Items) | 289.01                       | 340.51                       |
| Segment Results (Profit / (Loss) Before Tax)  | 173.67                       | (75.00)                      |

(Amounts in ₹ Crore)

| Particulars         | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---------------------|-------------------------|-------------------------|
| Segment Assets      | -                       | 157.02                  |
| Segment Liabilities | -                       | 151.48                  |



## Notes to the Consolidated Financial Statements

### Note 48 : Related Party Information

#### a) Names of related parties and description of relationship

##### 1 Companies under common ownership

- 1.1 Godrej & Boyce Manufacturing Company Limited
- 1.2 Godrej Seeds & Genetics Limited

##### 2 Associates / Joint Ventures

- 2.1 Godrej Consumer Products Limited
- 2.2 Bhabhani Blunt Hairdressing Private Limited
- 2.3 Godrej Global Mideast FZE, Sharjah
- 2.4 PT Megasari Makmur, Indonesia
- 2.5 Strength of Nature LLC, USA
- 2.6 Godrej Household Products Bangladesh Private Limited, Bangladesh
- 2.7 Godrej Household Products Bangladesh Private Limited, Sri Lanka
- 2.8 Laboratoria Cuenca S.A.
- 2.9 Godrej South Africa Pty Limited  
Associates/ Joint Ventures of Godrej Agrovet Limited
- 2.10 ACI Godrej Agrovet Private Limited, Bangladesh
- 2.11 Alrahba International Trading LLC, UAE
- 2.12 Omnivore India Capital Trust
- 2.13 Godrej Tyson Foods Limited (up to March 26, 2019)
- 2.14 Godrej Maxximilk Private Limited ( up to March 26, 2019)  
Associates/ Joint Ventures of Godrej Properties Limited
- 2.15 Godrej Realty Private Limited
- 2.16 Godrej Landmark Redevelopers Private Limited (up to March 14, 2019)
- 2.17 Godrej Redevelopers (Mumbai) Private Limited
- 2.18 Godrej Greenview Housing Private Limited
- 2.19 Wonder Space Properties Private Limited (up to April 3, 2019)
- 2.20 Wonder City Buildcon Private Limited
- 2.21 Godrej Home Constructions Private Limited
- 2.22 Wonder Projects Development Private Limited
- 2.23 Godrej Real View Developers Private Limited
- 2.24 Pearlite Real Properties Private Limited
- 2.25 Godrej Skyline Developers Private Limited
- 2.26 Godrej Green Homes Private Limited (formerly known as Godrej Green Homes Limited)
- 2.27 Ashank Macbricks Private Limited (effective July 31, 2018)
- 2.28 Munjal Hospitality Private Limited (effective May 07, 2019)
- 2.29 Yujya Developers Private Limited (effective December 2, 2019)
- 2.30 Vivrut Developers Private Limited (effective February 10, 2020)
- 2.31 Mosiac Landmarks LLP
- 2.32 Dream World Landmarks LLP
- 2.33 Oxford Realty LLP
- 2.34 Godrej SSPDL Green Acres LLP
- 2.35 Caroa Properties LLP
- 2.36 M S Ramaiah Ventures LLP
- 2.37 Oasis Landmarks LLP
- 2.38 Godrej Amitis Developers LLP ( formerly known as Amitis Developers LLP)
- 2.39 Godrej Constructions Projects LLP

## Notes to the Consolidated Financial Statements

### Note 48 : Related Party Information (Contd.)

- 2.40 Godrej Housing Projects LLP
- 2.41 Godrej Property Developers LLP
- 2.42 A R Landcraft LLP
- 2.43 Bavdhan Realty @ Pune 21 LLP
- 2.44 Prakhhyat Dwellings LLP
- 2.45 Godrej Highview LLP
- 2.46 Godrej Projects North Star LLP
- 2.47 Godrej Developers & Properties LLP
- 2.48 Godrej Reserve LLP (formerly known as Sai Srushti One Hub Projects LLP)
- 2.49 Godrej Irismark LLP
- 2.50 Rosebery Estate LLP (effective September 18, 2018)
- 2.51 Suncity Infrastructures (Mumbai) LLP (effective October 10, 2018)
- 2.52 Manjari Housing Projects LLP (Formerly Known as Godrej Avamark LLP) (effective February 01, 2019)
- 2.53 Maan-Hinje Township Developers LLP (Formerly Known as Godrej Projects (Pune) LLP) (effective February 01, 2019)
- 2.54 Mahalunge Township Developers LLP (formerly known as Godrej Land Developers LLP) (effective February 01, 2019)
- 2.55 Godrej Vestamark LLP (effective May 03, 2019)
- 2.56 Manyata Industrial Parks LLP (effective April 22, 2019)
- 2.57 Godrej Odyssey LLP (effective September 26, 2019)
- 2.58 Universal Metro Properties LLP. (effective December 02, 2019)
- 2.59 Madhuvan Enterprises Private Limited (effective January 16, 2020)

### 3 Key Management Personnel

- 3.1 Mr. A. B. Godrej - Chairman
- 3.2 Mr. N. B. Godrej - Managing Director
- 3.3 Ms. T. A. Dubash - Executive Director & Chief Brand Officer
- 3.4 Mr. N. S. Nabar - Executive Director & President (Chemicals)
- 3.5 Mr. C. G. Pinto - Chief Financial Officer
- 3.6 Ms. Tejal Jariwala - Company Secretary (effective November 12, 2018)
- 3.7 Ms. Nilufer Shekhawat - Company Secretary (up to October 31, 2018)

### 4 Non-Executive Directors

- 4.1 Mr. J.N. Godrej
- 4.2 Mr. V.M. Crishna
- 4.3 Mr. K.M. Elavia
- 4.4 Mr. K.N. Petigara
- 4.5 Mr. A.D. Cooper
- 4.6 Mr. Mathew Eipe (effective May 13, 2019)
- 4.7 Dr. Ganapati D. Yadav (effective May 13, 2019)
- 4.8 Ms. Rashmi Joshi (up to March 27, 2020)
- 4.9 Mr. K.K. Dastur (up to August 8, 2019)
- 4.10 Mr. S.A. Ahmadullah (up to August 8, 2019)
- 4.11 Mr. A.B. Choudhury (up to August 8, 2019)

### 5 Relatives of Key Management Personnel

- 5.1 Ms. N. A. Godrej - Daughter of Mr. A. B. Godrej
- 5.2 Mr. P. A. Godrej - Son of Mr. A. B. Godrej
- 5.3 Ms. R. N. Godrej - Wife of Mr. N. B. Godrej
- 5.4 Mr. B. N. Godrej - Son of Mr. N. B. Godrej

## Notes to the Consolidated Financial Statements

### Note 48 : Related Party Information (Contd.)

- 5.5 Mr. S. N. Godrej - Son of Mr. N. B. Godrej
  - 5.6 Mr. H. N. Godrej - Son of Mr. N. B. Godrej
  - 5.7 Mr. A. D. Dubash - Husband of Ms. Tanya Dubash
  - 5.8 Master A. A. Dubash - Son of Ms. Tanya Dubash
  - 5.9 Master A. A. Dubash - Son of Ms. Tanya Dubash
  - 5.10 Ms. N. N. Nabar - Wife of Mr. N. S. Nabar
- 6 Enterprises over which key management personnel exercise significant influence**
- 6.1 Anamudi Real Estates LLP
  - 6.2 Innovia Multiventures Private Limited
  - 6.3 ABG Family Trust
  - 6.4 NBG Family Trust
  - 6.5 TAD Family Trust
- 7 Enterprises over which relative of key management personnel exercise significant influence**
- 7.1 Shata Trading & Finance Private Limited
  - 7.2 Shilawati Trading & Finance Private Limited
  - 7.3 NG Family Trust
  - 7.4 PG Family Trust
  - 7.5 BNG Family Trust
  - 7.6 SNG Family Trust
  - 7.7 HNG Family Trust
  - 7.8 Godrej Investment Advisers Private Limited
  - 7.9 Godrej Housing Finance Limited
  - 7.10 Karukachal Developers Private Limited
  - 7.11 Eranthus Developers Private Limited
  - 7.12 Praviz Developers Private Limited
  - 7.13 Godrej Holdings Private Limited
  - 7.14 Ceres Developers Private Limited (effective September 5, 2019)
  - 7.15 Pyxis Developers Private Limited (effective September 6, 2019)
- 8 Post Employment Benefit Trust where reporting entity exercises significant influence**
- 8.1 Godrej Industries Employees Provident Fund
  - 8.2 Godrej Industries Ltd Group Gratuity Trust

## Notes to the Consolidated Financial Statements

## Note 48 : Related Party Information (Contd.)

## b) Transactions with Related Parties

Amount ₹ in Crore

| Nature of Transaction                           | Holding Company | Associate/<br>Joint Venture<br>Companies | Companies<br>under<br>common<br>ownership | Key<br>Management<br>Personnel | Relative<br>of Key<br>Management<br>Personnel | Enterprises<br>over which Key<br>Management<br>Personnel<br>exercise<br>significant<br>influence | Enterprises over<br>which Relative of<br>Key Management<br>Personnel<br>exercise<br>significant<br>influence | Total    |
|---|-----------------|--|---|--------------------------------|---|--|--|----------|
| Sale of Goods *                                 | -               | 65.66                                    | 1.21                                      | -                              | -   | -  | 0.00   | 66.87    |
| Previous Year                                   | -               | 64.73                                    | 4.94                                      | -                              | -   | 269.26   | -  | 338.93   |
| Advance received                                | -               | -  | -   | -                              | -   | -  | -  | -        |
| Previous Year                                   | -               | -  | 0.05                                      | -                              | -   | -  | -  | 0.05     |
| Loans & Advances given                          | -               | 1,572.02                                 | 0.87                                      | -                              | -   | -  | -  | 1,572.89 |
| Previous Year                                   | -               | 716.12                                   | -   | -                              | -   | -  | -  | 716.12   |
| Purchase of goods                               | -               | 9.11                                     | 0.51                                      | -                              | -   | -  | -  | 9.62     |
| Previous Year                                   | -               | 10.74                                    | 0.41                                      | -                              | -   | 0.08   | -  | 11.23    |
| Purchase of Property, Plants & Equipments       | -               | 0.28                                     | 1.30                                      | -                              | -   | -  | -  | 1.58     |
| Previous Year                                   | -               | 3.16                                     | 1.41                                      | -                              | -   | -  | -  | 4.57     |
| Commission / Royalty received                   | -               | 0.28                                     | -   | -                              | -   | -  | -  | 0.28     |
| Previous Year                                   | -               | 0.24                                     | -   | -                              | -   | -  | -  | 0.24     |
| Commission / Royalty paid                       | -               | -  | -   | -                              | -   | -  | -  | -        |
| Previous Year                                   | -               | 0.15                                     | -   | -                              | -   | -  | -  | 0.15     |
| Licence fees / Service charges / Storage Income | -               | 14.04                                    | -   | -                              | -   | -  | 0.13   | 14.17    |
| Previous Year                                   | -               | 7.79                                     | 0.01                                      | -                              | -   | 0.01   | 0.03   | 7.84     |
| Other Income                                    | -               | 5.73                                     | 0.02                                      | -                              | -   | 0.00   | 0.02   | 5.78     |
| Previous Year                                   | -               | 1.78                                     | -   | -                              | -   | 0.09   | -  | 1.87     |
| Recovery of establishment & Other Expenses      | -               | 208.89                                   | 10.01                                     | -                              | -   | 8.70   | 1.20   | 228.80   |
| Previous Year                                   | 0.03            | 191.00                                   | 8.31                                      | -                              | -   | 13.95  | -  | 213.29   |
| Rent, Establishment & other expenses paid       | -               | 14.35                                    | 13.90                                     | -                              | 0.91  | 6.34   | 2.02   | 37.52    |
| Previous Year                                   | -               | 10.76                                    | 20.64                                     | -                              | 0.96  | 6.41   | 1.93   | 40.70    |
| Interest received                               | -               | 297.46                                   | -   | -                              | -   | -  | -  | 297.46   |
| Previous Year                                   | -               | 199.74                                   | -   | -                              | -   | -  | -  | 199.74   |
| Dividend paid                                   | -               | -  | 284.41                                    | 6.80                           | 10.18   | 4.35   | 7.32   | 313.06   |
| Previous Year                                   | 33.93           | -  | 93.38                                     | 1.42                           | 3.50  | 0.69   | 2.59   | 135.51   |
| Remuneration to Key Management Personnel        |                 |  |   |                                |   |  |  |          |
| Short term employee benefit                     | -               | -  | -   | 22.16                          | -   | -  | -  | 22.16    |
| Post employment benefit                         | -               | -  | -   | 0.73                           | -   | -  | -  | 0.73     |
| Share based payment                             | -               | -  | -   | 0.84                           | -   | -  | -  | 0.84     |
| Previous Year                                   | -               | -  | -   | 17.09                          | -   | -  | -  | 17.09    |
| Short term employee benefit                     | -               | -  | -   | 0.70                           | -   | -  | -  | 0.70     |
| Post employment benefit                         | -               | -  | -   | 0.78                           | -   | -  | -  | 0.78     |
| Share based payment                             | -               | -  | -   | -                              | -   | -  | -  | -        |
| Amount received against Sale of Unit            | -               | 2.07                                     | -   | -                              | -   | 70.72  | -  | 72.79    |
| Previous Year                                   | -               | -  | -   | -                              | -   | -  | -  | -        |
| Sale of Investments                             | -               | 6.46                                     | -   | -                              | -   | -  | -  | 6.46     |
| Previous Year                                   | -               | 2.93                                     | -   | -                              | -   | -  | -  | 2.93     |
| Sale of Units                                   | -               | 143.43                                   | -   | -                              | -   | 89.62  | -  | 233.05   |
| Previous Year                                   | -               | 26.71                                    | -   | -                              | -   | 429.06   | -  | 455.77   |
| Intercorporate Deposits Placed                  | -               | -  | -   | -                              | -   | -  | -  | -        |
| Previous Year                                   | -               | 10.54                                    | -   | -                              | -   | -  | -  | 10.54    |

## Notes to the Consolidated Financial Statements

### Note 48 : Related Party Information (Contd.)

#### b) Transactions with Related Parties

Amount ₹ in Crore

| Nature of Transaction                               | Holding Company | Associate/<br>Joint Venture<br>Companies | Companies<br>under<br>common<br>ownership | Key<br>Management<br>Personnel | Relative<br>of Key<br>Management<br>Personnel | Enterprises<br>over which Key<br>Management<br>Personnel<br>exercise<br>significant<br>influence | Enterprises over<br>which Relative of<br>Key Management<br>Personnel<br>exercise<br>significant<br>influence | Total    |
|---|-----------------|--|---|--------------------------------|---|--|--|----------|
| Intercorporate Deposits Refund Received             | -               | -  | -   | -                              | -   | -  | -  | -        |
| Previous Year                                       | -               | 16.74                                    | -   | -                              | -   | -  | -  | 16.74    |
| Other Deposits accepted                             | -               | 0.17                                     | 0.01                                      | -                              | -   | 0.04   | -  | 0.22     |
| Previous Year                                       | -               | 0.26                                     | -   | -                              | -   | -  | -  | 0.26     |
| Other Deposits refunded                             | -               | -  | -   | -                              | -   | -  | -  | -        |
| Previous Year                                       | -               | 0.12                                     | -   | -                              | -   | -  | -  | 0.12     |
| Redemption / Sale of Debenture                      | -               | 147.45                                   | -   | -                              | -   | -  | -  | 147.45   |
| Previous Year                                       | -               | -  | -   | -                              | -   | -  | -  | -        |
| Investment in equity / preference shares / LLP      | -               | 233.27                                   | -   | -                              | -   | -  | -  | 233.27   |
| Previous Year                                       | -               | 520.78                                   | -   | -                              | -   | 7.13   | -  | 527.91   |
| Investment in Debenture                             | -               | 110.26                                   | -   | -                              | -   | -  | -  | 110.26   |
| Previous Year                                       | -               | 74.07                                    | -   | -                              | -   | -  | -  | 74.07    |
| Share of profit (net) in Joint Venture & Associates | -               | (70.54)                                  | -   | -                              | -   | -  | -  | (70.54)  |
| Previous Year                                       | -               | 13.97                                    | -   | -                              | -   | -  | -  | 13.97    |
| Loan repaid   | -               | 947.03                                   | -   | -                              | -   | -  | -  | 947.03   |
| Previous Year                                       | -               | 763.46                                   | -   | -                              | -   | -  | -  | 763.46   |
| Sale of Services                                    | -               | 94.31                                    | 8.37                                      | -                              | -   | -  | -  | 102.68   |
| Previous Year                                       | -               | 26.06                                    | 2.96                                      | -                              | -   | -  | -  | 29.02    |
| Sitting Fees  | -               | -  | -   | 0.07                           | -   | -  | -  | 0.07     |
| Previous Year                                       | -               | -  | -   | 0.52                           | -   | -  | -  | 0.52     |
| Income Received from Other Companies                | -               | 1.65                                     | -   | -                              | -   | -  | -  | 1.65     |
| Previous Year                                       | -               | 0.32                                     | 0.02                                      | -                              | -   | -  | -  | 0.34     |
| Balance Outstanding as on March 31, 2020            |                 |  |   |                                |   |  |  |          |
| Receivables *                                       | -               | 1,961.26                                 | 3.00                                      | 0.00                           | -   | 0.82   | 0.12   | 1,965.20 |
| Previous Year                                       | -               | 1,150.25                                 | 1.83                                      | -                              | -   | 0.08   | -  | 1,152.16 |
| Payables  | -               | 0.25                                     | 5.55                                      | -                              | -   | -  | -  | 5.80     |
| Previous Year                                       | -               | 0.05                                     | 9.10                                      | -                              | -   | -  | -  | 9.15     |
| Guarantees outstanding                              | -               | 53.10                                    | -   | -                              | -   | -  | -  | 53.10    |
| Previous Year                                       | -               | 63.03                                    | -   | -                              | -   | -  | -  | 63.03    |
| Debentures Outstanding                              | -               | 697.18                                   | -   | -                              | -   | -  | -  | 697.18   |
| Previous Year                                       | -               | 840.72                                   | -   | -                              | -   | -  | -  | 840.72   |
| Deposits Receivable                                 | -               | -  | -   | -                              | -   | 3.17   | -  | 3.17     |
| Previous Year                                       | -               | -  | -   | -                              | -   | 3.17   | -  | 3.17     |
| Advance received against Share of Profit            | -               | 47.85                                    | -   | -                              | -   | -  | -  | 47.85    |
| Previous Year                                       | -               | 19.65                                    | -   | -                              | -   | -  | -  | 19.65    |
| Investment in capital account                       | -               | 520.94                                   | -   | -                              | -   | -  | -  | 520.94   |
| Previous Year                                       | -               | 510.11                                   | -   | -                              | -   | -  | -  | 510.11   |
| Investment in Equity/preference shares              | -               | 301.80                                   | -   | -                              | -   | -  | -  | 301.80   |
| Previous Year                                       | -               | 212.77                                   | -   | -                              | -   | -  | -  | 212.77   |
| Outstanding Capital Advance *                       | -               | -  | 0.00                                      | -                              | -   | -  | -  | 0.00     |
| Previous Year                                       | -               | -  | -   | -                              | -   | -  | -  | -        |
| Debenture Interest Outstanding                      | -               | 143.69                                   | -   | -                              | -   | -  | -  | 143.69   |
| Previous Year                                       | -               | 131.78                                   | -   | -                              | -   | -  | -  | 131.78   |

\* Amount less than ₹ 0.01 crores

Note : All related party transactions entered during the year were in ordinary course of the business and are on arm's length basis.

## Notes to the Consolidated Financial Statements

### Note 49 : Fair Value Measurement

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

#### I 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 as follows.

Amount ₹ in Crore

| March 31, 2020                          | Carrying amount |        |                |           | Fair value |         |         |          |
|---|-----------------|--------|----------------|-----------|------------|---------|---------|----------|
|   | FVTPL           | FVTOCI | Amortised Cost | Total     | Level 1    | Level 2 | Level 3 | Total    |
| <b>Financial assets</b>                 |                 |        |                |           |            |         |         |          |
| <b>Non Current</b>                      |                 |        |                |           |            |         |         |          |
| Investments                             |                 |        |                |           |            |         |         |          |
| Debenture                               | 421.04          | -      | 265.63         | 686.68    | -          | 421.04  | -       | 421.04   |
| Quoted Equity Shares                    | 9.17            | -      | -              | 9.17      | 9.17       | -       | -       | 9.17     |
| Unquoted Equity Shares                  | 5.42            | -      | -              | 5.42      | -          | -       | 5.42    | 5.42     |
| Trade receivables                       | -               | -      | 89.83          | 89.83     | -          | -       | -       | -        |
| Loans                                   |                 |        |                |           |            |         |         |          |
| Security Deposits                       | -               | -      | 28.95          | 28.95     | -          | -       | -       | -        |
| Deposits - Projects                     | -               | -      | 26.33          | 26.33     | -          | -       | -       | -        |
| Loans to Employees                      | -               | -      | 1.32           | 1.32      | -          | -       | -       | -        |
| Other financial assets                  | -               | -      | 8.12           | 8.12      | -          | -       | -       | -        |
| <b>Current</b>                          |                 |        |                |           |            |         |         |          |
| Current investments                     | 2,061.57        | -      | -              | 2,061.57  | 2,061.57   | -       | -       | 2,061.57 |
| Trade receivables                       | -               | -      | 1,552.45       | 1,552.45  | -          | -       | -       | -        |
| Cash and cash equivalents               | -               | -      | 590.41         | 590.41    | -          | -       | -       | -        |
| Other bank balances                     | -               | -      | 388.05         | 388.05    | -          | -       | -       | -        |
| Loans                                   |                 |        |                |           |            |         |         |          |
| Security Deposits                       | -               | -      | 16.67          | 16.67     | -          | -       | -       | -        |
| Deposits - Projects                     | -               | -      | 200.13         | 200.13    | -          | -       | -       | -        |
| Others                                  | -               | -      | 1,418.37       | 1,418.37  | -          | -       | -       | -        |
| Derivative asset                        | 3.41            | -      | -              | 3.41      | -          | 3.41    | -       | 3.41     |
| Other Current Financial Assets          | 2.02            | -      | 542.19         | 544.21    | -          | 2.02    | -       | 2.02     |
|   | 2,502.64        | -      | 5,128.46       | 7,631.09  | 2,070.74   | 426.48  | 5.42    | 2,502.64 |
| <b>Financial liabilities</b>            |                 |        |                |           |            |         |         |          |
| Long term borrowings                    | -               | -      | 612.63         | 612.63    | -          | -       | -       | -        |
| Other Non current financial liabilities | -               | -      | 1.35           | 1.35      | -          | -       | -       | -        |
| Short term borrowings                   | -               | -      | 6,037.42       | 6,037.42  | -          | -       | -       | -        |
| Trade and other payables                | -               | -      | 2,180.40       | 2,180.40  | -          | -       | -       | -        |
| Derivative liability                    | -               | -      | -              | -         | -          | -       | -       | -        |
| Put Option liability                    | -               | -      | 83.25          | 83.25     | -          | -       | 83.25   | 83.25    |
| Other Current financial liabilities     | -               | -      | 1,181.94       | 1,181.94  | -          | 500.00  | -       | 500.00   |
|   | -               | -      | 10,097.00      | 10,097.00 | -          | 500.00  | 83.25   | 583.25   |

## Notes to the Consolidated Financial Statements

### Note 49 : Fair Value Measurement (Contd.)

Amount ₹ in Crore

| March 31, 2019<br>(Restated)            | Carrying amount |        |                |          | Fair value |         |         |          |
|---|-----------------|--------|----------------|----------|------------|---------|---------|----------|
|   | FVTPL           | FVTOCI | Amortised Cost | Total    | Level 1    | Level 2 | Level 3 | Total    |
| <b>Financial assets</b>                 |                 |        |                |          |            |         |         |          |
| <b>Non Current</b>                      |                 |        |                |          |            |         |         |          |
| Investments                             |                 |        |                |          |            |         |         |          |
| Debenture                               | 372.14          | -      | 490.06         | 862.20   | -          | 372.14  | -       | 372.14   |
| Quoted Equity Shares                    | 10.85           | -      | -              | 10.85    | 10.85      | -       | -       | 10.85    |
| Unquoted Equity Shares                  | 5.68            | -      | -              | 5.68     | -          | 5.68    | -       | 5.68     |
| Others                                  | 0.01            | -      | 0.43           | 0.44     | -          | -       | 0.01    | 0.01     |
| Trade receivables                       |                 |        | 14.21          | 14.21    | -          | -       | -       | -        |
| Loans                                   |                 |        |                |          |            |         |         |          |
| Security Deposits                       | -               | -      | 32.64          | 32.64    | -          | 10.22   | -       | 10.22    |
| Deposits - Projects                     | -               | -      | 28.57          | 28.57    | -          | -       | -       | -        |
| Loans to Employees                      | -               | -      | 0.88           | 0.88     | -          | -       | -       | -        |
| Derivative asset                        | -               | -      | -              | -        | -          | -       | -       | -        |
| Other financial assets                  | -               | -      | 46.23          | 46.23    | -          | -       | -       | -        |
| <b>Current</b>                          |                 |        |                |          |            |         |         |          |
| Current investments                     | 1,052.10        | -      | -              | 1,052.10 | 1,052.10   | -       | -       | 1,052.10 |
| Trade receivables                       | -               | -      | 1,228.26       | 1,228.26 | -          | -       | -       | -        |
| Cash and cash equivalents               | -               | -      | 756.01         | 756.01   | -          | -       | -       | -        |
| Other bank balances                     | -               | -      | 204.30         | 204.30   | -          | -       | -       | -        |
| Loans                                   |                 |        |                |          |            |         |         |          |
| Security Deposits                       | -               | -      | 21.29          | 21.29    | -          | -       | -       | -        |
| Deposits - Projects                     | -               | -      | -              | -        | -          | -       | -       | -        |
| Others                                  | -               | -      | 1,030.46       | 1,030.46 | -          | -       | -       | -        |
| Derivative asset                        | 0.06            | -      | -              | 0.06     | -          | 0.06    | -       | 0.06     |
| Other Current Financial Assets          | 0.25            | -      | 377.08         | 377.33   | -          | 0.25    | -       | 0.25     |
|   | 1,441.09        | -      | 4,230.42       | 5,671.50 | 1,062.95   | 388.35  | 0.01    | 1,451.31 |
| <b>Financial liabilities</b>            |                 |        |                |          |            |         |         |          |
| Long term borrowings                    | -               | -      | 1,260.58       | 1,260.58 | -          | 501.18  | -       | 501.18   |
| Other Non current financial liabilities | -               | -      | 1.01           | 1.01     | -          | -       | -       | -        |
| Short term borrowings                   | -               | -      | 5,642.47       | 5,642.47 | -          | -       | -       | -        |
| Trade and other payables                | -               | -      | 1,955.91       | 1,955.91 | -          | -       | -       | -        |
| Derivative liability                    | 5.87            | -      | -              | 5.87     | -          | 5.87    | -       | 5.87     |
| Other Current financial liabilities     | -               | -      | 855.58         | 855.58   | -          | -       | -       | -        |
|   | 5.87            | -      | 9,715.55       | 9,721.43 | -          | 507.05  | -       | 507.05   |

The Fair value of cash and cash equivalents, other bank balances, trade receivables, trade payables approximated their carrying value largely due to short term maturities of these instruments.

Financial instruments with fixed and variable interest rates are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

## Notes to the Consolidated Financial Statements

### Note 49 : Fair Value Measurement (Contd.)

#### II Measurement of fair values

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

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.

| Type                             | Valuation technique   |
|----------------------------------|---|
| Preference shares                | The preference shares were converted into equity and listed in the near future and accordingly we have used the listing price as fair value on the date of reporting. |
| Fixed rates long term borrowings | The valuation model considers present value of expected payments discounted using an appropriate discounting rate.  |
| Forward contracts                | The fair value is determined using forward exchange rates at the reporting date.  |
| Interest rate swaps              | Present value of the estimated future cash flows based on observable yield curves.  |



## Notes to the Consolidated Financial Statements

### Note 50 : Financial Risk Management

#### I Financial Risk Management objectives and policies

The Group's business activities are exposed to a variety of financial risks, namely Credit risk, Liquidity risk, Currency risk, Interest risks and Commodity price risk. The respective Company's senior management has the overall responsibility for establishing and governing respective Company's risk management framework. Each Company in the group has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

Respective Company's risk management policies are established to identify and analyse the risks faced by each Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The audit committee oversees how management monitors compliance with the respective Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the respective Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

#### II Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and loans and advances and Bank balances and derivative transactions.

The carrying amount of following financial assets represents the maximum credit exposure:

##### Trade receivables and loans and advances.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer and the geography in which it operates. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the respective Company grants credit terms in the normal course of business.

The Group has a policy under which each new customer is analysed individually for creditworthiness before offering credit period and delivery terms and conditions. The Group's export sales are backed by letters of credit and insured through Export Credit Guarantee Corporation. The Group bifurcates the Domestic Customers into Large Corporates, Distributors and others for Credit monitoring. Customer credit risk in property business is managed by requiring customers to pay advances through progress billings before transfer of ownership, therefore, substantially eliminating the credit risk in this respect.

The Group maintains adequate security deposits for sales made to its distributors. For other trade receivables, the company individually monitors the sanctioned credit limits as against the outstanding balances. Cash terms and advance payments are required for customers of lower credit standing. Accordingly, the Group makes specific provisions against such trade receivables wherever required and monitors the same at periodic intervals.

The Group monitors each loans and advances given and makes any specific provision wherever required.

The Group establishes an allowance for impairment that represents its estimate of expected losses in respect of trade receivables and loans and advances.

The ageing of trade receivables that were not impaired was as follows:

| Particulars        | Amount ₹ in Crore |                              |
|--------------------|-------------------|------------------------------|
|                    | March 31, 2020    | March 31, 2019<br>(Restated) |
| More than 6 Months | 191.77            | 230.22                       |
| Others             | 1,450.51          | 944.28                       |
|                    | <b>1,642.28</b>   | <b>1,174.50</b>              |

The amounts reflected in the table above are not impaired as on the reporting date

## Notes to the Consolidated Financial Statements

### Note 50 : Financial Risk Management (Contd.)

#### III Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Management monitors rolling forecasts of the Group's liquidity position on the basis of expected cash flows. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents.

The Group has access to funds from debt markets through loan from banks, commercial papers, fixed deposits from public and other Debt instrument. The Group invests its surplus funds in bank fixed deposits and debt based mutual funds.

#### Maturity profile of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date.

Amount ₹ in Crore

| March 31, 2020                              | Carrying amount | Contractual cash flows |                  |           |           |                   |
|---|-----------------|------------------------|------------------|-----------|-----------|-------------------|
|   |                 | Total                  | within 12 months | 1-2 years | 2-5 years | More than 5 years |
| <b>Non-derivative financial liabilities</b> |                 |                        |                  |           |           |                   |
| Borrowings                                  | 6,710.99        | 7,037.41               | 6,321.71         | 158.35    | 552.42    | 4.93              |
| Lease Liability                             | 27.27           | 27.27                  | -                | 4.27      | 2.00      | 21.00             |
| Trade and other payables                    | 2,396.78        | 2,387.48               | 2,376.72         | 7.14      | 1.81      | 1.81              |
| Other financial liabilities                 | 1,278.99        | 1,204.15               | 1,201.74         | -         | 2.41      | -                 |

Amount ₹ in Crore

| March 31, 2019<br>(Restated)                | Carrying amount | Contractual cash flows |                  |           |           |                   |
|---|-----------------|------------------------|------------------|-----------|-----------|-------------------|
|   |                 | Total                  | within 12 months | 1-2 years | 2-5 years | More than 5 years |
| <b>Non-derivative financial liabilities</b> |                 |                        |                  |           |           |                   |
| Borrowings                                  | 7,116.21        | 7,570.09               | 6,102.81         | 702.62    | 579.77    | 184.89            |
| Trade and other payables                    | 1,928.96        | 1,978.54               | 1,967.37         | 9.88      | 1.29      | -                 |
| Other financial liabilities                 | 506.73          | 537.92                 | 537.41           | 0.51      | -         | -                 |
| <b>Derivative financial liabilities</b>     |                 |                        |                  |           |           |                   |
| Forward exchange contracts used for hedging | 19.55           | 19.55                  | 19.55            | -         | -         | -                 |

## Notes to the Consolidated Financial Statements

### Note 50 : Financial Risk Management (Contd.)

#### IV Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates – will affect the Group's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The Group's exposure to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of investments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

#### IV a Currency risk

The Group is exposed to currency risk on account of its borrowings, Receivable for Export and Payables for Import in foreign currency. The functional currency of the Group is Indian Rupee. The Group manages currency exposures within prescribed limits, through use of forward exchange contracts. Foreign exchange transactions are covered with strict limits placed on the amount of uncovered exposure, if any, at any point in time.

#### Exposure to currency risk (Exposure in different currencies converted to functional currency)

The currency profile of financial assets and financial liabilities as at March 31, 2020 and March 31, 2019 are as below:

|                              | Amount ₹ in Crore |      |     |      |     |
|------------------------------|-------------------|------|-----|------|-----|
| March 31, 2020               | USD               | EURO | SGD | GBP  | AED |
| <b>Financial assets</b>      |                   |      |     |      |     |
| Trade and other receivables  | 187.64            | 2.89 | -   | -    | -   |
| Less: Forward Contracts      | (11.35)           | -    | -   | -    | -   |
|                              | 176.29            | 2.89 | -   | -    | -   |
| <b>Financial liabilities</b> |                   |      |     |      |     |
| Short term borrowings        | (0.48)            | -    | -   | -    | -   |
| Trade and other payables     | 368.75            | 1.29 | -   | 0.07 | -   |
| Less: Forward Contracts      | (141.25)          | -    | -   | -    | -   |
|                              | 227.02            | 1.29 | -   | 0.07 | -   |

|                              | Amount ₹ in Crore |         |     |      |     |
|------------------------------|-------------------|---------|-----|------|-----|
| March 31, 2019 (Restated)    | USD               | EURO    | SGD | GBP  | AED |
| <b>Financial assets</b>      |                   |         |     |      |     |
| Trade and other receivables  | 150.30            | 2.33    | -   | -    | -   |
| Less: Forward Contracts      | (28.01)           | -       | -   | -    | -   |
|                              | 122.29            | 2.33    | -   | -    | -   |
| <b>Financial liabilities</b> |                   |         |     |      |     |
| Long term borrowings         | 87.49             | -       | -   | -    | -   |
| Less: Forward Contracts      | (21.85)           | -       | -   | -    | -   |
| Short term borrowings        | 33.17             | -       | -   | -    | -   |
| Trade and other payables     | 275.18            | 10.61   | -   | 0.08 | -   |
| Less: Forward Contracts      | (135.10)          | (10.24) | -   | -    | -   |
|                              | 239.21            | 0.37    | -   | 0.08 | -   |

## Notes to the Consolidated Financial Statements

### Note 50 : Financial Risk Management (Contd.)

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

| INR   | Year-end spot rate |                |
|-------|--------------------|----------------|
|       | March 31, 2020     | March 31, 2019 |
| USD 1 | 75.66              | 69.15          |
| EUR1  | 82.84              | 77.64          |
| GBP1  | 93.56              | 90.57          |
| AED1  | 20.60              | 18.86          |

#### Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against the foreign currencies at March 31 would have affected the measurement of financial instruments denominated in foreign currencies and affected equity and 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.

Amount ₹ in Crore

| March 31, 2020     | Profit or loss and Equity |             |
|--------------------|---------------------------|-------------|
|                    | Strengthening             | Weakening   |
| USD - 2% Movement  | (1.07)                    | 1.07        |
| EUR - 2% Movement  | 0.04                      | (0.04)      |
| GBP - 2% Movement* | (0.00)                    | 0.00        |
|                    | <b>(1.03)</b>             | <b>1.03</b> |

Amount ₹ in Crore

| March 31, 2019     | Profit or loss and Equity |             |
|--------------------|---------------------------|-------------|
|                    | Strengthening             | Weakening   |
| USD - 1% Movement  | (3.57)                    | 3.57        |
| EUR - 4% Movement  | 0.08                      | (0.08)      |
| GBP - 3% Movement* | (0.00)                    | 0.00        |
|                    | <b>(3.50)</b>             | <b>3.50</b> |

\*Amounts less than 0.01 crore

## Notes to the Consolidated Financial Statements

### Note 50 : Financial Risk Management (Contd.)

#### IV b 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. Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

The management is responsible for the monitoring of the Company's interest rate position. Various variables are considered by the management in structuring the Company's borrowings to achieve a reasonable, competitive, cost of funding.

#### Exposure to interest rate risk

Group's interest rate risk arises from borrowings. The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows.

Amount ₹ in Crore

| Borrowings               | March 31, 2020  | March 31, 2019<br>(Restated) |
|--------------------------|-----------------|------------------------------|
| Fixed rate borrowings    | 6,132.47        | 5,319.91                     |
| Variable rate borrowings | 1,166.16        | 1,854.09                     |
|                          | <b>7,298.63</b> | <b>7,174.00</b>              |

#### Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

#### Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rate would have resulted in variation in the interest expense for the Group by the amounts indicated in the table below. Given that one of the subsidiary companies' capitalises interest to the cost of inventory to the extent permissible, the amounts indicated below may have an impact on reported profits over the lifecycle of projects to which such interest is capitalised. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the period.

Amount ₹ in Crore

| Particulars                        | Profit or (loss) |                 |
|------------------------------------|------------------|-----------------|
|                                    | 100 bp increase  | 100 bp decrease |
| <b>March 31, 2020</b>              |                  |                 |
| Variable-rate instruments          | (11.69)          | 11.69           |
| Interest rate swaps                | -                | -               |
| <b>Cash flow sensitivity (net)</b> | <b>(11.69)</b>   | <b>11.69</b>    |
| <b>March 31, 2019</b>              |                  |                 |
| Variable-rate instruments          | (18.54)          | 18.54           |
| Interest rate swaps                | 0.87             | (0.87)          |
| <b>Cash flow sensitivity (net)</b> | <b>(17.67)</b>   | <b>17.67</b>    |

## Notes to the Consolidated Financial Statements

### Note 50 : Financial Risk Management (Contd.)

#### Forward Contracts

The Group uses forward exchange contracts to hedge its foreign exchange exposure relating to the underlying transactions and firm commitment in accordance with its forex policy as determined by its Forex Committee. The Group does not use foreign exchange forward contracts for trading or speculation purposes. Forward Contracts outstanding as at March 31, 2020:

#### Forward Contracts outstanding

Amount ₹ in Crore

|   | March 31, 2020 | March 31, 2019<br>(Restated) |
|---|----------------|------------------------------|
| Forward Contract to Purchase (USD)<br>[23 contracts (previous year 31 contracts)] | 0.84           | 1.33                         |
| Forward Contract to Purchase (EUR)<br>[NIL contracts (previous year 2 contracts)] | -              | 0.10                         |
| Forward Contract FCTL Loan (USD)<br>[NIL contracts (previous year 3 contract)]    | -              | 0.32                         |
| Forward Contract to Sell (USD)<br>[4 contracts (previous year 9 contracts)]       | 0.15           | 0.41                         |
| Forward Contract to Sell (EUR)<br>[NIL contracts (previous year 1 contract)]      | -              | 0.03                         |

### Note 51 : Capital Management

For the purpose of the Group's capital management, capital includes issued capital and other equity reserves (other than Cash Flow Hedge Reserve). The primary objective of the Group's Capital Management is to maximise shareholders value. The Group manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Group monitors capital using Adjusted net debt to equity ratio. For this purpose, adjusted net debt is defined as total debt less cash and bank balances and Current investments.

Amount ₹ in Crore

| Particulars                        | As at<br>March 31, 2020 | As at<br>March 31, 2019<br>(Restated) |
|------------------------------------|-------------------------|---------------------------------------|
| Non-Current Borrowings             | 612.63                  | 1,196.20                              |
| Current Borrowings                 | 6,037.42                | 5,626.47                              |
| Current maturity of long term debt | 571.99                  | 291.27                                |
| <b>Gross Debt</b>                  | <b>7,222.04</b>         | <b>7,113.94</b>                       |
| Less - Cash and Cash Equivalents   | (590.41)                | (750.47)                              |
| Less - Other Bank Deposits         | (388.05)                | (194.26)                              |
| Less - Current Investments         | (2,061.57)              | (1,052.10)                            |
| <b>Adjusted Net debt</b>           | <b>4,182.01</b>         | <b>5,117.11</b>                       |
| Total equity                       | 5,786.70                | 4,346.44                              |
| Adjusted Net debt to equity ratio  | 0.72                    | 1.18                                  |

## Notes to the Consolidated Financial Statements

### Note 52 : Master netting or similar agreements

The following table presents the recognised financial instruments that are offset, or subject to enforceable master netting arrangements and other similar agreements but not offset, as at March 31, 2020 and March 31, 2019.

Amount ₹ in Crore

| Particulars                  | Effects of offsetting on the balance sheet |  |  | Related amounts not offset                     |                                 |            |
|------------------------------|--|--|--|--|---------------------------------|------------|
|                              | Gross Amounts                              | Gross amounts set off in the balance sheet | Net amounts presented in the balance sheet | Amounts subject to master netting arrangements | Financial instrument collateral | Net amount |
| <b>March 31, 2020</b>        |  |  |  |  |                                 |            |
| <b>Financial assets</b>      |  |  |  |  |                                 | -          |
| Derivative instruments       | 0.28                                       | 0.17                                       | 0.11                                       | -  | -                               | 0.11       |
| <b>Financial liabilities</b> |  |  |  |  |                                 |            |
| Derivative instruments       | -  | -  | -  | -  | -                               | -          |

Amount ₹ in Crore

| Particulars                          | Effects of offsetting on the balance sheet |  |  | Related amounts not offset                     |                                 |            |
|--------------------------------------|--|--|--|--|---------------------------------|------------|
|                                      | Gross Amounts                              | Gross amounts set off in the balance sheet | Net amounts presented in the balance sheet | Amounts subject to master netting arrangements | Financial instrument collateral | Net amount |
| <b>March 31, 2019<br/>(Restated)</b> |  |  |  |  |                                 |            |
| <b>Financial assets</b>              |  |  |  |  |                                 | -          |
| Derivative instruments               | 0.06                                       | -  | 0.06                                       | -  | -                               | 0.06       |
| <b>Financial liabilities</b>         |  |  |  |  |                                 |            |
| Derivative instruments               | -  | -  | -  | -  | -                               | -          |

### Offsetting arrangements

#### Derivatives

The Company enters into derivative contracts for hedging foreign exchange exposures. In general, under such agreements, the amounts owed by each counterparty on a single day in respect of all the transactions outstanding in the same currency are aggregated into a single net amount that is payable by one party to the other.

## Notes to the Consolidated Financial Statements

Note 53 : Additional Information required under Schedule III to the Companies Act, 2013 of entities consolidated as Subsidiaries / Limited Liability Partnership / Associates / Joint Ventures.

Amount ₹ in Crore

| Name of the entity   | Net Assets - total assets minus total liabilities |          | Share in profit or loss             |         | Share in other comprehensive income (OCI) |        | Share in total comprehensive income (TCI) |         |
|--|---|----------|-------------------------------------|---------|---|--------|---|---------|
|  | As % of Consolidated net assets                   | Amount   | As % of Consolidated profit or loss | Amount  | As % of consolidated OCI                  | Amount | As % of consolidated TCI                  | Amount  |
| 1  | 2   | 3        | 4                                   | 5       | 6   | 7      | 8   | 9       |
| <b>Parent</b>  |   |          |                                     |         |   |        |   |         |
| Godrej Industries Limited  | 17.44%  | 1,630.64 | 3.81%                               | 30.81   | (4%)                                      | (1.96) | 3.38%                                     | 28.85   |
| <b>Subsidiaries</b>  |   |          |                                     |         |   |        |   |         |
| <b>Indian</b>  |   |          |                                     |         |   |        |   |         |
| Godrej Agrovet Limited   | 10.35%  | 967.07   | 36.31%                              | 293.45  | (5.26%)                                   | (2.45) | 34.04%                                    | 291.00  |
| Godvet Agrochem Limited  | 0.14%   | 12.71    | 0.09%                               | 0.76    | 0.00%                                     | -      | 0.09%                                     | 0.76    |
| Astec Lifesciences Limited   | 2.94%   | 274.80   | 3.68%                               | 29.73   | (0.21%)                                   | (0.10) | 3.47%                                     | 29.63   |
| Creamline Dairy Products Limited                                     | 3.12%   | 291.90   | 0.16%                               | 1.32    | 0.06%                                     | 0.03   | 0.16%                                     | 1.35    |
| Godrej Tyson Foods Limited   | 1.68%   | 156.72   | (3.25%)                             | (26.25) | (0.41%)                                   | (0.19) | (3.09%)                                   | (26.44) |
| Godrej Maxximilk Private Limited                                     | 0.07%   | 6.59     | (0.71%)                             | (5.77)  | 0.00%                                     | -      | (0.68%)                                   | (5.77)  |
| Godrej Properties Limited  | 53.86%  | 5,034.73 | 38.71%                              | 312.82  | (1.45%)                                   | (0.68) | 36.52%                                    | 312.14  |
| Godrej Projects Development Limited                                  | 0.00%   | 0.40     | (8.40%)                             | (67.86) | 0.00%                                     | -      | (7.94%)                                   | (67.86) |
| Godrej Garden City Properties Private Limited                        | 0.09%   | 8.05     | 0.09%                               | 0.71    | 0.00%                                     | -      | 0.08%                                     | 0.71    |
| Godrej Hillside Properties Private Limited                           | (0.01%)   | (0.56)   | (0.07%)                             | (0.57)  | 0.00%                                     | -      | (0.07%)                                   | (0.57)  |
| Godrej Home Developers Private Limited                               | 0.00%   | 0.10     | 0.00%                               | (0.01)  | 0.00%                                     | -      | 0.00%                                     | (0.01)  |
| Godrej Prakriti Facilities Private Limited                           | 0.01%   | 0.88     | 0.04%                               | 0.32    | 0.00%                                     | -      | 0.04%                                     | 0.32    |
| Prakritiplaza Facilities Management Private Limited                  | 0.00%   | 0.02     | 0.00%                               | 0.01    | 0.00%                                     | -      | 0.00%                                     | 0.01    |
| Godrej Highrises Properties Private Limited                          | 0.00%   | (0.26)   | (0.02%)                             | (0.15)  | 0.00%                                     | -      | (0.02%)                                   | (0.15)  |
| Godrej Genesis Facilities Management Private Limited                 | 0.00%   | 0.46     | 0.00%                               | 0.04    | 0.00%                                     | -      | 0.00%                                     | 0.04    |
| Citystar Infra Projects Limited                                      | 0.00%   | (0.06)   | (0.01%)                             | (0.04)  | 0.00%                                     | -      | 0.00%                                     | (0.04)  |
| Godrej Residency Private Limited                                     | 0.00%   | (0.04)   | 0.00%                               | (0.01)  | 0.00%                                     | -      | 0.00%                                     | (0.01)  |
| Mahalunge Township Developers LLP (w.e.f. February 01, 2019)         | 0.00%   | -        | 0.00%                               | -       | 0.00%                                     | -      | 0.00%                                     | 0.00    |
| Godrej Highrises Realty LLP  | (0.03%)   | (3.18)   | (0.34%)                             | (2.75)  | 0.00%                                     | -      | (0.32%)                                   | (2.75)  |
| Godrej Project Developers & Properties LLP                           | 0.00%   | (0.03)   | 0.00%                               | (0.01)  | 0.00%                                     | -      | 0.00%                                     | (0.01)  |
| Godrej Skyview LLP   | 0.00%   | (0.02)   | 0.00%                               | (0.01)  | 0.00%                                     | -      | 0.00%                                     | (0.01)  |
| Godrej Green Properties LLP  | 0.00%   | (0.02)   | 0.00%                               | (0.01)  | 0.00%                                     | -      | 0.00%                                     | (0.01)  |
| Maan-Hinge Township Developers LLP (w.e.f. February 01, 2019)        | 0.00%   | -        | 0.00%                               | -       | 0.00%                                     | -      | 0.00%                                     | 0.00    |
| Godrej Projects (Soma) LLP   | 0.00%   | (0.02)   | 0.00%                               | (0.01)  | 0.00%                                     | -      | 0.00%                                     | (0.01)  |
| Godrej Projects North LLP  | 0.00%   | (0.02)   | 0.00%                               | (0.01)  | 0.00%                                     | -      | 0.00%                                     | (0.01)  |
| Godrej Athenmark LLP   | 0.00%   | (0.06)   | 0.00%                               | (0.03)  | 0.00%                                     | -      | 0.00%                                     | (0.03)  |
| Godrej Vestamark LLP (considered as subsidiary till May 03, 2019)    | 0.00%   | -        | 0.00%                               | (0.00)  | 0.00%                                     | -      | 0.00%                                     | (0.00)  |
| Godrej City Facilities Management LLP (w.e.f. March 18, 2019)        | 0.00%   | (0.01)   | 0.00%                               | (0.01)  | 0.00%                                     | -      | 0.00%                                     | (0.01)  |
| Embellish Houses LLP (w.e.f. February 13, 2019)                      | 0.00%   | (0.02)   | (0.01%)                             | (0.05)  | 0.00%                                     | -      | (0.01%)                                   | (0.05)  |
| Godrej Properties Worldwide, USA                                     | 0.03%   | 2.35     | (0.12%)                             | (0.95)  | 0.39%                                     | 0.18   | (0.09%)                                   | (0.76)  |
| Godrej Landmark Redevelopers Private Limited (w.e.f. March 15, 2019) | 1.16%   | 108.36   | 1.21%                               | 9.79    | 0.00%                                     | -      | 1.15%                                     | 9.79    |
| Manjari Housing Projects LLP (w.e.f. February 01, 2019)              | 0.00%   | -        | 0.00%                               | -       | 0.00%                                     | -      | 0.00%                                     | 0.00    |
| Wonder Space Properties Private Limited (w.e.f. December 18, 2019)   | 0.91%   | 85.26    | 9.80%                               | 79.20   | 0.00%                                     | -      | 9.27%                                     | 79.20   |
| Cear Lifespace Private Limited (w.e.f. March 20, 2020)               | 0.00%   | (0.06)   | 0.00%                               | (0.01)  | 0.00%                                     | -      | 0.00%                                     | (0.01)  |
| Godrej Olympia LLP (w.e.f. 21 June 2019)                             | 0.00%   | (0.01)   | 0.00%                               | (0.01)  | 0.00%                                     | -      | 0.00%                                     | (0.01)  |
| Godrej Florentine LLP (w.e.f. 21 June 2019)                          | 0.00%   | (0.01)   | 0.00%                               | (0.01)  | 0.00%                                     | -      | 0.00%                                     | (0.01)  |
| Ashank Facility Management LLP (w.e.f. 9 July 2019)                  | 0.00%   | 0.01     | 0.00%                               | 0.01    | 0.00%                                     | -      | 0.00%                                     | 0.01    |
| Ashank Realty Management LLP (w.e.f. 30 May 2019)                    | 0.00%   | 0.07     | 0.01%                               | 0.07    | 0.00%                                     | -      | 0.01%                                     | 0.07    |
| Ensemble Holdings and Finance Limited                                | 0.01%   | 0.48     | 0.02%                               | 0.13    | 0.00%                                     | -      | 0.02%                                     | 0.13    |
| Godrej One Premises Management Private Limited                       | 0.00%   | 0.01     | 0.00%                               | -       | 0.00%                                     | -      | 0.00%                                     | 0.00    |
| <b>Foreign</b>   |   |          |                                     |         |   |        |   |         |
| Godrej International Ltd.  | 1.46%   | 136.04   | 0.35%                               | 2.86    | 0.00%                                     | -      | 0.33%                                     | 2.86    |
| Godrej International Trading & Investment Pte. Ltd.                  | 0.35%   | 32.48    | 0.81%                               | 6.56    | 0.00%                                     | -      | 0.77%                                     | 6.56    |
| <b>Associates (Investment as per equity method)</b>                  |   |          |                                     |         |   |        |   |         |
| <b>Indian</b>  |   |          |                                     |         |   |        |   |         |
| Godrej Consumer Products Limited                                     | 18.52%  | 1,730.99 | 41.24%                              | 333.32  | 113.29%                                   | 52.78  | 45.17%                                    | 386.11  |
| <b>Foreign</b>   |   |          |                                     |         |   |        |   |         |
| Al Rahaba International Trading LLC                                  | 0.00%   | -        | 0.00%                               | -       | 0.00%                                     | -      | 0.00%                                     | -       |



## Notes to the Consolidated Financial Statements

Note 53 : Additional Information required under Schedule III to the Companies Act, 2013 of entities consolidated as Subsidiaries / Limited Liability Partnership / Associates / Joint Ventures. (Contd.)

Amount ₹ in Crore

| Name of the entity   | Net Assets - total assets<br>minus total liabilities |                 | Share in profit or loss                   |               | Share in<br>other comprehensive<br>income (OCI) |              | Share in<br>total comprehensive<br>income (TCI) |               |
|--|--|-----------------|---|---------------|---|--------------|---|---------------|
|  | As % of<br>Consolidated<br>net assets                | Amount          | As % of<br>Consolidated<br>profit or loss | Amount        | As % of<br>consolidated<br>OCI                  | Amount       | As % of<br>consolidated<br>TCI                  | Amount        |
| <b>Joint Ventures (as per proportionate consolidation / Investment as per equity method)</b> |  |                 |   |               |   |              |   |               |
| <b>Indian</b>  |  |                 |   |               |   |              |   |               |
| Omnivore India Capital Trust   | 0.28%  | 26.23           | (2.05%)                                   | (16.55)       | 0.00%   | -            | (1.94%)   | (16.55)       |
| Godrej Realty Private Limited  | 0.00%  | -               | 0.00%                                     | (0.02)        | 0.00%   | -            | 0.00%   | (0.02)        |
| Godrej Landmark Redevelopers Private Limited (Upto March 14, 2019)                           | 0.00%  | -               | 0.00%                                     | -             | 0.00%   | -            | 0.00%   | 0.00          |
| Godrej Redevelopers (Mumbai) Private Limited   | 0.00%  | -               | 0.77%                                     | 6.21          | 0.00%   | -            | 0.73%   | 6.21          |
| Wonder Space Properties Private Limited (upto April 04, 2019)                                | 0.00%  | -               | 0.00%                                     | -             | 0.00%   | -            | 0.00%   | 0.00          |
| Wonder City Buildcon Private Limited   | 0.00%  | -               | (1.89%)                                   | (15.25)       | 0.00%   | -            | (1.78%)   | (15.25)       |
| Godrej Home Constructions Private Limited  | 0.00%  | -               | (1.69%)                                   | (13.67)       | 0.00%   | -            | (1.60%)   | (13.67)       |
| Godrej Greenview Housing Private Limited   | 0.00%  | -               | (0.51%)                                   | (4.15)        | 0.00%   | -            | (0.49%)   | (4.15)        |
| Wonder Projects Development Private Limited  | 0.00%  | -               | (0.27%)                                   | (2.19)        | 0.00%   | -            | (0.26%)   | (2.19)        |
| Godrej Real View Developers Private Limited  | 0.00%  | -               | (0.33%)                                   | (2.65)        | 0.00%   | -            | (0.31%)   | (2.65)        |
| Pearlite Real Properties Private Limited   | 0.00%  | -               | 2.49%                                     | 20.12         | 0.00%   | -            | 2.35%   | 20.12         |
| Godrej Skyline Developers Private Limited  | 0.00%  | -               | (0.88%)                                   | (7.14)        | 0.00%   | -            | (0.84%)   | (7.14)        |
| Godrej Green Homes Private Limited (formerly known as Godrej Green Homes Limited)            | 0.00%  | -               | (0.04%)                                   | (0.30)        | 0.00%   | -            | (0.03%)   | (0.30)        |
| Munjali Hospitality Private Limited (w.e.f. June 29, 2019)                                   | 0.00%  | -               | 0.00%                                     | (0.01)        | 0.00%   | -            | 0.00%   | (0.01)        |
| Yuja Developers Private Limited (w.e.f. December 02, 2019)                                   | 0.00%  | -               | (0.05%)                                   | (0.41)        | 0.00%   | -            | (0.05%)   | (0.41)        |
| Vivrut Developers Private Limited (w.e.f. February 10, 2019)                                 | 0.00%  | -               | (0.01%)                                   | (0.05)        | 0.00%   | -            | (0.01%)   | (0.05)        |
| Madhuvan Enterprises Private Limited (w.e.f. January 16, 2020)                               | 0.00%  | -               | 0.00%                                     | -             | 0.00%   | -            | 0.00%   | 0.00          |
| Godrej Property Developers LLP   | 0.00%  | -               | (0.01%)                                   | (0.07)        | 0.00%   | -            | (0.01%)   | (0.07)        |
| Mosaic Landmarks LLP   | 0.00%  | -               | 0.00%                                     | 0.01          | 0.00%   | -            | 0.00%   | 0.01          |
| Dream World Landmarks LLP  | 0.00%  | -               | 0.30%                                     | 2.41          | 0.00%   | -            | 0.28%   | 2.41          |
| Oxford Realty LLP  | 0.00%  | -               | 3.99%                                     | 32.26         | 0.00%   | -            | 3.77%   | 32.26         |
| Godrej SSPDL Green Acres LLP   | 0.00%  | -               | 0.02%                                     | 0.19          | 0.00%   | -            | 0.02%   | 0.19          |
| Oasis Landmarks LLP  | 0.00%  | -               | (0.17%)                                   | (1.34)        | 0.00%   | -            | (0.16%)   | (1.34)        |
| M S Ramaiah Ventures LLP   | 0.00%  | -               | (0.03%)                                   | (0.22)        | 0.00%   | -            | (0.03%)   | (0.22)        |
| Caroa Properties LLP   | 0.00%  | -               | (0.22%)                                   | (1.76)        | 0.00%   | -            | (0.21%)   | (1.76)        |
| Godrej Construction Projects LLP   | 0.00%  | -               | (0.16%)                                   | (1.31)        | 0.00%   | -            | (0.15%)   | (1.31)        |
| Godrej Housing Projects LLP  | 0.00%  | -               | (0.31%)                                   | (2.53)        | 0.00%   | -            | (0.30%)   | (2.53)        |
| Godrej Amitis Developers LLP (formerly known as Amitis Developers LLP)                       | 0.00%  | -               | (0.37%)                                   | (2.99)        | 0.00%   | -            | (0.35%)   | (2.99)        |
| A R Landcraft LLP  | 0.00%  | -               | (0.66%)                                   | (5.36)        | 0.00%   | -            | (0.63%)   | (5.36)        |
| Prakhhyat Dwellings LLP  | 0.00%  | -               | (1.07%)                                   | (8.64)        | 0.00%   | -            | (1.01%)   | (8.64)        |
| Bavdhan Realty @ Pune 21 LLP   | 0.00%  | -               | (0.01%)                                   | (0.04)        | 0.00%   | -            | 0.00%   | (0.04)        |
| Godrej Highview LLP  | 0.00%  | -               | (0.39%)                                   | (3.15)        | 0.00%   | -            | (0.37%)   | (3.15)        |
| Godrej Irismark LLP  | 0.00%  | -               | (0.82%)                                   | (6.60)        | 0.00%   | -            | (0.77%)   | (6.60)        |
| Godrej Projects North Star LLP   | 0.00%  | -               | (0.48%)                                   | (3.84)        | 0.00%   | -            | (0.45%)   | (3.84)        |
| Godrej Developers & Properties LLP   | 0.00%  | -               | (0.61%)                                   | (4.94)        | 0.00%   | -            | (0.58%)   | (4.94)        |
| Godrej Reserve LLP (formerly known as Sai Srushti Onehub Projects LLP)                       | 0.00%  | -               | (0.33%)                                   | (2.65)        | 0.00%   | -            | (0.31%)   | (2.65)        |
| Roseberry Estate LLP (w.e.f. September 18, 2018)   | 0.00%  | -               | (0.48%)                                   | (3.90)        | 0.00%   | -            | (0.46%)   | (3.90)        |
| Maan-Hinge Township Developers LLP (w.e.f. February 01, 2019)                                | 0.00%  | -               | 0.00%                                     | (0.02)        | 0.00%   | -            | 0.00%   | (0.02)        |
| Ashank Macbricks Private Limited (w.e.f. July 31, 2018)                                      | 0.00%  | -               | (0.19%)                                   | (1.52)        | 0.00%   | -            | (0.18%)   | (1.52)        |
| Suncity Infrastructures (Mumbai) LLP (w.e.f. October 10, 2018)                               | 0.00%  | -               | (0.22%)                                   | (1.74)        | 0.00%   | -            | (0.20%)   | (1.74)        |
| Mahalunge Township Developers LLP (w.e.f. February 01, 2019)                                 | 0.00%  | -               | (1.09%)                                   | (8.80)        | 0.00%   | -            | (1.03%)   | (8.80)        |
| Manjari Housing Projects LLP (w.e.f. February 01, 2019)                                      | 0.00%  | -               | (0.68%)                                   | (5.48)        | 0.00%   | -            | (0.64%)   | (5.48)        |
| Godrej Vestamark LLP (w.e.f. May 03, 2019)   | 0.00%  | -               | (4.14%)                                   | (33.49)       | 0.00%   | -            | (3.92%)   | (33.49)       |
| Manyata Industrial Parks LLP (w.e.f. 22 April 2019)  | 0.00%  | -               | (0.01%)                                   | (0.09)        | 0.00%   | -            | (0.01%)   | (0.09)        |
| Godrej Odyssey LLP (w.e.f. September 26, 2019)   | 0.00%  | -               | 0.00%                                     | (0.00)        | 0.00%   | -            | 0.00%   | (0.00)        |
| Universal Metro Properties LLP (w.e.f. 2 December 2019)                                      | 0.00%  | -               | 0.00%                                     | (0.00)        | 0.00%   | -            | 0.00%   | (0.00)        |
| <b>Foreign</b>   | 0.00%  |                 |   |               |   |              |   |               |
| ACI Godrej Agrovet Private Limited   | 1.09%  | 102.11          | 3.65%                                     | 29.49         | (2.20%)   | (1.03)       | 3.33%   | 28.46         |
| <b>Non controlling Interest , Inter-company Elimination &amp; Consolidation Adjustments</b>  | (13.46%)   | (1,257.72)      | (14.48%)                                  | (117.00)      | 0.00%   | 0.00         | (13.69%)  | (117.00)      |
| <b>TOTAL</b>   | <b>100%</b>  | <b>9,347.36</b> | <b>100%</b>                               | <b>808.21</b> | <b>100%</b>                                     | <b>46.59</b> | <b>100%</b>                                     | <b>854.80</b> |

## Notes to the Consolidated Financial Statements

### Note 54. Business Combinations

A. During the year the group has made business acquisitions as given below

#### I. Merger of Nagavalli Milkline Private Limited

The Scheme of Amalgamation between Creamline Dairy Products Limited (CDPL) [subsidiary of Godrej Agrovet Limited] and Nagavalli Milkline Private Limited [wholly-owned subsidiary of CDPL] and their respective Shareholders pursuant to Section 230 to 232 and other applicable provisions of the Companies Act 2013 ("Scheme") with the Appointed Date as April 1, 2019, has been sanctioned by the Hon'ble National Company Law Tribunal, Hyderabad Bench ('NCLT') vide its order dated October 17, 2019. There is no impact on the consolidated financial statements of the Group pursuant to this order.

#### II. Acquisition of Wonder Space Properties Private Limited (WSSPL)

On April 04, 2019, Godrej Properties Limited (GPL) had acquired 70.93 percent of the voting shares of WSSPL Limited, a company engaged primarily in the business of real estate construction, development and other related activities. As a result, GPL's equity interest in WSSPL increased from 25.1 percent to 96.03 percent, giving it control of WSSPL.

##### (a) Consideration transferred

The following table summarises the acquisition date fair value of major class of consideration transferred:

| Particulars                | Amount ₹ in Crore |
|----------------------------|-------------------|
| Consideration paid in cash | 4.14              |
| <b>Total consideration</b> | <b>4.14</b>       |

##### (b) Acquisition-related costs

The Group had incurred acquisition-related costs of ₹ 0.01 Crore on legal fees and due diligence costs. These costs have been included in legal and professional fees under other expenses.

##### (c) Identifiable assets acquired and liabilities assumed

The following table summarises the acquisition date fair value of assets acquired, fair value of the consideration transferred and Capital reserve:

| Description                             | Amount ₹ in Crore |
|---|-------------------|
| Deferred tax assets (Net)               | 0.35              |
| Income tax assets (Net)                 | 2.92              |
| Inventories                             | 93.21             |
| Current financial assets                | 119.03            |
| Other Current Non Financial Assets      | 1.40              |
| Current financial liabilities           | (212.24)          |
| Other Current Non Financial Liabilities | (0.17)            |
| Net Assets                              | 4.50              |

##### (d) Capital Reserve

Capital Reserve arising from the acquisition was been determined as follows

| Description  | Amount ₹ in Crore |
|--|-------------------|
| Consideration transferred (refer note (a) above)             | 4.14              |
| Fair value of net identifiable assets (refer note (c) above) | 4.50              |
| Capital reserve  | 0.36              |

## Notes to the Consolidated Financial Statements

### Note 54. Business Combinations (Contd.)

(e) From the date of acquisition, WSSPL contributed ₹ 141.15 Crore of revenue from operations and ₹ 46.66 Crore of profit to the Group during the year ended March 31, 2020.

#### (f) Acquisition of Non-Controlling Interests (NCI)

On December 18, 2019, one of the subsidiary company had acquired an additional 3.97 percent of the voting shares of WSSPL Limited, a company engaged primarily in the business of real estate construction, development and other related activities. As a result, the subsidiary company's equity interest in WSSPL increased from 96.03 percent to 100 percent, giving it full control of WSSPL.

Amount ₹ in Crore

| Description                     | Amount |
|---------------------------------|--------|
| Carrying amount of NCI Acquired | 3.42   |
| Consideration paid to NCI       | 0.26   |
| Capital reserve                 | (3.16) |

#### III. Acquisition of Yuja Developers Private Limited

During the Year, the Group has acquired 20% shares in Yuja Developers Private Limited at an investment of ₹ 0.00 Crore.

#### IV. Acquisition of Vivrut Developers Private Limited

During the Year, the Group has acquired 20% shares in Vivrut Developers Private Limited at an investment of ₹ 0.00 Crore.

₹ 0.00 represents amount less than ₹ 50,000

#### B. During the previous year the group has made the following business acquisitions as given below

##### I. Godrej Maxximilk Private Limited.

###### (a) Acquisition of subsidiary

On March 27, 2019, Godrej Agrovet Limited (GAVL) has acquired 13,310 equity shares of Godrej Maxximilk Pvt. Ltd (GMPL) for a consideration of ₹ 0.21 crores. Pursuant to this acquisition, the shareholding in GMPL rose to 51.00 % and it became a subsidiary of GAVL.

Taking control of Godrej Maxximilk will enable the Group to add value through its association with Indian dairy farmers and in-depth knowledge of agri-businesses & rural marketing. GMPL will also get leverage through the Godrej Agrovet brand, which has strong recall with dairy farmers through the cattle feed business.

If the acquisition had occurred on 1 April, 2018, management estimates that consolidated revenue would have been ₹5,873.64 crore and consolidated profit would have been ₹ 346.80 crore.

In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on date of acquisition would have been same if the acquisition had occurred on 1 April, 2018.

###### (b) Details of purchase consideration, net assets acquired and goodwill

Amount ₹ in Crore

| Particulars                            | Amount      |
|--|-------------|
| Cash Paid                              | 0.22        |
| Equity shares acquired                 | 13,310      |
| <b>Total consideration transferred</b> | <b>0.22</b> |

## Notes to the Consolidated Financial Statements

### Note 54. Business Combinations (Contd.)

#### Identifiable assets acquired and liabilities assumed

The following table summaries the recognised amounts of assets acquired and liabilities assumed at the date of acquisition

| Particulars  | Amount ₹ in Crore |
|--|-------------------|
| Property, plant and equipment                                | 22.39             |
| Capital work-in-progress                                     | 0.03              |
| Biological assets other than bearer plants (Cattle)          | 4.13              |
| Deferred tax assets  | 1.85              |
| Other non-current assets                                     | 0.10              |
| Inventories  | 1.06              |
| Trade Receivables  | 0.42              |
| Cash and cash equivalents                                    | 0.07              |
| Loans Others   | 0.02              |
| Loans and Advances to Employees                              | 0.01              |
| Other current assets   | 0.05              |
| <b>Fair value of assets acquired</b>                         | <b>30.15</b>      |
| Borrowings   | (16.00)           |
| Trade payables   | (1.90)            |
| Other financial liabilities                                  | (11.57)           |
| Other current liabilities                                    | (0.05)            |
| Intercorporate deposits                                      | (1.64)            |
| <b>Fair value of liabilities acquired</b>                    | <b>(31.16)</b>    |
| Deferred tax on acquisition                                  | -                 |
| <b>Total identifiable net assets/ (liabilities) acquired</b> | <b>(1.03)</b>     |

The gross contractual amounts and the fair value of trade and other receivables acquired is ₹ 0.45 crores. None of the trade and other receivables are credit impaired and it is expected that the full contractual amounts will be recoverable.

| Particulars                                    | Amount ₹ in Crore |
|--|-------------------|
| Consideration transferred                      | 0.22              |
| Non-controlled interest in the acquired entity | (0.49)            |
| Fair value of previously held equity interest  | 5.08              |
| Add: Net identifiable liabilities acquired     | 1.03              |
| Goodwill                                       | 5.84              |

Goodwill on acquisition comprises the value of expected synergies arising from the acquisition and long-standing relationships with farmers, which does not meet the criteria for recognition as an intangible asset under Ind AS 38 and hence, has not been separately recognised. No amount of Goodwill is expected to be deductible for tax purpose.

The fair value of non-controlling interest has been estimated as proportion of net assets acquired.

The remeasurement to fair value of the Group's existing 49.90% interest in GMPL resulted in a gain of ₹ 3.37 crore, which has been recognised in exceptional income.

## Notes to the Consolidated Financial Statements

### Note 54. Business Combinations (Contd.)

#### (d) Purchase consideration - Cash outflow

| Particulars   | Amount ₹ in Crore |
|---|-------------------|
| Outflow of cash to acquire subsidiary, net of cash acquired |                   |
| Cash consideration  | 0.22              |
| Less: Balances acquired                                     |                   |
| Cash and cash equivalents                                   | (0.07)            |
| Net outflow of cash - investing activities                  | 0.15              |

#### II. Godrej Tyson Foods Limited.

##### (a) Acquisition of subsidiary

On March 27, 2019, Godrej Agrovet Limited (GAVL) has acquired 2,188 equity shares of Godrej Tyson Foods Limited (GTFL) for a consideration of ₹ 3.95 crores. Pursuant to this acquisition, the shareholding in GTFL rose to 51.00 % and it become a subsidiary of GAVL.

Taking control of GTFL will enable the Group to add value through its association with Indian poultry farmers and in-depth knowledge of agri-businesses & rural marketing. GTFL will also get leverage through the Godrej Agrovet brand, which has strong recall with poultry farmers through the poultry feed business.

If the acquisition had occurred on 1 April, 2018, management estimates that consolidated revenue would have been ₹ 6084.75 crore and consolidated profit would have been ₹ 351.20 Crore.

In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on date of acquisition would have been same if the acquisition had occurred on 1 April, 2018.

##### (b) Details of purchase consideration, net assets acquired and goodwill

| Particulars                     | Amount ₹ in Crore |
|---------------------------------|-------------------|
| Cash Paid                       | 3.95              |
| Equity shares acquired          | 2,188             |
| Total consideration transferred | 3.95              |

##### Acquisition-related cost

The group incurred acquisition related cost of ₹0.08 crore on legal fees. These costs have been included in "administrative expenses"

##### Identifiable assets acquired and liabilities assumed

The following table summaries the recognised amounts of assets acquired and liabilities assumed at the date of acquisition

| Particulars                                | Amount ₹ in Crore |
|--|-------------------|
| Property, plant and equipment              | 192.05            |
| Capital work-in-progress                   | 0.21              |
| Intangible assets                          | 3.67              |
| Brands                                     | 16.57             |
| Biological assets other than bearer plants | 10.19             |
| Long-term loans and advances - Others      | 3.41              |

## Notes to the Consolidated Financial Statements

### Note 54. Business Combinations (Contd.)

|  | Amount ₹ in Crore |
|--|-------------------|
| Particulars  | Amount            |
| Long-term loans and advances - to employees                  | 0.04              |
| Others   | 0.02              |
| Non-current tax assets (net)                                 | 1.99              |
| Other non-current assets                                     | 0.69              |
| Biological assets other than bearer plants                   | 52.98             |
| Inventories  | 23.35             |
| Trade receivables  | 23.55             |
| Cash and cash equivalents                                    | 3.92              |
| Bank balance other than above                                | 0.06              |
| Short-term loans and advances - to employees                 | 0.17              |
| Others   | 0.18              |
| Other current assets   | 9.47              |
| <b>Fair value of assets acquired</b>                         | <b>342.52</b>     |
| Long term borrowings   | (23.00)           |
| Deferred tax liabilities (net)                               | (7.35)            |
| Other non current liabilities                                | (2.35)            |
| Short-term borrowings  | (14.29)           |
| Trade payables   | (18.07)           |
| Other financial liabilities                                  | (27.35)           |
| Employee Payable   | (0.10)            |
| Other current liabilities                                    | (3.04)            |
| Short-term provisions  | (0.55)            |
| <b>Fair value of liabilities acquired</b>                    | <b>(96.10)</b>    |
| Deferred tax on acquisition                                  | (13.19)           |
| <b>Total identifiable net assets/ (liabilities) acquired</b> | <b>233.23</b>     |

The gross contractual amounts and the fair value of trade and other receivables acquired is ₹ 26.96 crores. None of the trade and other receivables are credit impaired and it is expected that the full contractual amounts will be recoverable.

#### (c) Goodwill

Amount ₹ in Crore

| Particulars                                    | Amount   |
|--|----------|
| Consideration transferred                      | 3.95     |
| Non-controlled interest in the acquired entity | 114.28   |
| Fair value of previously held equity interest  | 179.18   |
| Less: Net identifiable assets acquired         | (233.23) |
| Goodwill                                       | 64.18    |

Goodwill on acquisition comprises the value of expected synergies arising from the acquisition and long-standing relationships with farmers, which does not meet the criteria for recognition as an intangible asset under Ind AS 38 and hence, has not been separately recognised. No amount of Goodwill is expected to be deductible for tax purpose.

The fair value of non-controlling interest has been estimated as proportion of net assets acquired.

The remeasurement to fair value of the Group's existing 49.90% interest in GTFL resulted in a gain of ₹ 84.93 crore, which has been recognised in exceptional income.

## Notes to the Consolidated Financial Statements

### Note 54. Business Combinations (Contd.)

#### (d) Purchase consideration - Cash outflow

| Particulars   | Amount ₹ in Crore |
|---|-------------------|
| Outflow of cash to acquire subsidiary, net of cash acquired |                   |
| Cash consideration  | 3.95              |
| Less: Balances acquired                                     |                   |
| Cash and cash equivalents                                   | (3.92)            |
| <b>Net outflow of cash - investing activities</b>           | <b>0.03</b>       |

#### III. Acquisition of Godrej Landmark Redevelopers Private Limited (GLRPL) with Godrej Properties Limited (GPL):

On March 15, 2019, Godrej Properties Limited (GPL) had acquired 49 percent of the voting shares of GLRPL Limited, a company engaged primarily in the business of real estate construction, development and other related activities. As a result, GPL's equity interest in GLRPL increased from 51 percent to 100 percent, giving it control of GLRPL.

#### (a) Consideration transferred

The following table summarises the acquisition date fair value of major class of consideration transferred:

| Particulars                | Amount ₹ in Crore |
|----------------------------|-------------------|
| Consideration paid in cash | 42.73             |
| <b>Total consideration</b> | <b>42.73</b>      |

#### (b) Acquisition-related costs

The Group incurred acquisition-related costs of ₹ 0.01 Crore on legal fees and due diligence costs. These costs have been included in legal and professional fees under other expenses.

#### (c) Identifiable assets acquired and liabilities assumed

The following table summarises the acquisition date fair value of assets acquired, fair value of the consideration transferred and Capital reserve:

| Description                             | Amount ₹ in Crore |
|---|-------------------|
| Property, plant and equipment           | 0.03              |
| Intangible assets                       | 0.02              |
| Non-current financial assets            | 0.10              |
| Deferred tax assets (Net)               | 1.29              |
| Income tax assets (Net)                 | 5.17              |
| Inventories                             | 106.24            |
| Current financial assets                | 47.86             |
| Other Current Non Financial Assets      | 41.93             |
| Current financial liabilities           | (51.61)           |
| Other Current Non Financial Liabilities | (48.01)           |
| Current Tax Liabilities (Net)           | (4.01)            |
| Net Assets                              | 99.01             |

## Notes to the Consolidated Financial Statements

### Note 54. Business Combinations (Contd.)

#### (d) Capital Reserve

Capital Reserve arising from the acquisition was been determined as follows

Amount ₹ in Crore

| Description  | Amount |
|--|--------|
| Consideration transferred (refer note (a) above)             | 42.73  |
| Fair value of pre-existing equity interest in GLRPL          | 50.74  |
| Fair value of net identifiable assets (refer note (c) above) | 99.01  |
| Capital reserve  | 5.54   |

- (e) From the date of acquisition, GLRPL contributed ₹ (13.27) Crore of revenue from operations and ₹ 0.44 Crore of loss to the Group during the year ended March 31, 2019. If the acquisition had taken place at the beginning of the previous year, the Group's revenue from operations would have increased by ₹ 762.27 Crore and profit would have increased by ₹ 46.69 Crore during the year ended March 31, 2019.

#### IV. Common control transaction

The National Company Law Tribunal ("NCLT"), Mumbai bench vide its Order dated April 22, 2020 has approved the Scheme of Arrangement (Demerger) between Ensemble Holdings and Finance Limited (EHFL) and Godrej Industries Limited (GIL). Consequent to the said Order and filing of the final certified Order with the Registrar of Companies, Maharashtra on May 14, 2020, the Scheme has become effective from the Appointed Date i.e. October 1, 2019. GIL has given effect of the Scheme in its Standalone Financial statements for the year ended March 31, 2020 as per guidance set out in Ind AS Transition Facilitation Group (ITFG) Clarification Bulletin 14 (Issue 4), being a common control transaction. As EHFL is a 100% subsidiary of the Company, this is a common control transaction and hence there is no impact of the Scheme on the Consolidated Financial Statements.

#### Note 55. Discontinued Operations

The Company, consequent to the approvals received from the Board of Directors on May 17, 2019 and from the shareholders on June 25, 2019 consummated the sale of Natures Basket Limited (NBL) a wholly owned subsidiary of the Company to Spencer's Retail Limited (SRL) on July 04, 2019.

On completion of sale transaction of NBL, the company has recognised net profit of ₹200.94 crore as an exceptional item in the consolidated Financial Results during the year ended March 2020.

Accordingly, NBL has been classified as discontinued operations in the current year and all the previous comparative statements has been restated.

#### a) Loss from discontinued operations

Amount ₹ in Crore

| Particulars   | Year Ended<br>March 31, 2020 | Year Ended<br>March 31, 2019 |
|---|------------------------------|------------------------------|
| <b>Revenue from operations</b>                      | <b>87.00</b>                 | 338.78                       |
| Other Income  | <b>0.40</b>                  | 1.73                         |
| <b>Total Income</b>                                 | <b>87.40</b>                 | 340.51                       |
| Expenses  |                              |                              |
| Purchases of Traded Goods                           | <b>66.75</b>                 | 267.32                       |
| (Increase)/ decrease in inventories of traded goods | <b>3.89</b>                  | (11.18)                      |
| Employee Benefits Expense                           | <b>12.96</b>                 | 39.91                        |
| Finance Costs                                       | <b>2.57</b>                  | 8.62                         |
| Depreciation And Amortization Expense               | <b>7.95</b>                  | 9.84                         |
| Other Expenses                                      | <b>20.55</b>                 | 101.01                       |
| <b>Total Expenses</b>                               | <b>114.67</b>                | 415.51                       |



## Notes to the Consolidated Financial Statements

### Note 55. Discontinued Operations (Contd.)

| Particulars   | Year Ended<br>March 31, 2020 | Year Ended<br>March 31, 2019 |
|---|------------------------------|------------------------------|
| <b>(Loss) Before Tax</b>  | <b>(27.27)</b>               | (75.00)                      |
| Tax Expense   | -                            | -                            |
| <b>(Loss) after Tax</b>   | <b>(27.27)</b>               | (75.00)                      |
| Exceptional Items - Gain on sale of discontinued operations                 | <b>200.94</b>                | -                            |
| <b>Profit/(Loss) after tax</b>  | <b>173.67</b>                | (75.00)                      |
| <b>Other Comprehensive Income</b>   |                              |                              |
| <b>Other comprehensive income not to be reclassified to profit or loss</b>  |                              |                              |
| Remeasurements of defined benefit plans                                     | -                            | 0.51                         |
| Income Tax related to Items that will not be reclassified to Profit or Loss | -                            | -                            |
| <b>Total Other Comprehensive Income</b>                                     | -                            | 0.51                         |
| <b>Total Comprehensive Income</b>   | <b>173.67</b>                | (74.49)                      |

#### b) Net cash flows attributable to the discontinued operations

Amount ₹ in Crore

| Particulars                                  | Year Ended<br>March 31, 2020 | Year Ended<br>March 31, 2019 |
|--|------------------------------|------------------------------|
| Net Cash generated from Operating Activities | <b>(4.06)</b>                | (69.26)                      |
| Net Cash (used) in Investing Activities      | -                            | (23.98)                      |
| Net Cash generated from Financing Activities | -                            | 107.06                       |
| <b>Net Cash (outflows)/inflows</b>           | <b>(4.06)</b>                | 13.82                        |

#### c) Assets and Liabilities of discontinued operations

Amount ₹ in Crore

| Particulars  | As at<br>March 31, 2019 |
|--|-------------------------|
| Property, plant and equipment and intangible assets (including CWIP) | 55.59                   |
| Non Current Financial Assets   | 11.21                   |
| Other Non Current Assets   | 6.69                    |
| Inventories  | 34.01                   |
| Trade receivables  | 18.81                   |
| Cash and cash equivalents  | 4.05                    |
| Bank balances other than above                                       | 10.06                   |
| Other Current Financial Assets                                       | 4.44                    |
| Other Current Assets   | 12.16                   |
| <b>Total Assets</b>  | <b>157.02</b>           |
| Non Current Borrowings   | 64.38                   |
| Non Current Provisions   | 0.42                    |
| Current Borrowings   | 16.00                   |
| Trade Payables   | 48.42                   |
| Other Current Financial Liabilities                                  | 16.44                   |
| Other Current Liabilities  | 1.69                    |
| Current Provisions   | 4.13                    |
| <b>Total Liabilities</b>   | <b>151.48</b>           |
| <b>Net Assets</b>  | <b>5.54</b>             |

## Notes to the Consolidated Financial Statements

### Note 55. Discontinued Operations (Contd.)

#### d) Gain on disposal of discontinued operations

| Particulars                                 | Amount<br>₹ in Crore |
|---|----------------------|
| Cash Consideration received                 | 174.38               |
| Net Assets transferred (refer note e below) | (26.56)              |
| <b>Gain on disposal</b>                     | <b>200.94</b>        |

#### e) Information of assets and liabilities transferred

| Particulars  | Amount<br>₹ in Crore |
|--|----------------------|
| Property, plant and equipment and intangible assets (including CWIP) | 184.81               |
| Non Current Financial Assets   | 10.73                |
| Other Non Current Assets   | 5.05                 |
| Inventories  | 30.12                |
| Trade receivables  | 11.74                |
| Cash and cash equivalents  | 12.92                |
| Bank balances other than above                                       | 0.06                 |
| Other Current Financial Assets                                       | 4.88                 |
| Other Current Assets   | 15.17                |
| <b>Total Assets</b>  | <b>275.48</b>        |
| Non Current Borrowings   | 70.22                |
| Non Current Financial Liability                                      | 130.49               |
| Non Current Provisions   | 0.54                 |
| Current Borrowings   | 29.14                |
| Trade Payables   | 43.56                |
| Other Current Financial Liabilities                                  | 20.27                |
| Other Current Liabilities  | 1.98                 |
| Current Provisions   | 5.82                 |
| <b>Total Liabilities</b>   | <b>302.04</b>        |
| <b>Net Assets</b>  | <b>(26.56)</b>       |

### Note 56 : IND AS 115 - Revenue from Contracts with Customers for Property Development

- (a) The amount of ₹ 1,099.35 Crore (Previous Year: ₹ 1,734.08 Crore) recognised in contract liabilities at the beginning of the year has been recognised as revenue during the year ended March 31, 2020.
- (b) Significant changes in contract asset and contract liabilities balances are as follows:

| Particulars   | Amount ₹ in Crore |                              |
|---|-------------------|------------------------------|
|   | March 31, 2020    | March 31, 2019<br>(Restated) |
| <b>Contract asset</b>   |                   |                              |
| At the beginning of the reporting period                            | 75.83             | 89.49                        |
| Cumulative catch-up adjustments to revenue affecting contract asset | 66.58             | (13.66)                      |
| Significant change due to business combination                      | -                 | -                            |
| At the end of the reporting period                                  | 142.41            | 75.83                        |
| <b>Contract liability</b>   |                   |                              |
| At the beginning of the reporting period                            | 1,484.43          | 2,633.75                     |
| Cumulative catch-up adjustments affecting contract liability        | (1,088.28)        | (1,143.89)                   |
| Significant financing component                                     | (75.50)           | (40.98)                      |
| Significant change due to business combination                      | -                 | 35.55                        |
| At the end of the reporting period                                  | 320.65            | 1,484.43                     |

## Notes to the Consolidated Financial Statements

### Note 56 : IND AS 115 - Revenue from Contracts with Customers for Property Development (Contd.)

#### (c) Performance obligation for Property Development

The Group is also engaged in the business of real estate construction, development and other related activities.

All the Contracts entered with the customers consists of a single performance obligation thereby the consideration allocated to the performance obligation is based on standalone selling prices.

Revenue is recognised upon transfer of control of residential and commercial units to customers for an amount that reflects the consideration which the Group expects to receive in exchange for those units. The trigger for revenue recognition is normally completion of the project or receipt of approvals on completion from relevant authorities or intimation to the customer of completion, post which the contract becomes non-cancellable by the parties.

The revenue is measured at the transaction price agreed under the contract. In certain cases, the Group has contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group adjusts the transaction price for the effects of a significant financing component.

Any costs incurred that do not contribute to satisfying performance obligations are excluded from the Group's input methods of revenue recognition as the amounts are not reflective of our transferring control of the system to the customer. Significant judgment is required to evaluate assumptions related to the amount of net contract revenues, including the impact of any performance incentives, liquidated damages, and other forms of variable consideration.

If estimated incremental costs on any contract, are greater than the net contract revenues, the Group recognises the entire estimated loss in the period the loss becomes known.

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as at March 31, 2020 is ₹ 233.03 Crore (Previous Year: ₹ 1,903.21 Crore), which will be recognised as revenue over a period of 1-3 years and ₹ 469.42 Crore (Previous Year: ₹ 280.50 Crore) which will be recognised over a period of 1-4 years.

#### Note : 57 Dividend On Equity Shares

| Particulars                             | Amount ₹ in Crore            |                              |
|---|------------------------------|------------------------------|
|   | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
| (a) Proposed Dividend *                 | -                            | 38.69                        |
| (Previous Year ₹ 1.15 per Share (115%)) | -                            | 38.69                        |

(\*) Proposed Dividend is subject to Shareholders' approval in the ensuing Annual General Meeting and has not been recognised as a liability as at Balance Sheet date.

As on March 31, 2020, the tax liability with respect to the dividends proposed is NIL (March 31, 2019 : ₹ 7.95 crore).

## Notes to the Consolidated Financial Statements

### Note : 58

In view of the lockdown across the country due to the outbreak of COVID pandemic, operations of the Company's/Group's (manufacturing, offices, etc.) are scaled down or shut down from second half of March 2020. The duration of this lockdown is uncertain at this point in time and resumption of full-fledged operations will depend upon directives issued by the Government authorities. While this has adversely impacted the sales performance of certain subsidiary Companies, the Company/Group continue to closely monitor the situation and take appropriate action, as necessary to scale up operations, in due compliance with the applicable regulations. As per our current assessment other than disclosed in note 36, no significant impact on carrying amounts of inventories, goodwill, intangible assets, trade receivables, investments and other financial assets is expected, and we continue to monitor changes in future economic conditions. The eventual outcome of the impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements. The operations have resumed for certain locations in compliance with Government directives in April, 2020.

As per our Report attached

For and on behalf of the Board of Directors of  
**Godrej Industries Limited**  
CIN No.: L24241MH1988PLC097781

**For B S R & Co. LLP**

Chartered Accountants  
Firm Regn. No. : 101248W / W-100022

**Vijay Mathur**

Partner  
M.No. : 046476  
Mumbai, May 22, 2020

**A. B. Godrej**

Chairman  
DIN : 00065964

**Clement Pinto**

Chief Financial Officer

**N. S. Nabar**

Executive Director &  
President (Chemicals)  
DIN : 06521655

**Tejal Jariwala**

Company Secretary



# STANDALONE FINANCIAL STATEMENTS



# Independent Auditors' Report

To the Members of Godrej Industries Limited

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the standalone financial statements of Godrej Industries Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2020, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion 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.

## Independent Auditors' Report

### Description of Key Audit Matter

#### Revenue recognition

(refer note 27 to the standalone financial statements)

| The key audit matter  | How the matter was addressed in our audit   |
|---|---|
| <p>Revenue is recognized when the control of the products being sold has been transferred to the customer.</p> <p>We have identified recognition of revenue as a key audit matter as revenue is a key performance indicator. Also, there is a risk of revenue being fraudulently overstated/understated through manipulation on the timing of transfer of control arising from pressure to achieve performance targets and meeting external expectations at the year end.</p> | <p>Our audit procedures to assess revenue recognition from sale of goods included the following:</p> <ul style="list-style-type: none"> <li>• Assessing the compliance of the revenue recognition accounting policies by comparing with Ind AS 115 "Revenue from Contracts with Customers".</li> <li>• Testing the design, implementation and operating effectiveness of Company's general Information Technology (IT) controls, key IT application/ manual controls over the Company's systems for revenue recognition, by involving our IT specialists.</li> <li>• Performing substantive testing (including year-end cut-off testing) by selecting statistical samples of revenue transactions recorded during the year (and before and after the financial year end).</li> <li>• Verifying the underlying documents, which included sales invoices/contracts and shipping documents for the selected transactions.</li> <li>• Examining sample manual journal entries (using statistical sampling) posted to revenue to identify any unusual or irregular items.</li> </ul> |

#### Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Management's and Board of Directors' Responsibility for the Standalone Financial Statements

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



## Independent Auditors' Report

### Management's and Board of Directors' Responsibility for the Standalone Financial Statements (Continued)

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements 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 and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

## Independent Auditors' Report

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its standalone financial statements - Refer Note 25 to the standalone financial statements;
  - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
  - iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2020.
- (C) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

**Vijay Mathur**  
Partner

Place: Mumbai  
Date: 22 May 2020

Membership No: 046476  
ICAI UDIN: 20046476AAAACB1619

## Annexure A to the Independent Auditor's Report - 31 March 2020

(Referred to in our report of even date)

- (i)
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation, of fixed assets.
  - (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
  - (c) According to the information and explanations given to us, the title deeds of immovable properties, as disclosed in Note 3 of the standalone financial statements, are held in the name of the Company.
- (ii) The inventory, except goods-in-transit and goods lying with third parties, has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) In our opinion and according to information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'). Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and Section 186 of the Act, in respect of making investments as applicable. The Company has not granted any loans and guarantees or provided any security to the parties covered under Section 185 and Section 186 of the Act.
- (v) The Company has not accepted any deposits from the public in accordance with the provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by Central Government for maintenance of cost records under sub section 1 of Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- (vii)
  - (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including provident fund, employees state insurance, income tax, duty of customs, goods and service tax, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.  
  
According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, goods and service tax, value added tax, cess and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.
  - (b) According to the information and explanations given to us, there are no dues of income tax, sales tax, value added tax, service tax, duty of customs, duty of excise and goods and service tax which have not been deposited with the appropriate authorities on account of any dispute other than those mentioned in Annexure I to this report.
- (viii) According to the information and explanations given to us and based on the records examined by us, there has been no default in the repayment of dues to banks. The Company does not have any dues to financial institutions, Government or debenture holders.
- (ix) According to the information and explanations given to us and records examined by us, the term loans obtained by the Company were applied for the purpose for which the loans were obtained. The Company has not raised any money by way of initial public offer, further public offer (including debt instruments) during the year.

## Annexure A to the Independent Auditor's Report - 31 March 2020 (Continued)

- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the standalone financial statements as required by applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

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

**Vijay Mathur**  
Partner  
Membership No: 046476  
ICAI UDIN: 20046476AAAACB1619

Place: Mumbai  
Date: 22 May 2020

**Annexure A to the Independent Auditor's Report - 31 March 2020 (Continued)**

Annexure I

(₹ in Crores)

| Name of Statute            | Nature of Dues | Amount Demanded (₹ In crores) | Period to which the amount relates                             | Forum where dispute is pending |
|----------------------------|----------------|-------------------------------|--|--------------------------------|
| Central Excise Act, 1944   | Excise duty    | 0.46                          | 2012-13, 2013-14   | Commissioner (Appeals)         |
| Central Excise Act, 1944   | Excise duty    | 0.50                          | 2011-12, 2013-15, 2014-15,                                     | Assistant Commissioner         |
| Central Excise Act, 1944   | Excise duty    | 0.46                          | 2008-11, 2009-13, 2010-11, 2013-16                             | CESTAT                         |
| VAT Acts of Various States | VAT            | 37.99                         | 2002-03, 2003-04   | Supreme Court                  |
| Octroi                     | Octroi         | 0.24                          | 1997-2003  | Tribunal                       |
| Octroi                     | Octroi         | 0.03                          | 1997-98  | Deputy Commissioner            |
| Octroi                     | Octroi         | 0.02                          | 1998-99, 2000-01   | Supreme Court                  |
| Stamp Duty                 | Stamp duty     | 1.82                          | 2000-01  | Controlling Revenue Authority  |
| Income-tax Act, 1961       | Income tax     | 42.28                         | AY 2006-2007, AY 2007-2008, AY 2008 - 2009, AY 15-16, AY 16-17 | Assessing Officer              |
| Income-tax Act, 1961       | Income tax     | 5.86                          | AY 2009-2010<br>AY 2013-2014<br>AY 2014-2015                   | CIT                            |
| Income-tax Act, 1961       | Income tax     | 19.96                         | AY 2010-11<br>AY 2011-2012<br>AY 2012-13                       | ITAT                           |
| Income-tax Act, 1961       | Income tax     | 28.65                         | AY 2009-2010<br>AY 2013-2014<br>AY 2014-2015                   | High Court                     |

## **Annexure B to the Independent Auditors' report on the standalone financial statements of Godrej Industries Limited for the year ended 31 March 2020**

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 Industries Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

### **Management's Responsibility for Internal Financial Controls**

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

### **Meaning of Internal Financial controls with Reference to standalone Financial Statements**

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

## **Annexure B to the Independent Auditors' report on the standalone financial statements of Godrej Industries Limited for the year ended 31 March 2020 (Continued)**

### **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

Place: Mumbai  
Date: 22 May 2020

**Vijay Mathur**  
Partner  
Membership No: 046476  
ICAI UDIN: 20046476AAAACB1619

## Balance Sheet as at March 31, 2020

Amount ₹ in Crore

| Particulars  | Note No. | As at<br>March 31, 2020 | As at<br>March 31, 2019<br>(Restated) |
|--|----------|-------------------------|---------------------------------------|
| <b>ASSETS</b>  |          |                         |                                       |
| <b>Non Current Assets</b>  |          |                         |                                       |
| Property, Plant and Equipment  | 3        | 1,305.05                | 1,328.46                              |
| Capital Work in Progress   |          | 17.95                   | 8.72                                  |
| Right-of-use Assets  | 37       | 9.28                    | -                                     |
| Investment Property  | 3a       | 166.38                  | 151.94                                |
| Other Intangible Assets  | 3b       | 2.48                    | 2.37                                  |
| <b>Financial Assets</b>  |          |                         |                                       |
| Investments in Subsidiaries and Associates                           | 4        | 2,600.17                | 2,688.75                              |
| Other Investments  | 4a       | 13.75                   | 16.46                                 |
| Loans  | 5        | 4.84                    | 3.72                                  |
| Other Financial Assets   | 6        | 2.59                    | 10.90                                 |
| Deferred Tax Assets (Net)  | 7        | 0.44                    | 0.39                                  |
| Other Tax Assets (Net)   |          | 34.97                   | 28.48                                 |
| Other Non Current Assets   | 8        | 9.00                    | 18.86                                 |
| <b>Current Assets</b>  |          |                         |                                       |
| Inventories  | 9        | 253.84                  | 300.86                                |
| <b>Financial Assets</b>  |          |                         |                                       |
| Investments  | 10       | -                       | -                                     |
| Trade Receivables  | 11       | 199.91                  | 179.23                                |
| Cash & cash equivalents  | 12a      | 317.71                  | 512.73                                |
| Other Bank balances  | 12b      | 25.87                   | 2.11                                  |
| Loans  | 13       | 0.26                    | 0.17                                  |
| Other Financial Assets   | 14       | 23.67                   | 15.75                                 |
| Current Tax Assets (Net)   |          | 0.04                    | 0.04                                  |
| Other Current Assets   | 15       | 33.44                   | 42.96                                 |
| <b>TOTAL ASSETS</b>  |          | <b>5,021.64</b>         | <b>5,312.90</b>                       |
| <b>EQUITY AND LIABILITIES</b>  |          |                         |                                       |
| <b>EQUITY</b>  |          |                         |                                       |
| Equity Share Capital   | 16       | 33.65                   | 33.64                                 |
| Other Equity   | 17       | 1,596.99                | 1,609.34                              |
| <b>Total Equity</b>  |          | <b>1,630.64</b>         | <b>1,642.98</b>                       |
| <b>LIABILITIES</b>   |          |                         |                                       |
| <b>Non Current Liabilities</b>                                       |          |                         |                                       |
| <b>Financial Liabilities</b>   |          |                         |                                       |
| Borrowings   | 18       | 562.50                  | 625.00                                |
| Lease Liabilities  | 37       | 6.27                    |                                       |
| Provisions   | 19       | 12.99                   | 8.73                                  |
| <b>Current Liabilities</b>   |          |                         |                                       |
| <b>Financial Liabilities</b>   |          |                         |                                       |
| Borrowings   | 20       | 2,250.79                | 2,286.58                              |
| Trade Payables   | 21       |                         |                                       |
| Outstanding dues of Micro and Small Enterprises                      |          | 12.38                   | 8.44                                  |
| Outstanding dues of Creditors other than Micro and Small Enterprises |          | 373.05                  | 366.81                                |
| Other Financial Liabilities (Includes Lease Liabilities)             | 22       | 145.86                  | 343.59                                |
| Other Current Liabilities  | 23       | 15.58                   | 17.85                                 |
| Provisions   | 24       | 4.45                    | 4.87                                  |
| Current Tax Liabilities (Net)  |          | 7.13                    | 8.05                                  |
| <b>Total Liabilities</b>   |          | <b>3,391.00</b>         | <b>3,669.92</b>                       |
| <b>TOTAL EQUITY &amp; LIABILITIES</b>                                |          | <b>5,021.64</b>         | <b>5,312.90</b>                       |
| Significant Accounting Policies                                      | 2        |                         |                                       |

The accompanying notes form an integral part of the Standalone financial statements

As per our Report attached

For and on behalf of the Board of Directors of

**Godrej Industries Limited**

CIN No.: L24241MH1988PLC097781

**For B S R & Co. LLP**

Chartered Accountants

Firm Regn. No. : 101248W / W-100022

**Vijay Mathur**

Partner

M.No. : 046476

Mumbai, May 22, 2020

**A. B. Godrej**

Chairman

DIN : 00065964

**Clement Pinto**

Chief Financial Officer

**N. S. Nabar**

Executive Director &amp;

President (Chemicals)

DIN : 06521655

**Tejal Jariwala**

Company Secretary



## Statement of Profit and Loss for the Year Ended March 31, 2020

Amount ₹ in Crore

| Particulars   | Note No.          | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019<br>(Restated) |
|---|-------------------|------------------------------|--|
| Revenue from Operations   | 27                | 1,968.72                     | 2,144.37                                   |
| Other Income  | 28                | 60.93                        | 42.11                                      |
| <b>Total Income</b>   |                   | <b>2,029.65</b>              | <b>2,186.48</b>                            |
| <b>Expenses</b>   |                   |                              |  |
| Cost of Materials Consumed  | 29                | 1,187.66                     | 1,288.75                                   |
| Purchases of Stock in Trade   |                   | 0.97                         | 0.80                                       |
| Changes in Inventories of Finished Goods, Stock in Trade and Work in Progress | 30                | 6.95                         | 7.65                                       |
| Employee Benefits Expenses  | 31                | 145.74                       | 130.17                                     |
| Finance Costs   | 32                | 228.99                       | 239.59                                     |
| Depreciation and Amortisation Expense   | 3, 3a, 3b<br>& 37 | 68.62                        | 54.30                                      |
| Other Expenses  | 33                | 334.41                       | 322.87                                     |
| <b>Total Expenses</b>   |                   | <b>1,973.34</b>              | <b>2,044.13</b>                            |
| Profit Before Exceptional Items and Tax                                       |                   | 56.31                        | 142.35                                     |
| Exceptional Items   | 34                | (25.62)                      | (243.79)                                   |
| Profit / (Loss) Before Tax  |                   | 30.69                        | (101.44)                                   |
| <b>Tax Expense</b>  |                   |                              |  |
| Current Tax   |                   |                              |  |
| Deferred Tax  | 36                | (0.05)                       | (0.07)                                     |
| Tax (credit) / charge of earlier years  | 36                | (0.07)                       | -  |
| <b>Total Tax Expenses</b>   |                   | <b>(0.12)</b>                | <b>(0.07)</b>                              |
| Profit / (Loss) After Tax for the Year  |                   | 30.81                        | (101.37)                                   |
| <b>Other Comprehensive Income</b>   |                   |                              |  |
| Items that will not be reclassified to Profit or Loss                         |                   |                              |  |
| Remeasurements of defined benefit plans                                       |                   | (1.96)                       | (0.60)                                     |
| Income Tax on Items that will not be reclassified to Profit or Loss           |                   | -                            | -  |
|   |                   | (1.96)                       | (0.60)                                     |
| <b>Total Comprehensive Income / (Loss) for the Year</b>                       |                   | <b>28.85</b>                 | <b>(101.97)</b>                            |
| Earnings Per Equity Share (Face Value Re. 1 each)                             | 35                |                              |  |
| Basic   |                   | 0.92                         | (3.01)                                     |
| Diluted   |                   | 0.92                         | (3.01)                                     |
| Significant Accounting Policies   | 2                 |                              |  |

The accompanying notes form an integral part of the Standalone financial statements

As per our Report attached

For and on behalf of the Board of Directors of

**Godrej Industries Limited**

CIN No.: L24241MH1988PLC097781

**For B S R & Co. LLP**

Chartered Accountants

Firm Regn. No. : 101248W / W-100022

**Vijay Mathur**

Partner

M.No. : 046476

Mumbai, May 22, 2020

**A. B. Godrej**

Chairman

DIN : 00065964

**Clement Pinto**

Chief Financial Officer

**N. S. Nabar**Executive Director &  
President (Chemicals)  
DIN : 06521655**Tejal Jariwala**

Company Secretary

## Statement of Changes in Equity for the Year Ended March 31, 2020

Equity Share Capital (Refer Note 16)

| Particulars                                     | As at March 31, 2020 |                      | As at March 31, 2019<br>(Restated) |                      |
|---|----------------------|----------------------|------------------------------------|----------------------|
|   | No. of Shares        | Amount<br>₹ in Crore | No. of Shares                      | Amount<br>₹ in Crore |
| Balance at the beginning of the year            | 33,63,84,367         | 33.64                | 33,62,72,731                       | 33.63                |
| Changes in equity share capital during the year | 81,649               | 0.01                 | 1,11,636                           | 0.01                 |
| Balance at the end of the year                  | 33,64,66,016         | 33.65                | 33,63,84,367                       | 33.64                |

### Other Equity (Refer Note 17)

Amount ₹ in Crore

| Particulars   | Other Equity      |                 |                            |                            |                 |                                  | Total           |
|---|-------------------|-----------------|----------------------------|----------------------------|-----------------|----------------------------------|-----------------|
|   | Retained Earnings | General Reserve | Capital Redemption Reserve | Securities Premium Reserve | Capital Reserve | Employee Stock Grant Outstanding |                 |
| <b>Balance at April 01, 2018</b>  | 723.10            | 52.70           | 31.46                      | 943.70                     | 24.32           | 6.20                             | 1,781.48        |
| Additions pursuant to EHFL Demerger (Refer Note 46)                                   |                   |                 |                            |                            | 21.93           |                                  | 21.93           |
| <b>Balance at April 01, 2018 (Restated)</b>   | <b>723.10</b>     | <b>52.70</b>    | <b>31.46</b>               | <b>943.70</b>              | <b>46.25</b>    | <b>6.20</b>                      | <b>1,803.41</b> |
| Loss for the year   | (101.37)          |                 |                            |                            |                 |                                  | (101.37)        |
| Other Comprehensive Income (net of tax) - Remeasurements of the defined benefit plans | (0.60)            |                 |                            |                            |                 |                                  | (0.60)          |
| Transfer from Employee Stock Option Grant   |                   |                 |                            | 4.48                       |                 | (4.48)                           | -               |
| Exercise of Stock Grant (Net of Deferred Stock Grant Expense)                         |                   |                 |                            |                            |                 | 3.97                             | 3.97            |
| Utilisation for issue of Shares during the year pursuant to Scheme of Amalgamation    |                   |                 |                            | (35.42)                    |                 |                                  | (35.42)         |
| Final Dividend paid   | (58.87)           |                 |                            |                            |                 |                                  | (58.87)         |
| Dividend Distribution Tax (DDT)   | (1.78)            |                 |                            |                            |                 |                                  | (1.78)          |
| <b>Balance at March 31, 2019 (Restated)</b>   | <b>560.48</b>     | <b>52.70</b>    | <b>31.46</b>               | <b>912.76</b>              | <b>46.25</b>    | <b>5.69</b>                      | <b>1,609.34</b> |
| Transition impact on adoption of Ind AS 116 (Refer Note 37)                           | (5.00)            |                 |                            |                            |                 |                                  | (5.00)          |
| <b>Balance at April 01, 2019 (Restated)</b>   | <b>555.48</b>     | <b>52.70</b>    | <b>31.46</b>               | <b>912.76</b>              | <b>46.25</b>    | <b>5.69</b>                      | <b>1,604.34</b> |
| Profit for the year   | 30.81             |                 |                            |                            |                 |                                  | 30.81           |
| Other Comprehensive Income (net of tax)   | (1.96)            |                 |                            |                            |                 |                                  | (1.96)          |
| Transfer from Employee Stock Option Grant   |                   |                 |                            | 3.87                       |                 | (3.87)                           | -               |
| Exercise of Stock Grant (Net of Deferred Stock Grant Expense)                         |                   |                 |                            |                            |                 | 2.49                             | 2.49            |
| Final Dividend paid   | (38.69)           |                 |                            |                            |                 |                                  | (38.69)         |
| <b>Balance at March 31, 2020</b>  | <b>545.64</b>     | <b>52.70</b>    | <b>31.46</b>               | <b>916.63</b>              | <b>46.25</b>    | <b>4.31</b>                      | <b>1,596.99</b> |

A description of the purposes of each Reserve within Equity has been disclosed in the Note 17

The accompanying notes form an integral part of the Standalone financial statements

As per our Report attached

For and on behalf of the Board of Directors of  
**Godrej Industries Limited**

CIN No.: L24241MH1988PLC097781

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

**A. B. Godrej**  
Chairman  
DIN : 00065964

**N. S. Nabar**  
Executive Director &  
President (Chemicals)  
DIN : 06521655

**Vijay Mathur**  
Partner  
M.No. : 046476  
Mumbai, May 22, 2020

**Clement Pinto**  
Chief Financial Officer

**Tejal Jariwala**  
Company Secretary

## Cash Flow Statement For The Year Ended March 31, 2020

| Particulars  | Amount ₹ in Crore            |  |
|--|------------------------------|--|
|  | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019<br>(Restated) |
| <b>1 Cash Flow From Operating Activities:</b>  |                              |  |
| <b>Profit / (Loss) Before Tax</b>  | <b>30.69</b>                 | (101.44)                                   |
| Adjustments for:   |                              |  |
| Depreciation and Amortisation  | <b>68.62</b>                 | 54.30                                      |
| Unrealised Foreign Exchange gain   | <b>8.72</b>                  | (1.28)                                     |
| Profit on Sale of Investments  | <b>(7.31)</b>                | (4.09)                                     |
| Loss on Sale of Property, Plant & equipments (Net)                                       | <b>0.11</b>                  | 0.17                                       |
| Loss on Investments measured at Fair Value through P&L                                   | <b>2.88</b>                  | 11.34                                      |
| Write Off of Property, Plant and equipments  | <b>0.22</b>                  | 0.26                                       |
| Provision for Impairment of Investment/loss on sale of investment                        | <b>25.62</b>                 | 243.79                                     |
| Interest Income  | <b>(6.70)</b>                | (1.13)                                     |
| Interest & Finance Charges   | <b>228.99</b>                | 239.59                                     |
| Employee Share based Payments  | <b>2.34</b>                  | 2.81                                       |
| Provision for Doubtful Debts and Sundry Balances (net)                                   | <b>0.06</b>                  | 0.18                                       |
| <b>Operating Profit Before Working Capital Changes</b>                                   | <b>354.24</b>                | 444.50                                     |
| Adjustments for :  |                              |  |
| (Decrease) in Non-financial Liabilities  | <b>(19.12)</b>               | (16.34)                                    |
| Increase in Financial Liabilities  | <b>7.97</b>                  | 11.64                                      |
| Decrease/ (Increase) in Inventories  | <b>47.02</b>                 | (0.95)                                     |
| Decrease in Non-financial Assets   | <b>30.48</b>                 | 33.75                                      |
| (Increase) in Financial Assets   | <b>(17.02)</b>               | (17.16)                                    |
| <b>Cash Generated from Operations</b>  | <b>403.57</b>                | 455.45                                     |
| Direct Taxes Paid  | <b>(6.49)</b>                | (7.72)                                     |
| <b>Net Cash Generated from Operating Activities</b>                                      | <b>397.08</b>                | 447.73                                     |
| <b>2 Cash Flow from Investing Activities:</b>  |                              |  |
| Purchase / Adjustment of Property, Plant & equipments, Investment Property & Intangibles | <b>(48.92)</b>               | (74.01)                                    |
| Proceeds from Sale of Property, Plant & equipments                                       | <b>0.78</b>                  | 0.32                                       |
| Purchase of Investments  | <b>(3,552.98)</b>            | (2,641.28)                                 |
| Proceeds from Sale of Subsidiary   | <b>174.38</b>                | -  |
| Proceeds from Sale of Investments  | <b>3,423.67</b>              | 2,535.42                                   |
| Intercompany Deposits / Loans (net)  | <b>-</b>                     | (0.19)                                     |
| Interest Received  | <b>5.96</b>                  | 1.13                                       |
| Expense on Amalgamation  | <b>-</b>                     | (35.42)                                    |
| <b>Net Cash Generated from / (used in) Investing Activities</b>                          | <b>2.89</b>                  | (214.03)                                   |
| <b>3 Cash Flow from Financing Activities:</b>  |                              |  |
| Proceeds from issue of Equity shares   | <b>1.35</b>                  | 1.85                                       |
| Proceeds from Non Current Borrowings   | <b>-</b>                     | 500.00                                     |
| Net Proceeds / (Repayment) from Current Borrowings                                       | <b>(35.79)</b>               | 632.15                                     |
| (Repayment) of Non Current Borrowings  | <b>(297.25)</b>              | (613.35)                                   |
| Interest & Finance Charges Paid  | <b>(224.61)</b>              | (242.00)                                   |
| Dividend Paid  | <b>(38.69)</b>               | (58.87)                                    |
| Tax on Distributed Profits   | <b>-</b>                     | (1.78)                                     |
| <b>Net Cash (used in) / Generated from Financing Activities</b>                          | <b>(594.99)</b>              | 218.00                                     |
| <b>Net (Decrease) / Increase in Cash and Cash Equivalents</b>                            | <b>(195.02)</b>              | 451.70                                     |
| Cash and Cash Equivalents (Opening Balance)  | <b>512.73</b>                | 61.03                                      |
| Cash and Cash Equivalents (Closing Balance)  | <b>317.71</b>                | 512.73                                     |

## Cash Flow Statement For The Year Ended March 31, 2020

Notes :

(Amount ₹ in Crore)

| Particulars                                     | As at March 31, 2020 | As at March 31, 2019 (Restated) |
|---|----------------------|---------------------------------|
| <b>1 Cash and Cash Equivalents</b>              |                      |                                 |
| Balances with Banks                             |                      |                                 |
| (a) Current Accounts                            | 317.32               | 483.18                          |
| (b) Deposits having maturity less than 3 months | -                    | 28.93                           |
| Cheques, Drafts on Hand                         |                      | 0.27                            |
| Cash on Hand                                    | 0.39                 | 0.35                            |
| <b>Cash and Cash Equivalents</b>                | <b>317.71</b>        | <b>512.73</b>                   |

### 2 Reconciliation of Liabilities arising from Financing activities (Amount ₹ in Crore)

| Particulars             | As at March 31, 2019 | Cash Flow       | Non Cash Changes | As at March 31, 2020 |
|-------------------------|----------------------|-----------------|------------------|----------------------|
| Non Current Borrowings  | 908.32               | (297.25)        | 20.86            | <b>631.93</b>        |
| Current Borrowings      | 2,286.58             | (35.79)         | 0.00             | <b>2,250.79</b>      |
| <b>Total Borrowings</b> | <b>3,194.90</b>      | <b>(333.04)</b> | <b>20.86</b>     | <b>2,882.72</b>      |

3 The Cash Flow Statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7).

4 The Scheme of arrangement between the Company and EHFL is a non-cash transaction. (Refer Note 46)

5 The accompanying notes form an integral part of the Standalone financial statements.

As per our Report attached

For and on behalf of the Board of Directors of

**Godrej Industries Limited**

CIN No.: L24241MH1988PLC097781

**For B S R & Co. LLP**

Chartered Accountants

Firm Regn. No. : 101248W / W-100022

**Vijay Mathur**

Partner

M.No. : 046476

Mumbai, May 22, 2020

**A. B. Godrej**

Chairman

DIN : 00065964

**Clement Pinto**

Chief Financial Officer

**N. S. Nabar**

Executive Director &amp;

President (Chemicals)

DIN : 06521655

**Tejal Jariwala**

Company Secretary

# Notes to the Standalone Financial Statements

## Note 1 : General Information

### 1 Corporate Information

Godrej Industries Limited ("the Company") was incorporated under the Companies Act, 1956 on March 7, 1988 under the name of Gujarat-Godrej Innovative Chemicals Limited. The business and undertaking of the erstwhile Godrej Soaps Limited was transferred to the Company under a Scheme of Amalgamation with effect from April 1, 1994 and the Company's name was changed to Godrej Soaps Limited. Subsequently, under a Scheme of Arrangement the Consumer Products division of the Company was demerged with effect from April 1, 2001 into a separate company, Godrej Consumer Products Limited (GCPL).

The Company's name was changed to Godrej Industries Limited on April 2, 2001. The Vegetable Oils and Processed Foods Manufacturing business of Godrej Foods Limited was transferred to the Company with effect from June 30, 2001. The Foods division (except Wadala factory) was then sold to Godrej Hershey Limited, on March 31, 2006. Swadeshi Detergents Limited, 100% subsidiary of the Company, was amalgamated with the Company effective from April 01, 2013. Wadala Commodities Limited was amalgamated with the Company effective from April 01, 2014. Vora Soaps Limited was amalgamated with the Company effective from December 14, 2017.

The Company is domiciled in India and is listed on BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE). The Company's registered office is at Godrej One, Pirojshanagar, Eastern Express Highway, Vikhroli (east), Mumbai – 400 079. The Company is engaged in the businesses of manufacture and marketing of oleo-chemicals, their precursors and derivatives, bulk edible oils, estate management and investment activities.

### 2 (a) Basis of preparation

These standalone financial statements have been prepared on accrual basis to comply in all material aspects with the Indian Accounting Standards (hereinafter referred to as the "Ind As") as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and other generally accepted accounting principles in India.

The financial statements have been prepared on a going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and services and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The standalone financial statements of the Company for the year ended March 31, 2020 were approved for issue in accordance with the resolution of the Board of Directors on May 22, 2020.

### (b) Basis of measurement

These financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:-

- Certain financial assets and liabilities (including derivative instruments) measured at fair value (refer accounting policy 9 regarding financial assets and 10 regarding financial liabilities)
- Defined benefit plans – plan assets/(liability) and share-based payments measured at fair value (Refer Note 19, 24 & 31)

### 3 Functional and presentation currency

The standalone financial statements are presented in Indian rupees, which is the Company's functional currency. All amounts have been rounded to the nearest crore, unless otherwise indicated.

### 4 Key estimates and assumptions

The preparation of financial statements requires Management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual

## Notes to the Standalone Financial Statements

### Note 1 : General Information (Continued)

results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable.

Information about critical judgments in applying accounting policies that have the most significant effect on the carrying amounts of assets and liabilities and in respect of assumptions and estimates on uncertainties are as follows:-

- Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalized.
- Impairment of Property, Plant and Equipments and Investments
- Recognition and measurement of defined benefit obligations
- Recognition of deferred tax assets
- Fair valuation of employee share options
- Discounting of long-term financial liabilities
- Fair value of financial instruments
- Provisions and Contingent Liabilities
- Leases

### 5 Standards applicable in the current year

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new standards and amendments to Ind ASs which the Company has applied for annual periods beginning on or after April 1, 2019:

#### (a) Ind AS 116 Leases

Ind AS 116 has been made applicable for financial reporting periods beginning on or after April 1, 2019 and replaced Ind AS 17. Ind AS 116 has introduced a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The nature of expenses related to those leases change as Ind AS 116 replaces the operating lease expense (i.e., rent) with depreciation charge for ROU assets and interest expense on lease liabilities. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. The Company has analysed the impact of new lease standard on its financial statements.

The Company has used the "Modified Retrospective Approach" for transitioning to Ind AS 116. Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. Refer Note 37 for impact of transition to Ind AS 116.

#### (b) Ind AS 12 – Income taxes (Amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company has no impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the

## Notes to the Standalone Financial Statements

### Note 1 : General Information (Continued)

uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company has no significant impact of the amendment on its financial statements.

#### (c) Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company has no impact on its financial statements.

#### (d) Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company has no significant impact on its financial statements.

#### (e) Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company has no impact from this amendment.

#### (f) Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Company does not currently have any long-term interests in associates and joint ventures to which equity method is not applied.

#### (g) Ind AS 103 – Business Combinations and Ind AS 111 - Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Company will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation. As of now, the company has not obtained any control/ joint control of a business that is a joint operation.

### 6 Standards issued but not yet effective

There are no new standards or amendments which have been issued but are not yet effective.

### 7 Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values for financial instruments.

The Company has an established control framework with respect to the measurement of fair values. 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.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

## Notes to the Standalone Financial Statements

### Note 1 : General Information (Continued)

- 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.

### Note 2 : Significant Accounting Policies

#### 1 Property, Plant and Equipment

##### (i) Recognition and measurement

Property, plant and equipment (PPE) are measured at Original cost net of tax / duty credit availed less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Advances paid towards the acquisition of PPE outstanding at each reporting date are classified as capital advances under Other Non-Current Assets and Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

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.

Capital expenditure on tangible assets for Research and Development is classified under Property, Plant and Equipment and is depreciated on the same basis as other property, plant and equipment.

Property, Plant and Equipment are derecognised from financial statement on disposal and gains or losses arising from disposal are recognised in the Statement of Profit and Loss in the year of occurrence.

Exchange differences on repayment and year end translation of foreign currency loans availed upto March 31, 2016 relating to acquisition of depreciable capital assets are adjusted to the carrying cost of the assets.

##### (ii) Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred.

When significant parts of Property, Plant and Equipments are required to be replaced, the Company derecognises the replaced part and recognises the new part with its own associated useful life and it is depreciated accordingly.

##### (iii) 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 where the Company, based on technical evaluation, the condition of the plants, regular maintenance schedule, material of construction and past experience, has considered useful life of the following items of PPE different from that prescribed in Schedule II to the Act.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.



## Notes to the Standalone Financial Statements

### Note 2 : Significant Accounting Policies (Continued)

The range of useful lives of the property, plant and equipment are as follows:

- a) Plant and Machinery - 7 - 30 years
- b) Furniture and fixtures - 7- 10 years
- c) Office Equipments - 2 - 5 years
- d) Factory Building - 10- 30 years
- e) Non Factory Building - 10- 60 years
- f) Vehicles - 3- 8 years
- g) Leasehold land - Lower of useful life & Lease Period.
- h) Assets costing less than INR 5,000 are depreciated at 100% in the year of acquisition.

### 2 Investment Property

#### (i) Recognition and measurement

Investment Property comprises of Freehold Land and Buildings.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Statement of Profit and Loss in the period of derecognition.

#### (ii) Depreciation

Depreciation on Building classified as Investment Property 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.

### 3 Intangible Assets

#### (i) Recognition and measurement

Intangible assets are recognised when it is probable that future economic benefits that are attributable to concerned assets will flow to the Company and the cost of the assets can be measured reliably.

Intangible assets are initially measured at cost and are subsequently measured at cost less accumulated amortization (other than goodwill and indefinite life of intangibles ) and any accumulated impairment losses.

Gain or loss arising from derecognition of an intangible asset is recognised in the Statement of Profit and Loss.

#### (ii) Amortisation

Intangible Assets are amortised over the estimated useful life on Straight Line Method (SLM).

The useful lives of Intangible assets are assessed as either finite or indefinite. The amortisation period and the amortisation method for an intangible asset with finite useful life are reviewed at the end of each reporting period. Changes in the expected useful life or expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. Computer Software is amortised in a Straight Line basis over a period of 3 years.

## Notes to the Standalone Financial Statements

### Note 2 : Significant Accounting Policies (Continued)

#### 4 Impairment of non-financial assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, impairment is recognized for such excess amount. The impairment loss is recognized as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

When there is indication that an impairment loss recognised for an asset in earlier accounting periods which no longer exists or may have decreased, such impairment loss is reversed in the Statement of Profit and Loss only, to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

#### 5 Investments in Subsidiaries, Associates and Jointly Controlled Entities

Investments in subsidiaries, associate and jointly controlled entities 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, associate and jointly controlled entities, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

#### 6 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is determined using the weighted average method. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

If payment for inventory is deferred beyond normal credit terms then cost is determined by discounting the future cash flows at an interest rate determined with reference to market rates. The difference between the total cost and the deemed cost is recognised as interest expense over the period of financing under the effective interest method.

Slow and non-moving material, obsolescence, defective inventories are duly provided for and valued at lower of cost and net realizable value. Goods and materials in transit are valued at actual cost incurred upto the date of balance sheet. Materials and supplies held for use in the production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.

#### 7 Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash on hand, bank balances and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the Statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

#### 8 Assets held for Sale

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all of the following criteria's are met: (i) decision has been made to sell. (ii) the assets are available for immediate sale in its present condition. (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as held for sale are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

## Notes to the Standalone Financial Statements

### Note 2 : Significant Accounting Policies (Continued)

#### 9 Financial Assets

##### (i) Initial recognition and measurement

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value, in case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost is recognised in the Statement of Profit and Loss. In other cases, the transaction cost is attributed to the acquisition value of the financial asset.

##### (ii) Classification and Subsequent measurement

Financial assets are subsequently classified and measured at

- amortised cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

##### (iii) Trade Receivables and Loans:

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instruments.

##### (iv) Debt Instruments

Debt instruments are initially measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') till derecognition on the basis of (i) the Company's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset.

- (a) Measured at amortised cost: Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.
- (b) Measured at fair value through other comprehensive income: Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'Other Income' in the Statement of Profit and Loss.
- (c) Measured at fair value through profit or loss: A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'Other Income' in the Statement of Profit and Loss.

##### (v) Equity Instruments

All investments in equity instruments classified under financial assets are initially measured at fair value and the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognized in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'Other Income' in the Statement of Profit and Loss.

## Notes to the Standalone Financial Statements

### Note 2 : Significant Accounting Policies (Continued)

#### (vi) Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

#### (vii) Impairment of Financial Asset

Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financial assets in FVTPL category.

For financial assets other than trade receivables, as per Ind AS 109, the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. The Company's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall.

The impairment losses and reversals are recognised in Statement of Profit and Loss.

### 10 Financial Liabilities

#### (i) Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

#### (ii) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

#### (iii) Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires. Financial Liability is also derecognised on modification of terms of contract and when cashflows under modified terms are substantially different.

### 11 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, to realise the assets and settle the liabilities simultaneously.

### 12 Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks respectively. The Company also uses commodity futures contracts to hedge the exposure to oil price 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 at the end of each reporting period. The subsequent changes in fair value are recorded in Statement of Profit and Loss.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The Company does not follow hedge accounting.

## Notes to the Standalone Financial Statements

### Note 2 : Significant Accounting Policies (Continued)

#### 13 Provisions and Contingent Liabilities

Provisions are recognized when the Company has a present obligation as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. The expenses relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

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 when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is probable.

Commitments includes the amount of purchase orders (net of advance) issued to parties for acquisition of assets.

Provisions, contingent assets, contingent liabilities and commitments are reviewed at each balance sheet date.

#### 14 Revenue Recognition

##### Revenue from contracts with customers

Sales are recognised when goods are supplied and control over the Goods sold is transferred to the buyer which is on despatch / delivery as per the terms of contracts and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods. Sales are inclusive of excise duty and net of returns, trade discounts, rebates and sales taxes / Goods and Service Tax (GST).

Income from processing operations is recognised on completion of production / dispatch of the goods, as per the terms of contract.

##### Other Operating Revenue

Dividend income is recognised when the right to receive the same is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of dividend can be measured reliably.

Export Incentives are accrued when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with such incentives.

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that discounts the estimated future cash payments or receipts through the expected life of the financial instruments or a shorter period, where appropriate, to the net carrying amount of the financial assets. Interest income is included in other income in the Statement of Profit and Loss.

##### Other Income

Income on assets given on operating lease is recognised on a straight line basis over the lease term in the Statement of Profit and Loss.

#### 15 Employee Benefits

##### (i) Short-Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, performance incentives, etc., are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the employee renders the related service.

## Notes to the Standalone Financial Statements

### Note 2 : Significant Accounting Policies (Continued)

The Company has a scheme of Performance Linked Variable Remuneration (PLVR) which rewards its employees based on Economic Value Added (EVA) or Profit Before Tax (PBT) and Cashflow. The PLVR amount is related to actual improvement made in EVA or PBT and Cashflow over the previous year when compared with expected improvements.

#### (ii) Post Employment Benefits

##### (a) Defined Contribution Plans

Payments made to a defined contribution plan such as Provident Fund and Family Pension maintained with Regional Provident Fund Office are charged as an expense in the Statement of Profit and Loss as they fall due.

##### (b) Defined Benefit Plans

###### Gratuity Fund

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, after discounting the same. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses are recognized immediately in Other Comprehensive Income (OCI). 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). Net interest expense and other expenses related to defined benefit plans are recognized in 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 recognized immediately in Statement of Profit and Loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

###### Provident Fund

Provident Fund Contributions other than those made to the Regional Provident Fund Office of the Government which are made to the 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 which is determined on the basis of an actuarial valuation, shall be made good by the Company.

###### Pension

Pension plan for eligible employees are considered as defined benefit obligations and are provided for on the basis of an actuarial valuation, using the Projected Unit Credit Method, as at the date of the Balance Sheet.

#### (iii) Other Long-Term Employee Benefits

The Company's net obligation in respect of other long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods and are provided for on the basis of an actuarial valuation, using the Projected Unit Credit Method, as at the date of the Balance Sheet. Remeasurement of net obligation are recognised immediately in the Statement of Profit and Loss.

#### (iv) Termination Benefits

All terminal benefits are recognized as an expense in the period in which they are incurred.

### 16 Share-Based Payments

Employees of the Company also receive remuneration in the form of share based payments in consideration of the services rendered.

## Notes to the Standalone Financial Statements

### Note 2 : Significant Accounting Policies (Continued)

Under the equity settled share based payment, the fair value on the grant date of the awards given to employees is recognised as 'employee benefit expenses' with a corresponding increase in equity over the vesting period. The fair value of the options at the grant date is calculated on the basis of the Black Scholes model. At the end of each reporting period, apart from the non market vesting condition, the expense is reviewed and adjusted to reflect changes to the level of options expected to vest. When the options are exercised, the Company issues fresh equity shares.

When the terms of an equity-settled award are modified, an additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

### 17 Leases

Effective 1<sup>st</sup> April, 2019, the company adopted IND AS 116 - Leases. GIL applied IND AS 116 using modified retrospective approach, under which the cumulative effect of initial application is recognized in retained earnings at 1<sup>st</sup> April 2019. The comparative information presented is not restated. It is presented as previously reported under IND AS 17.

#### Accounting policy applicable before 1<sup>st</sup> April 2019

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in the arrangement.

#### Lessee:

Leases of assets where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Leases of assets under which significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease payments under operating leases are recognised as an expense on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

#### Lessor:

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight line basis over the term of the relevant lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase.

#### Accounting policy applicable from 1<sup>st</sup> April 2019

At the inception it is assessed, whether a contract is a lease or contains a lease. A contract is a lease or contains a lease if it conveys the right to control the use of an identified asset, for a period of time, in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, company assesses whether the contract involves the use of an identified asset. Use may be specified explicitly or implicitly.

- (i) Use should be physically distinct or represent substantially all of the capacity of a physically distinct asset.
- (ii) If the supplier has a substantive substitution right, then the asset is not identified.
- (iii) Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use.

## Notes to the Standalone Financial Statements

### Note 2 : Significant Accounting Policies (Continued)

- (iv) Company has the right to direct the use of the asset.
- (v) 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:

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

#### Right-of-use asset (ROU):

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

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

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

#### Lease liability:

Lease liability is initially measured at the present value of lease payments that are not paid at the commencement date. Discounting is done using the implicit interest rate in the lease, if that rate cannot be readily determined, then using company's incremental borrowing rate. Incremental borrowing rate is determined based on entity's borrowing rate adjusted for terms of the lease and type of the asset leased.

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

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

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

Right-of-use asset is presented as a separate category under "Non-current assets" and lease liabilities are presented under "Financial liabilities" in the balance sheet.

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



## Notes to the Standalone Financial Statements

### Note 2 : Significant Accounting Policies (Continued)

#### Lessor:-

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

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

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

The accounting policies applicable to the company as a lessor, in the comparative period, were not different from IND AS 116.

#### Transitional impact:

**On transition to IND AS 116, company elected to apply practical expedients given by the standard as follows:**

- (a) Company has not re-assessed whether a contract is, or contains, a lease at the date of initial application instead it applied the standard to those contracts that were previously identified as leases applying IND AS 17, Leases. Standard is not applied to those contracts that were not previously identified as containing a lease applying IND AS 17.
- (b) IND AS 116 is applied retrospectively, with the cumulative effect of initially applying the Standard, is recognised at the date of initial application. The same approach is adopted for all the leases.
- (c) Comparative information are not restated and it is presented as reported under IND AS 17. The cumulative effect of initially applying this Standard, is done as an adjustment, to the opening balance of retained earnings, at the date of initial application.
- (d) For the leases which is previously classified as operating lease, under IND AS 17, company recognised the lease liability by measuring the present value of the remaining lease payments, discounted using incremental borrowing rate at the date of initial application.
- (e) Company recognised, Right-of-use asset, at the date of initial application, for leases previously classified as an operating lease applying IND AS 17. Right-of-use asset is measured, on a lease by lease basis, at carrying amount assuming the standard is applied since the commencement date. Discounting to arrive the value of asset is done based on the incremental borrowing rate at the date of initial application. Company also assessed the Right-of-use asset for impairment as per IND AS 36, Impairment of assets, at the date of initial application.
- (f) During transition, no adjustments is made for leases for which the underlying asset is of low value.
- (g) Company has applied a single discount rate for portfolio of leases which has reasonably similar characteristics.
- (h) During transition, impact of IND AS 116 is not given for those leases for which the lease term ends within 12 months of the date of initial application. Those leases were accounted as short term leases as per IND AS 116.

### 18 Research and Development Expenditure

Revenue expenditure on Research & Development is charged to the Statement of Profit and Loss of the year in which it is incurred. Capital expenditure incurred during the year on Research & Development is included under additions to fixed assets.

### 19 Borrowing Costs

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate applicable to the respective borrowing. Borrowing costs that are directly attributable to the acquisition of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is put to use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

## Notes to the Standalone Financial Statements

### Note 2 : Significant Accounting Policies (Continued)

#### 20 Foreign Exchange Transactions

- (i) The standalone financial statements of the Company are presented in Indian Rupee (INR), which is the Company's functional and presentation currency.
- (ii) Transactions in foreign currency are recorded at exchange rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currency, remaining unsettled at the period end are translated at closing rates. The difference in translation of monetary assets and liabilities and realised gains and losses on foreign currency transactions are recognised in the Statement of Profit and Loss. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.
- (iii) The difference in translation of long term monetary assets acquired and liabilities incurred prior to April 01, 2016 and realised gains and losses on foreign currency transactions relating to acquisition of depreciable capital assets are added to or deducted from the cost of the asset and depreciated over the balance life of the asset; and in other cases, accumulated in a Foreign Currency Monetary Item Translation Difference Account and amortised over the balance period of such long term asset / liability, by recognition as income or expense but not beyond March 31, 2020.
- (iv) Realised gains or losses on cancellation of forward exchange contracts are recognised in the Standalone Statement of Profit and Loss of the period in which they are cancelled.

#### 21 Taxes on Income

Income tax expense comprises current and deferred tax and is recognized in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity or in OCI.

##### (i) Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

##### (ii) Minimum Alternate Tax (MAT)

MAT credit is recognised as a deferred tax assets only when and to the extent there is convincing evidence that the Company will pay normal tax during specified period. MAT credit is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

##### (iii) Deferred Tax

Deferred tax is recognized in respect of temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

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 at the reporting date.

The measurement of deferred tax 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:

## Notes to the Standalone Financial Statements

### Note 2 : Significant Accounting Policies (Continued)

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

### 22 Earnings Per Share

Basic Earnings per share is calculated by dividing the profit / (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 / (loss) for the period attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

## Notes to the Standalone Financial Statements

## Note 3 : Property, Plant and Equipment

Amount ₹ in Crore

| Particulars                         | Freehold Land | Leasehold Land | Leasehold Improvements | Buildings     | Plant & Machinery | Furniture & Fixtures | Vehicles - Own | Computer Hardware | Office Equipments | Research Centre | Total           |
|-------------------------------------|---------------|----------------|------------------------|---------------|-------------------|----------------------|----------------|-------------------|-------------------|-----------------|-----------------|
| <b>Gross Carrying Amount</b>        |               |                |                        |               |                   |                      |                |                   |                   |                 |                 |
| Balance as at April 01, 2018        | 0.52          | 23.07          | -                      | 742.59        | 662.95            | 20.93                | 30.15          | 14.41             | 20.76             | 0.70            | 1,516.08        |
| Additions                           | -             | -              | -                      | 15.23         | 58.04             | 0.42                 | 2.86           | 1.86              | 0.70              | 0.27            | 79.38           |
| Disposals / Adjustments             | -             | -              | -                      | 38.60         | 24.27             | -                    | 1.40           | 0.15              | -                 | -               | 64.42           |
| <b>Balance as at March 31, 2019</b> | <b>0.52</b>   | <b>23.07</b>   | <b>-</b>               | <b>719.22</b> | <b>696.72</b>     | <b>21.35</b>         | <b>31.61</b>   | <b>16.12</b>      | <b>21.46</b>      | <b>0.97</b>     | <b>1,531.04</b> |
| Additions                           | 2.93          | -              | 4.99                   | 5.63          | 9.93              | 0.36                 | 4.06           | 1.90              | 0.44              | -               | 30.24           |
| Disposals / Adjustments             | -             | -              | -                      | 0.44          | 0.34              | 0.22                 | 1.76           | 0.36              | 0.05              | -               | 3.18            |
| <b>Balance as at March 31, 2020</b> | <b>3.45</b>   | <b>23.07</b>   | <b>4.99</b>            | <b>724.41</b> | <b>706.31</b>     | <b>21.48</b>         | <b>33.91</b>   | <b>17.66</b>      | <b>21.85</b>      | <b>0.97</b>     | <b>1,558.10</b> |
| <b>Accumulated Depreciation</b>     |               |                |                        |               |                   |                      |                |                   |                   |                 |                 |
| Balance upto March 31, 2018         | -             | 0.81           | -                      | 45.71         | 72.67             | 5.58                 | 10.67          | 10.62             | 9.75              | 0.20            | 156.01          |
| Additions                           | -             | 0.27           | -                      | 15.96         | 23.10             | 2.09                 | 3.92           | 1.89              | 3.87              | 0.12            | 51.22           |
| Disposals / Adjustments             | -             | -              | -                      | 1.50          | 2.09              | -                    | 0.93           | 0.13              | -                 | -               | 4.65            |
| <b>Balance upto March 31, 2019</b>  | <b>-</b>      | <b>1.08</b>    | <b>-</b>               | <b>60.17</b>  | <b>93.68</b>      | <b>7.67</b>          | <b>13.66</b>   | <b>12.38</b>      | <b>13.62</b>      | <b>0.32</b>     | <b>202.58</b>   |
| Additions                           | -             | 0.27           | 0.03                   | 16.10         | 23.58             | 2.05                 | 4.17           | 1.74              | 3.82              | 0.13            | 51.90           |
| Disposals / Adjustments             | -             | -              | -                      | 0.10          | 0.03              | 0.02                 | 0.94           | 0.33              | 0.00              | -               | 1.42            |
| <b>Balance upto March 31, 2020</b>  | <b>-</b>      | <b>1.35</b>    | <b>0.03</b>            | <b>76.17</b>  | <b>117.23</b>     | <b>9.70</b>          | <b>16.89</b>   | <b>13.79</b>      | <b>17.44</b>      | <b>0.45</b>     | <b>253.06</b>   |
| <b>Net Carrying Amount</b>          |               |                |                        |               |                   |                      |                |                   |                   |                 |                 |
| Balance as at April 01, 2018        | 0.52          | 22.26          | -                      | 696.88        | 590.28            | 15.35                | 19.48          | 3.79              | 11.01             | 0.50            | 1,360.07        |
| Balance as at March 31, 2019        | 0.52          | 21.99          | -                      | 659.05        | 603.04            | 13.68                | 17.95          | 3.74              | 7.84              | 0.65            | 1,328.46        |
| <b>Balance as at March 31, 2020</b> | <b>3.45</b>   | <b>21.72</b>   | <b>4.96</b>            | <b>648.24</b> | <b>589.07</b>     | <b>11.78</b>         | <b>17.01</b>   | <b>3.87</b>       | <b>4.41</b>       | <b>0.52</b>     | <b>1,305.05</b> |

## Notes :

1. Refer Note No 26 for disclosure of contractual commitments for the acquisition of Property, Plant and Equipment.
2. No Property, Plant and Equipment is pledged as security by the Company.
3. Additions to Property, Plant and Equipments includes ₹13.30 crore (previous year ₹19.18 crore) on account of Exchange Differences arising on conversion of Long Term Foreign Currency Monetary Items relating to acquisition of depreciable assets.
4. Buildings includes certain Office Premises given on lease in exchange for similar Office Premises in the same building. [Gross Block - ₹ 94.72 crore (previous year - ₹ 94.72 crore) and Net Carrying Amount - ₹ 87.40 crore (previous year - ₹ 88.90 crore)]
5. Addition to Accumulated Depreciation for Plant & Machinery includes provision for impairment of ₹ 0.27 crore (previous year ₹ 0.27 crore)

## Notes to the Standalone Financial Statements

### Note 3a : Investment Property

Amount ₹ in Crore

| Particulars                         | Freehold Land | Buildings     | Total         |
|-------------------------------------|---------------|---------------|---------------|
| <b>Gross Carrying Amount</b>        |               |               |               |
| Balance as at April 01, 2018        | 0.38          | 138.37        | 138.75        |
| Additions                           | -             | -             | -             |
| Disposals / Adjustments             | -             | (23.67)       | (23.67)       |
| <b>Balance as at March 31, 2019</b> | <b>0.38</b>   | <b>162.04</b> | <b>162.42</b> |
| Additions                           |               | 17.11         | 17.11         |
| Disposals / Adjustments             |               | 0.03          | 0.03          |
| <b>Balance as at March 31, 2020</b> | <b>0.38</b>   | <b>179.12</b> | <b>179.50</b> |
| <b>Accumulated Depreciation</b>     |               |               |               |
| Balance upto April 01, 2018         | -             | 6.73          | 6.73          |
| Additions                           | -             | 2.30          | 2.30          |
| Disposals / Adjustments             | -             | (1.45)        | (1.45)        |
| <b>Balance upto March 31, 2019</b>  | <b>-</b>      | <b>10.48</b>  | <b>10.48</b>  |
| Additions                           | -             | 2.65          | 2.65          |
| Disposals / Adjustments             | -             | 0.00          | 0.00          |
| <b>Balance upto March 31, 2020</b>  | <b>-</b>      | <b>13.12</b>  | <b>13.12</b>  |
| <b>Net Carrying Amount</b>          |               |               |               |
| Balance as at April 01, 2018        | 0.38          | 131.64        | 132.02        |
| Balance as at March 31, 2019        | 0.38          | 151.56        | 151.94        |
| Balance as at March 31, 2020        | 0.38          | 166.00        | 166.38        |
| <b>Fair Value</b>                   |               |               |               |
| As at April 01, 2018                | 4.15          | 189.94        | 194.09        |
| As at March 31, 2019                | 4.15          | 174.72        | 178.87        |
| As at March 31, 2020                | 4.15          | 186.75        | 190.90        |

Notes :

- Information regarding income and expenditure of Investment Property

Amount ₹ in Crore

| Particulars  | Year Ended<br>March 31, 2020 | Year Ended<br>March 31, 2019<br>(Restated) |
|--|------------------------------|--|
| Rental income derived from investment properties             | 7.69                         | 7.98                                       |
| Direct operating expenses                                    | 3.36                         | 5.45                                       |
| Gains arising from investment properties before depreciation | 4.32                         | 2.53                                       |
| Less - Depreciation  | 2.65                         | 2.30                                       |
| Gains arising from investment properties                     | 1.68                         | 0.23                                       |

## Notes to the Standalone Financial Statements

### Note 3a : Investment Property (Continued)

2. The Company's investment properties consist of 15 properties in India. The Management has determined that the investment property consists of two classes of assets - Land and Building - based on the nature, characteristics and risks of each property.

The Company has no restriction on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

3. The fair valuation is based on current prices in the active market for similar properties. The main inputs used are quantum, area, location, demand, age of building and trend of fair market rent in the location of the property.

The fair value is based on valuation performed by an accredited independent valuer. Fair valuation is based on replacement cost method. The fair value measurement is categorised in level 2 fair value hierarchy.

4. Reconciliation of Fair Value Amount ₹ in Crore

| Particulars   | Freehold Land | Buildings | Total   |
|---|---------------|-----------|---------|
| Opening balance as at April 01, 2018                          | 4.15          | 189.94    | 194.09  |
| Fair value changes  | -             | (38.89)   | (38.89) |
| Purchases   | -             | 23.67     | 23.67   |
| Opening balance as at April 01, 2019                          | 4.15          | 174.72    | 178.87  |
| Fair value changes  | -             | (5.07)    | (5.07)  |
| Purchases / Transfer from Property, Plant & Equipments (CWIP) | -             | 17.11     | 17.11   |
| Closing balance as at March 31, 2020                          | 4.15          | 186.75    | 190.90  |

### Note 3b : Other Intangible Assets

Amount ₹ in Crore

| Particulars                         | Computer Software |
|-------------------------------------|-------------------|
| <b>Gross Carrying Amount</b>        |                   |
| <b>Balance as at April 01, 2018</b> | <b>2.65</b>       |
| Additions                           | 1.37              |
| Disposals / Adjustments             | -                 |
| <b>Balance as at March 31, 2019</b> | <b>4.02</b>       |
| Additions                           | 1.36              |
| Disposals / Adjustments             | 0.14              |
| <b>Balance as at March 31, 2020</b> | <b>5.24</b>       |
| <b>Accumulated Depreciation</b>     |                   |
| <b>Balance upto April 01, 2018</b>  | <b>0.87</b>       |
| Additions                           | 0.78              |
| Disposals / Adjustments             | -                 |
| <b>Balance upto March 31, 2019</b>  | <b>1.65</b>       |
| Additions                           | 1.23              |
| Disposals / Adjustments             | 0.12              |
| <b>Balance upto March 31, 2020</b>  | <b>2.76</b>       |
| <b>Net Carrying Amount</b>          |                   |
| Balance as at April 01, 2018        | 1.78              |
| Balance as at March 31, 2019        | 2.37              |
| Balance as at March 31, 2020        | 2.48              |

## Notes to the Standalone Financial Statements

### Note 4 : Investments in Subsidiaries and Associate

Amount ₹ in Crore

| Particulars  | Note | Face Value | As at March 31, 2020 |                 | As at March 31, 2019 (Restated) |                 |
|--|------|------------|----------------------|-----------------|---------------------------------|-----------------|
|  |      |            | Number               | Amount          | Number                          | Amount          |
| Investment in Equity Instruments at Cost (Fully Paid up unless stated otherwise) |      |            |                      |                 |                                 |                 |
| (a) Quoted Investments   |      |            |                      |                 |                                 |                 |
| (i) Subsidiaries   |      |            |                      |                 |                                 |                 |
| Godrej Properties Limited  | a    | 5          | 12,44,09,820         | 762.36          | 12,44,09,820                    | 762.36          |
| Godrej Agrovet Limited   |      | 10         | 11,38,51,427         | 451.90          | 11,16,66,300                    | 340.48          |
| (ii) Associates  |      |            |                      |                 |                                 |                 |
| Godrej Consumer Products Limited   |      | 1          | 24,28,12,860         | 1,366.20        | 24,28,12,860                    | 1,366.20        |
| (b) Unquoted Investments   |      |            |                      |                 |                                 |                 |
| (i) Subsidiaries   |      |            |                      |                 |                                 |                 |
| Ensemble Holdings & Finance Limited  | a    | 10         | 65,74,597            | 0.52            | 65,74,597                       | 0.52            |
| Godrej International Limited (Isle of Man)                                       |      | £1         | 21,05,000            | 14.76           | 21,05,000                       | 14.76           |
| Godrej International Trading & Investments Pte. Limited                          |      | \$1        | 10,00,000            | 4.43            | 10,00,000                       | 4.43            |
| Godrej International Limited (Labuan) *  |      | \$1        | -                    | -               | -                               | -               |
| Natures Basket Limited   |      | 10         | -                    | -               | 44,58,30,000                    | 443.79          |
| Less : Provision for Impairment in the Value of Investment                       | b    |            |                      | -               |                                 | (243.79)        |
|  |      |            |                      | -               |                                 | 200.00          |
| Godrej One Premises Management Private Limited *                                 |      | 10         | 1,400                | 0.00            | 1,400                           | 0.00            |
| (ii) Associates  |      |            |                      |                 |                                 |                 |
| Personalitree Academy Ltd.   |      | 10         | 3,89,269             | 1.10            | 3,89,269                        | 1.10            |
| Share Application Money **   |      |            |                      | 0.03            |                                 | 0.03            |
| Less: Provision for Diminution in value of Investments                           |      |            |                      | (1.13)          |                                 | (1.13)          |
|  |      |            |                      | <u>2,600.17</u> |                                 | <u>2,688.75</u> |
| Aggregate Amount of Quoted Investments   |      |            |                      | 2,580.46        |                                 | 2,469.04        |
| Aggregate Amount of Unquoted Investments   |      |            |                      | 19.72           |                                 | 463.51          |
| Aggregate Amount of Impairment in Value of Investments                           |      |            |                      | -               |                                 | (243.79)        |
| Market Value of Quoted Investments   |      |            |                      | 35,121.70       |                                 | 32,502.25       |

\* Amount less than Rs. 0.01 crore.

\*\* Includes Rs. 300,000 paid towards share application money to Personalitree Academy Ltd.(an Associate Company) which is considered Doubtful.

### Notes

- a) The National Company Law Tribunal ("NCLT"), Mumbai bench vide its Order dated April 22, 2020 has approved the Scheme of Arrangement (Demerger) between Ensemble Holdings and Finance Limited (EHFL) and the Company. Consequent to the said Order and filing of the final certified Order with the Registrar of Companies, Maharashtra on May 14, 2020, the Scheme has become effective from the Appointed Date i.e. October 1, 2019. The Company has given effect of the Scheme in its Financial Statements for the year ended March 31, 2020 as per guidance set out in Ind AS Transition Facilitation Group (ITFG) Clarification Bulletin 14 (Issue 4). Accordingly, being a common control transaction, the Financial Statement for the year ended March 31, 2019 have been recast to reflect the impact of the Scheme (Refer Note 46). The investment in the shares of the Godrej Properties Limited (No. 13,82,310) have been transferred to the Company by the EHFL at the carrying value as appearing in the consolidated financial statement of the company amounting to ₹ 15.36 crores. The carrying value in the investment in equity shares of EHFL held by the company has been reduced by the ₹ 22.67 crore to bring the carrying value equivalent to the net assets to be retained by the EHFL, immediately after the demerger.

## Notes to the Standalone Financial Statements

### Note 4 : Investments in Subsidiaries and Associate (Continued)

- b) (i) The Company has recorded an impairment loss of ₹ 243.79 crore during the financial year 2018-19 on an investment in a subsidiary being the excess of its carrying amount over the estimated recoverable amount considering the current and future business outlook.(Refer Note No. 34).
- (ii) The Company, consequent to the approvals received from the Board of Directors on May 17, 2019 and from the shareholders on June 25, 2019 consummated the sale of Natures Basket Limited (NBL) a wholly owned subsidiary of the Company to Spencer's Retail Limited (SRL) on July 04, 2019 and received a sale consideration of ₹ 174.38 crore. Consequently, considering the provisions of Share Purchase Agreement (SPA) dated 17 May 2019 between the Company, NBL and SRL, additional loss of ₹ 25.62 crore are recorded in the standalone financial results for the year ended March 2020.

### Note 4a : Non Current Financial Assets - Other Investments

| Particulars   | Note | Face Value | Amount ₹ in Crore    |         |                                    |         |
|---|------|------------|----------------------|---------|------------------------------------|---------|
|   |      |            | As at March 31, 2020 |         | As at March 31, 2019<br>(Restated) |         |
|   |      |            | Number               | Amount  | Number                             | Amount  |
| 1 Investment in Equity Instruments (Fully Paid up unless stated otherwise)<br>At Fair Value Through Profit and Loss |      |            |                      |         |                                    |         |
| (a) Quoted Investments  |      |            |                      |         |                                    |         |
| Agro Tech Foods Ltd.*   |      | 10         | 1                    | 0.00    | 1                                  | 0.00    |
| Colgate Palmolive India Ltd.*   |      | 1          | 2                    | 0.00    | 2                                  | 0.00    |
| Dabur India Ltd.*   |      | 1          | 6                    | 0.00    | 6                                  | 0.00    |
| Hindustan Unilever Ltd. *   |      | 1          | 751                  | 0.17    | 751                                | 0.13    |
| Gillette India Ltd.*  |      | 10         | 1                    | 0.00    | 1                                  | 0.00    |
| Marico Ltd.*  |      | 1          | 80                   | 0.00    | 80                                 | 0.00    |
| Procter & Gamble Hygiene & Health Care Ltd.*  |      | 10         | 1                    | 0.00    | 1                                  | 0.00    |
| Venkys India Ltd.*  |      | 10         | 1                    | 0.00    | 1                                  | 0.00    |
| Advanced Enzyme Technologies Ltd.   |      | 2          | 3,000                | 0.04    | 3,000                              | 0.05    |
| Bajaj Finance Ltd.(F.V. change from ₹10 to ₹2)  |      | 2          | 450                  | 0.10    | 450                                | 0.14    |
| Cera Sanitaryware Ltd.  |      | 5          | 1,189                | 0.27    | 1,189                              | 0.37    |
| DCM Ltd.  |      | 10         | 10,000               | 0.02    | 5,000                              | 0.03    |
| HDFC Bank Ltd.  |      | 2          | 444                  | 0.04    | 222                                | 0.05    |
| Infosys Ltd.  |      | 5          | 610                  | 0.04    | 610                                | 0.05    |
| Just Dial Ltd   |      | 10         | 82                   | 0.00    | 82                                 | 0.00    |
| KSE Limited   |      | 10         | 65,467               | 7.20    | 65,467                             | 9.16    |
| Maruti Suzuki India Ltd.  |      | 5          | 50                   | 0.02    | 50                                 | 0.03    |
| Ruchi Soya Ltd*   | a    | 2          | 35                   | 0.00    | 3,532                              | 0.00    |
| Ujjivan Financial Services Ltd.   |      | 10         | 12,204               | 0.18    | 12,204                             | 0.42    |
| Vadilal Industries Ltd.   |      | 10         | 2,000                | 0.09    | 2,000                              | 0.12    |
| Whirlpool of India Ltd.   |      | 10         | 500                  | 0.09    | 500                                | 0.08    |
| Zicom Electronics Sec. System Ltd.  |      | 10         | 1,73,918             | 0.02    | 1,73,918                           | 0.08    |
| Bharat Petroleum  |      | 10         | 2,000                | 0.06    | 2,000                              | 0.08    |
| Wockhardt Ltd.  |      | 5          | 1,000                | 0.02    | 1,000                              | 0.04    |
|   |      |            |                      | 8.38    |                                    | 10.85   |
| (b) Unquoted Investments  |      |            |                      |         |                                    |         |
| Bharuch Eco-Aqua Infrastructure Ltd.  |      | 10         | 4,40,000             | 0.44    | 4,40,000                           | 0.44    |
| Less : Provision for Impairment in the Value of Investment  |      |            |                      | (0.44)  |                                    | (0.44)  |
|   |      |            |                      | -       |                                    | -       |
| Avesthagen Ltd.   |      | 7          | 4,69,399             | 12.43   | 4,69,399                           | 12.43   |
| Less : Provision for Impairment in the Value of Investment  |      |            |                      | (12.43) |                                    | (12.43) |
|   |      |            |                      | -       |                                    | -       |
| CBay Infotech Ventures Pvt. Ltd.  |      | 10         | 1,12,579             | 2.33    | 1,12,579                           | 2.33    |
| Less : Provision for Impairment in the Value of Investment  |      |            |                      | (2.33)  |                                    | (2.33)  |
|   |      |            |                      | -       |                                    | -       |



## Notes to the Standalone Financial Statements

### Note 4a : Non Current Financial Assets - Other Investments (Continued)

| Particulars   | Note | Face Value | Amount ₹ in Crore    |         |                                    |         |
|---|------|------------|----------------------|---------|------------------------------------|---------|
|   |      |            | As at March 31, 2020 |         | As at March 31, 2019<br>(Restated) |         |
|   |      |            | Number               | Amount  | Number                             | Amount  |
| Gharda Chemicals Ltd.   | b    | 100        | 114                  | 0.12    | 114                                | 0.12    |
| Less : Provision for Impairment in the Value of Investment                |      |            |                      | (0.12)  |                                    | (0.12)  |
|   |      |            |                      | -       |                                    | -       |
| HyCa Technologies Pvt. Ltd.   |      | 10         | 12,436               | 1.24    | 12,436                             | 1.24    |
| Less : Provision for Impairment in the Value of Investment                |      |            |                      | (1.24)  |                                    | (1.24)  |
|   |      |            |                      | -       |                                    | -       |
| Tahir Properties Ltd (Partly paid) *                                      | c    | 100        | 25                   | 0.00    | 25                                 | 0.00    |
| Boston Analytics Inc.   |      | \$1        | 13,54,129            | 6.91    | 13,54,129                          | 6.91    |
| Less : Provision for Impairment in the Value of Investment                |      |            |                      | (6.91)  |                                    | (6.91)  |
|   |      |            |                      | -       |                                    | -       |
| The Saraswat Co-op Bank Ltd.  |      | 10         | 1,000                | 0.02    | 1,000                              | 0.02    |
| Isprava Vesta Pvt. Ltd. (previously known as Isprava Technologies Ltd.)   |      | 10         | 2,31,171             | 0.04    | 1,95,831                           | 0.04    |
| Isprava Hospitality Pvt. Ltd.   |      | 10         | -                    | 0.04    | -                                  | -       |
| Clean Max Enviro Energy Solution Pvt Ltd.                                 |      | 10         | 3,133                | 1.01    | 3,133                              | 1.01    |
| Brookings Institution India Centre*                                       |      | 100        | 125                  | 0.00    | 125                                | 0.00    |
| 2 Investment in Preference Shares (Fully Paid up unless stated otherwise) |      |            |                      |         |                                    |         |
| At Fair Value Through Profit and Loss                                     |      |            |                      |         |                                    |         |
| (a) Unquoted Investment   |      |            |                      |         |                                    |         |
| Tahir Properties Ltd (Class - A) (partly paid) *                          |      | 100        | 25                   | 0.00    |                                    | 0.00    |
| Less: Forfeited*  |      |            |                      | (0.00)  |                                    | (0.00)  |
|   |      |            |                      | -       |                                    | -       |
| 3 Investment in Partnership Firms   |      |            |                      |         |                                    |         |
| At Fair Value Through Profit and Loss                                     |      |            |                      |         |                                    |         |
| View Group LP *   | d    |            |                      | 0.00    |                                    | 0.00    |
| Less : Provision for Impairment in the Value of Investment                |      |            |                      | (0.00)  |                                    | 0.00    |
|   |      |            |                      | -       |                                    | -       |
| 4 Investment in Units of Venture Capital Fund                             |      |            |                      |         |                                    |         |
| At Fair Value Through Profit and Loss                                     |      |            |                      |         |                                    |         |
| Indian Fund for Sustainable Energy (Infuse Capital)                       |      | 100        | 3,39,959             | 4.26    | 3,27,864                           | 4.54    |
|   |      |            |                      | 13.75   |                                    | 16.46   |
| Aggregate Amount of Quoted Investments                                    |      |            |                      | 8.38    |                                    | 10.85   |
| Aggregate Amount of Unquoted Investments                                  |      |            |                      | 28.84   |                                    | 29.08   |
| Aggregate Amount of Impairment in Value of Investments                    |      |            |                      | (23.47) |                                    | (23.47) |
| Market Value of Quoted Investments  |      |            |                      | 8.38    |                                    | 10.85   |

\* Amount less than ₹ 0.01 crore.

#### Notes

- a "During the year as per the Resolution Plan approved by Hon'ble NCLT, the issued, subscribed and paid-up equity capital of the Ruchi Soya Ltd stand reduced from ₹ 66,82,01,444/- consisting of 33,41,00,722 equity shares of face value of ₹ 2/- each to ₹ 66,82,014/- consisting of 33,41,007 equity shares of ₹ 2/- each thereby reducing the value of issued, subscribed & paid-up equity share capital of the Company by ₹ 66,15,19,430 divided into 33,07,59,715 equity shares of ₹ 2/- each. Accordingly the number of shares of Ruchi Soya Ltd held by GIL has been reduced from 3532 to 35 shares."
- b The said shares have been refused for registration by the investee company.
- c Uncalled Liability on partly paid shares  
- Tahir Properties Ltd. - Equity - ₹ 80 per share (Previous year - ₹ 80 per share).
- d View Group LP has been dissolved on December 14, 2012, however, the Company has still not received an approval from RBI for writing-off the investment.

## Notes to the Standalone Financial Statements

### Note 5 : Non Current Financial Assets - Loans

Amount ₹ in Crore

| Particulars   | As at March 31, 2020                     |                       | As at March 31, 2019<br>(Restated)       |                       |
|---|--|-----------------------|--|-----------------------|
|   | Maximum<br>Balance<br>During the<br>Year | Amount<br>outstanding | Maximum<br>Balance<br>During the<br>Year | Amount<br>outstanding |
| 1 Security Deposits   |  |                       |  |                       |
| (a) Unsecured and Considered Good   |  | 4.05                  |  | 3.05                  |
| (b) Unsecured and Considered Doubtful<br>Less : Allowance for Bad and Doubtful Deposit                  | 0.95<br>(0.95)                           |                       | 0.95<br>(0.95)                           |                       |
|   |  | -                     |  | -                     |
| 2 Other Loans   |  |                       |  |                       |
| (a) Secured and Considered Doubtful (Refer note 2 below)<br>Less : Allowance for Bad and Doubtful Loans | 10.33<br>(10.33)                         |                       | 10.33<br>(10.33)                         |                       |
|   |  | -                     |  | -                     |
| (b) Unsecured and Considered Good<br>Loans to employees   |  | 0.79                  |  | 0.67                  |
| (c) Unsecured and Considered Doubtful*<br>Less : Allowance for Bad and Doubtful Deposit                 | 0.00<br>(0.00)                           |                       |  |                       |
|   |  | 4.84                  |  | 3.72                  |

\* Amount less than ₹ 0.01 crore.

#### Notes

- There are no loans which have significant increase in credit risk.
- The Company had advanced an amount of ₹ 10.33 crore to certain individuals who also pledged certain equity shares as security against the said advance. The Company has enforced its security and lodged the shares for transfer in its name. The said transfer application was rejected and Company has preferred an appeal to the Company Law Board (CLB). The CLB rejected the application and advised the parties to approach the High Court. The Company had filed an appeal before the Honorable High Court against the order of the Company Law Board under section 10 F of the Companies Act, which was disposed of with the direction to keep the transfer of shares in abeyance till the arbitration proceedings between the parties are on. The Honorable Bombay High Court passed an interim order dated September 18, 2012, restraining the Company from interalia, dealing, selling or creating third party rights, etc. in the pledged shares and referred the matter to arbitration. The Company had filed a Special Leave Petition (SLP) before the Supreme Court against this interim order of the Honorable Bombay High Court which the Supreme Court has dismissed and the matter is presently before the Arbitrator. Single Arbitrator, Justice (Retired), A.P. Shah on 29<sup>th</sup> June 2019 passed an Award ruling that Godrej Industries Ltd shall return all the pledged shares along with the original loan –cum- pledge agreements and the Power of Attorneys executed by the said individuals in favor of Godrej Industries Ltd to the said individuals upon the said Individuals repaying an amount of ₹10.33 crores to Godrej Industries Ltd.  
Godrej Industries Ltd, challenged this Award before the Hon'ble High Court of Bombay by way of Section 34 petition under the Arbitration & Conciliation Act. 1996. Hon'ble Bombay High Court by its Order dated 13/09/2019 has now stayed the operation of the said Award dated 29<sup>th</sup> June 2019 till the said Section 34 Petition is finally disposed of. The matter is now pending before the Bombay High Court.  
The Management is confident of recovery of this amount as underlying value of the said shares is substantially greater than the amount of loan and interest thereon. However, on a conservative basis, the Company has provided for the entire amount of ₹ 10.33 crore in the books of account.
- Details of Loans under section 186 (4) of Companies Act, 2013.

Amount ₹ in Crore

| Particulars                                     | As at Mar 31, 2020                       |                       | As at Mar 31, 2019<br>(Restated)         |                       |
|---|--|-----------------------|--|-----------------------|
|   | Maximum<br>Balance<br>During the<br>Year | Amount<br>outstanding | Maximum<br>Balance<br>During the<br>Year | Amount<br>outstanding |
| 1 Loans where there is no repayment schedule    |  |                       |  |                       |
| (i) Federal & Rashmikant                        | 5.83                                     | 5.83                  | 5.83                                     | 5.83                  |
| (ii) M/s Dhruv & Co. (Regd.)                    | 4.18                                     | 4.18                  | 4.18                                     | 4.18                  |
| (iii) D. R. Kavasmeneck & Dr. P. R. Kavasmeneck | 0.32                                     | 0.32                  | 0.32                                     | 0.32                  |
| 2 Loans to Employees                            | 0.79                                     | 0.79                  | 0.67                                     | 0.67                  |

## Notes to the Standalone Financial Statements

### Note 6 : Non Current Financial Assets - Others

Amount ₹ in Crore

| Particulars  | As at March 31, 2020 | As at March 31, 2019<br>(Restated) |
|--|----------------------|------------------------------------|
| 1 Bank Deposit with more than 12 months maturity   | -                    | 1.11                               |
| 2 Secured  |                      |                                    |
| (a) Interest Accrued on Loans (Refer Note 1 below) | 3.15                 | 3.15                               |
| Provision for Doubtful Interest Accrued            | (3.15)               | (3.15)                             |
|  | -                    | -                                  |
| 3 Unsecured  |                      |                                    |
| (a) Interest Accrued on Loans                      | 1.03                 | 1.03                               |
| Provision for Doubtful Interest Accrued            | (1.03)               | (1.03)                             |
|  | -                    | -                                  |
| 4 Balances with Statutory Authorities              | 2.59                 | 9.79                               |
|  | <b>2.59</b>          | <b>10.90</b>                       |

#### Note

- 1 Interest on loan referred to in sub note (2) under Note 5 - Non Current Loans, amounting to ₹ 3.15 crore was accrued upto March 31, 2000 and has been fully provided for, no interest is being accrued thereafter.

### Note 7 : Deferred Tax Assets (Net)

Amount ₹ in Crore

| Particulars                                      | As at<br>March 31, 2020 | As at<br>March 31, 2019<br>(Restated) |
|--|-------------------------|---------------------------------------|
| 1 Liabilities                                    |                         |                                       |
| (a) Written Down Value of Assets                 | 201.87                  | 177.98                                |
| (b) Others (Related to EHFL Demerger)            | 0.58                    | 0.58                                  |
| 2 Assets   |                         |                                       |
| (a) Provision for Employee Benefits              | 1.59                    | 1.60                                  |
| (b) Provision for Doubtful Debts / Advances      | 8.46                    | 8.43                                  |
| (c) Other Provisions                             | 10.58                   | 9.76                                  |
| (d) Unabsorbed Depreciation                      | 181.24                  | 158.19                                |
| (e) Investments (Acquisition on account of EHFL) | 0.03                    | 0.03                                  |
| (f) Indexation benefit on Land                   | 0.99                    | 0.94                                  |
| Deferred Tax Assets (net) - (Refer note 36)      | <b>0.44</b>             | <b>0.39</b>                           |

### Note 8 : Other Non Current Assets

Amount ₹ in Crore

| Particulars                         | As at<br>March 31, 2020 | As at<br>March 31, 2019<br>(Restated) |
|-------------------------------------|-------------------------|---------------------------------------|
| 1 Capital Advances                  |                         |                                       |
| Considered Good                     | 8.27                    | 15.91                                 |
| 2 Other Advances                    |                         |                                       |
| Deposits with Statutory Authorities | -                       | 2.67                                  |
| 3 Prepaid Expenses                  | 0.73                    | 0.28                                  |
|                                     | <b>9.00</b>             | <b>18.86</b>                          |

## Notes to the Standalone Financial Statements

### Note 9 : Inventories

Amount ₹ in Crore

| Particulars   | As at<br>March 31, 2020 | As at<br>March 31, 2019<br>(Restated) |
|---|-------------------------|---------------------------------------|
| 1 Raw Materials [includes Goods in transit ₹ 21.65 crore (previous year ₹ 29.42 crore)]   | 94.47                   | 134.50                                |
| 2 Packing Material  | 2.99                    | 2.91                                  |
| 3 Work in Progress  | 80.23                   | 75.88                                 |
| 4 Finished Goods [includes Goods in transit ₹ 18.23 crore, (previous year ₹ 15.94 crore)] | 67.19                   | 78.24                                 |
| 5 Stock in Trade  | 0.07                    | 0.32                                  |
| 6 Stores and Spares   | 8.89                    | 9.01                                  |
|   | <b>253.84</b>           | <b>300.86</b>                         |

#### Notes

- Inventories are valued at lower of cost and net realisable value. Cost is computed on weighted average basis and is net of GST Input Tax Credit.
- Working capital facilities sanctioned by banks under consortium arrangement are secured by hypothecation of stocks.

### Note 10 : Current Financial Assets - Investments

Amount ₹ in Crore

| Particulars  | Note | Face Value   | As at<br>March 31, 2020 | As at<br>March 31, 2019<br>(Restated) |
|--|------|--------------|-------------------------|---------------------------------------|
| 1 Other Investment   |      |              |                         |                                       |
| (a) Unquoted Investment                                    |      |              |                         |                                       |
| Optionally Convertible Loan Notes/Promissory Notes         |      |              |                         |                                       |
| Boston Analytics Inc. (15%)                                | a    | \$ 7,50,000  | 3.00                    | 3.00                                  |
| Less : Provision for Impairment in the Value of Investment |      |              | (3.00)                  | (3.00)                                |
|  |      |              | -                       | -                                     |
| Boston Analytics Inc. (20%)                                | a    | \$ 15,50,000 | 6.73                    | 6.73                                  |
| Less : Provision for Impairment in the Value of Investment |      |              | (6.73)                  | (6.73)                                |
|  |      |              | -                       | -                                     |
| Boston Analytics Inc. (12%)                                | b    | \$ 9,50,000  | 4.69                    | 4.69                                  |
| Less : Provision for Impairment in the Value of Investment |      |              | (4.69)                  | (4.69)                                |
|  |      |              | -                       | -                                     |
|  |      |              | -                       | -                                     |
| Aggregate Amount of Quoted Investments                     |      |              | -                       | -                                     |
| Aggregate Amount of Unquoted Investments                   |      |              | 14.42                   | 14.42                                 |
| Aggregate Amount of Impairment in Value of Investments     |      |              | (14.42)                 | (14.42)                               |
| Market Value of Quoted Investments                         |      |              | -                       | -                                     |

#### Notes

- The Optionally Convertible Promissory Notes (15%) of Boston Analytics Inc. in respect of which the Company did not exercise the conversion option and Boston Analytics Inc. promissory notes (20%) where there was a partial conversion option which the Company did not exercise, were due for redemption on June 30, 2009 and August 21, 2009, respectively. The said promissory notes have not been redeemed as of the Balance Sheet date and have been fully provided for.
- 12% promissory notes were repayable on or before December 31, 2011, along with interest on maturity. The said promissory notes have not been redeemed as of the Balance Sheet date and have been fully provided for.

## Notes to the Standalone Financial Statements

### Note 11 : Current Financial Assets - Trade Receivables

Amount ₹ in Crore

| Particulars  | As at<br>March 31, 2020 | As at<br>March 31, 2019<br>(Restated) |
|--|-------------------------|---------------------------------------|
| 1 Secured and Considered Good (Refer Note 1 below) | 8.74                    | 10.42                                 |
| 2 Unsecured and Considered Good                    | 191.17                  | 168.81                                |
| 3 Unsecured and Considered Doubtful                | 3.17                    | 3.11                                  |
| Less : Allowance for Bad and Doubtful Debt         | (3.17)                  | (3.11)                                |
|  | -                       | -                                     |
|  | <b>199.91</b>           | <b>179.23</b>                         |

#### Note

Secured by Security Deposits collected from Customers, Letter of Credit or Bank Guarantees held against them.

### Note 12 a : Current Financial Assets - Cash and Cash Equivalents

Amount ₹ in Crore

| Particulars                                     | As at<br>March 31, 2020 | As at<br>March 31, 2019<br>(Restated) |
|---|-------------------------|---------------------------------------|
| 1 Balances with Banks                           |                         |                                       |
| (a) Current Accounts                            | 317.32                  | 483.18                                |
| (b) Deposits having maturity less than 3 months | -                       | 28.93                                 |
| 2 Cheques, Drafts on Hand                       | -                       | 0.27                                  |
| 3 Cash on Hand                                  | 0.39                    | 0.35                                  |
|   | <b>317.71</b>           | <b>512.73</b>                         |

### Note 12 b : Current Financial Assets - Other Bank Balances

Amount ₹ in Crore

| Particulars   | As at<br>March 31, 2020 | As at<br>March 31, 2019<br>(Restated) |
|---|-------------------------|---------------------------------------|
| 1 Deposits with more than 3 months but less than 12 months maturity | 25.50                   | 0.96                                  |
| 2 Other Bank Balances (Refer Note 1 below)                          | 0.37                    | 1.15                                  |
|   | <b>25.87</b>            | <b>2.11</b>                           |

#### Notes

Other Bank Balances include :

- Balance of ₹ 0.37 crore (previous year ₹ 0.33 crore) unclaimed dividends.

## Notes to the Standalone Financial Statements

### Note 13 : Current Financial Assets - Loans

Amount ₹ in Crore

| Particulars                             | As at March 31, 2020 |             | As at March 31, 2019 (Restated) |             |
|---|----------------------|-------------|---------------------------------|-------------|
| 1 Unsecured Loans                       |                      |             |                                 |             |
| (a) Inter Corporate Deposit             |                      |             |                                 |             |
| Considered Good                         | -                    |             | -                               |             |
| Considered Doubtful                     | 5.77                 |             | 5.77                            |             |
| Provision for Doubtful Deposit          | (5.77)               |             | (5.77)                          |             |
|   |                      | -           |                                 | -           |
| (b) Current Maturity of Long term Loans |                      |             |                                 |             |
| Considered Good                         | 0.26                 |             | 0.17                            |             |
| Considered Doubtful *                   | -                    |             | -                               |             |
| Provision for Doubtful Loan *           | -                    |             | -                               |             |
|   |                      | 0.26        |                                 | 0.17        |
|   |                      | <b>0.26</b> |                                 | <b>0.17</b> |

\* Amount less than ₹ 0.01 crore.

#### Note

Details of Loans as per section 186 (4) of Companies Act, 2013.

Amount ₹ in Crore

| Particulars                                       | As at March 31, 2020            |                    | As at March 31, 2019 (Restated) |                    |
|---|---------------------------------|--------------------|---------------------------------|--------------------|
|   | Maximum Balance During the Year | Amount outstanding | Maximum Balance During the Year | Amount outstanding |
| 1 Loans to Employees                              | 0.26                            | 0.26               | 0.17                            | 0.17               |
| 2 Inter Corporate Deposit<br>Tricom India Limited | 5.77                            | 5.77               | 5.77                            | 5.77               |

### Note 14 : Current Financial Assets - Others

Amount ₹ in Crore

| Particulars   | As at March 31, 2020 | As at March 31, 2019 (Restated) |
|---|----------------------|---------------------------------|
| 1 Other Receivables                                     | 21.06                | 13.90                           |
| 2 Fair Value of Derivative Contracts/ Forward Contracts | 0.11                 | 0.06                            |
| 3 Interest Accrued on Loans and Deposits                | 0.78                 | 0.04                            |
| 4 Export Benefits Receivables                           | 0.26                 | 0.30                            |
| 5 Others (Margin Money) (Refer Note 1 below)            | 1.46                 | 1.45                            |
|   | <b>23.67</b>         | <b>15.75</b>                    |

#### Note

Others (Margin Money) include :

- Fixed Deposit of ₹ 1.46 crore (previous year ₹ 0.19 crore) held by the bank as security against guarantees issued.

## Notes to the Standalone Financial Statements

### Note 15 : Other Current Assets

Amount ₹ in Crore

| Particulars                             | As at March 31, 2020 | As at March 31, 2019<br>(Restated) |
|---|----------------------|------------------------------------|
| 1 Deposits                              |                      |                                    |
| (a) Deposits with Statutory Authorities | 1.68                 | 3.88                               |
| (b) Other Deposits                      | 3.09                 | 2.60                               |
|   | 4.77                 | 6.48                               |
| 2 Other Advances                        |                      |                                    |
| (a) Advance to Suppliers                |                      |                                    |
| Considered Good                         | 4.20                 | 7.58                               |
| Considered Doubtful                     | 0.74                 | 0.74                               |
| Provision for Doubtful Advances         | (0.74)               | (0.74)                             |
|   | 4.20                 | 7.58                               |
| (b) Employee Advance                    | 0.01                 | 0.02                               |
| (c) Prepaid and other advances          | 20.00                | 19.80                              |
| 3 Export Benefits Receivables           | 4.46                 | 9.09                               |
|   | 33.44                | 42.96                              |

## Notes to the Standalone Financial Statements

## Note 16 : Equity

Amount ₹ in Crore

| Particulars   | As at March 31, 2020 |                      | As at March 31, 2019<br>(Restated) |                      |
|---|----------------------|----------------------|------------------------------------|----------------------|
|   | Nos                  | Amount<br>₹ in Crore | Nos                                | Amount<br>₹ in Crore |
| <b>1 Authorised Share Capital</b>   |                      |                      |                                    |                      |
| (a) Equity shares of Re. 1 each   | 80,00,00,000         | 80.00                | 80,00,00,000                       | 80.00                |
| (b) Unclassified Shares of ₹ 10 each  | 10,00,00,000         | 100.00               | 10,00,00,000                       | 100.00               |
|   |                      | <u>180.00</u>        |                                    | <u>180.00</u>        |
| <b>2 Issued, Subscribed and Paid up Share Capital</b>   |                      |                      |                                    |                      |
| Equity Shares of Re. 1 each fully paid up   | 33,64,66,016         | 33.65                | 33,63,84,367                       | 33.64                |
| Par Value of Equity Share is Re. 1 each   |                      |                      |                                    |                      |
| Par Value of Unclassified Share is ₹ 10 each  |                      |                      |                                    |                      |
| <b>3 Reconciliation of number of Shares</b>   |                      |                      |                                    |                      |
| Equity Shares   |                      |                      |                                    |                      |
| Number of Shares outstanding at the beginning of the year   | 33,63,84,367         | 33.64                | 33,62,72,731                       | 33.63                |
| Issued during the year  | 81,649               | 0.01                 | 1,11,636                           | 0.01                 |
| Number of Shares outstanding at the end of the year   | <u>33,64,66,016</u>  | <u>33.65</u>         | <u>33,63,84,367</u>                | <u>33.64</u>         |
| <b>4 Rights, Preferences And Restrictions attached to Shares</b>  |                      |                      |                                    |                      |
| Equity Shares : The Company has one class of equity shares. Each equity share entitles the holder to one vote. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholding. |                      |                      |                                    |                      |
| <b>5 Share Holding Information</b>  |                      |                      |                                    |                      |
| (a) Shareholders holding more than 5% of Equity Shares in the Company:  |                      |                      |                                    |                      |
| Rishad Kaikhushru Naorji (As a Partner of RKN Enterprises)- 12.66% (previous year 12.66%)   | 4,25,83,272          | 4.26                 | 4,25,83,272                        | 4.26                 |
| Godrej Foundation - 13.38% (previous year 13.38%)   | 4,50,14,972          | 4.50                 | 4,50,14,972                        | 4.50                 |
| <b>6 Equity Shares Reserved for Issue Under Employee Stock Grant (₹ 1 each)</b>   |                      |                      |                                    |                      |
| Employee Stock Grant for which vesting date shall be such date as may be decided by the Compensation Committee (*)  |                      |                      |                                    |                      |
| (a) Employee Stock Grant vesting on 31/05/19  | -                    | -                    | 90,785                             | 0.01                 |
| (b) Employee Stock Grant vesting on 13/05/20  | 19,063               | 0.00                 | -                                  | -                    |
| (c) Employee Stock Grant vesting on 31/05/20  | 42,251               | 0.00                 | 50,655                             | 0.01                 |
| (d) Employee Stock Grant vesting on 13/05/21  | 19,063               | 0.00                 | -                                  | -                    |
| (e) Employee Stock Grant vesting on 31/05/21  | 16,341               | 0.00                 | 19,589                             | 0.00                 |
| (f) Employee Stock Grant vesting on 13/05/22  | 19,063               | 0.00                 | -                                  | -                    |
| The exercise period in respect of the stock grants mentioned above is one month.  |                      |                      |                                    |                      |



## Notes to the Standalone Financial Statements

### Note 16 : Equity (Continued)

#### 7 During the period of five years immediately preceeding the date as at which the Balance Sheet is prepared :

Pursuant to the Scheme of Amalgamation of Vora Soaps Limited (VSL) with the Company 19,39,04,681 equity shares allotted as fully paid up to the Equity and Preference Shareholders of VSL.

Pursuant to the Scheme of Amalgamation of Wadala Commodities Limited (WCL) with the Company :

- (i) 2,00,243 equity shares allotted as fully paid up to the Equity Shareholders of WCL and 10 equity shares allotted as fully paid up to the Preference Shareholders of WCL, without payment being received in cash.
- (ii) 67,627 equity shares have been allotted as fully paid up bonus shares to the non-promoter shareholders of the Company.

#### 8 There are no calls unpaid.

#### 9 There are no forfeited shares.

(\*) Amount less than ₹ 0.01 crore.

### Notes

- 1 On December 14, 2018, the National Company Law Tribunal ("NCLT"), Mumbai bench vide its Order approved the Scheme of Amalgamation of Vora Soaps Limited (VSL) with the Company. Consequent to the said Order and filing of the final certified Orders with the Registrar of Companies, Maharashtra on December 24, 2018, the Scheme has become effective from the Appointed Date of December 14, 2017. According to the Scheme, the Company cancelled 19,39,04,681 equity shares held by VSL and issued 19,39,04,681 fully paid Equity Shares as a consideration to the Equity and Preference shareholders of Vora Soaps Limited.
- 2 In the FY 2014-15, the Honourable Bombay High Court and High Court of Madhya Pradesh, Indore Bench, approved a Scheme of Amalgamation ("Scheme") of Wadala Commodities Limited (WCL) with the Company effective from April 1, 2014, being the appointed date. The Effective Date was November 21, 2014, being the date of filing the approval of the Respective High Courts with the ROC. Accordingly, the Company had issued 200,243 equity shares of the Company in lieu of the equity shares in WCL and 10 equity shares of the Company in lieu of the preference shares in WCL held by the shareholders of the erstwhile WCL and also issued 67,504 bonus equity shares of the Company to the non-promoter shareholders of the Company.

## Notes to the Standalone Financial Statements

### Note 17 : Other Equity

#### A Summary of Other Equity Balances

Amount ₹ in Crore

| Particulars                     | As at<br>March 31, 2020 | As at<br>March 31, 2019<br>(Restated) |
|---------------------------------|-------------------------|---------------------------------------|
| 1 Capital Redemption Reserve    | 31.46                   | 31.46                                 |
| 2 Securities Premium Account    | 916.63                  | 912.76                                |
| 3 Capital Reserve               | 46.25                   | 46.25                                 |
| 4 Employee Stock Grants Reserve | 4.31                    | 5.69                                  |
| 5 General Reserve               | 52.70                   | 52.70                                 |
| 6 Retained Earnings             | 545.64                  | 560.48                                |
|                                 | <b>1,596.99</b>         | <b>1,609.34</b>                       |

Refer Statement of Changes in Equity for detailed movement in Other Equity balances

#### B Nature and purpose of reserve

- Capital Redemption Reserve : The Company recognised Capital Redemption Reserve on buyback of equity shares from its retained earnings.
- Securities Premium Account : The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium reserve. This Reserve can be used only for the purposes specified in the Companies Act, 2013.
- Capital Reserve : During amalgamation, the excess of net assets taken, over the cost of consideration paid is treated as capital reserve.
- Employee Stock Grants Outstanding : The fair value of the equity-settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to Employee Stock Options Outstanding Account.
- 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.
- Retained Earnings : Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

## Notes to the Standalone Financial Statements

### Note 18 : Non Current Financial Liabilities - Borrowings

Amount ₹ in Crore

| Particulars                             | As at<br>March 31, 2020 | As at<br>March 31, 2019<br>(Restated) |
|---|-------------------------|---------------------------------------|
| Unsecured Borrowings                    |                         |                                       |
| Term Loans                              |                         |                                       |
| (i) From Banks (Refer Note 1 & 2 below) | 562.50                  | 625.00                                |
|   | <b>562.50</b>           | <b>625.00</b>                         |

#### Notes:

1. Unsecured Loans from Banks

Amount ₹ in Crore

| Particulars  | As at<br>March 31, 2020 | As at<br>March 31, 2019<br>(Restated) |
|--|-------------------------|---------------------------------------|
| Loan carries interest at Fixed rate of 8.50% p.a for an original term upto 60 months and repayable starting June 2018 to March 2022. | 31.25                   | 62.50                                 |
| Loan carries interest at 1 year MCLR for an original term upto 60 months and repayable starting June 2018 to March 2022.             | 22.50                   | 45.00                                 |
| Loan carries interest at 1 year MCLR for an original term upto 60 months and repayable starting July 2018 to April 2022.             | 8.75                    | 17.50                                 |
| Loan carries interest at 1 year MCLR for an original term upto 72 months and repayable starting March 2022 to March 2025             | 500.00                  | 500.00                                |

2. The Company does not have any default as on the Balance Sheet date in repayment of loan or interest.

### Note 19 : Non Current Provisions

Amount ₹ in Crore

| Particulars                            | As at<br>March 31, 2020 | As at<br>March 31, 2019<br>(Restated) |
|--|-------------------------|---------------------------------------|
| Provision for Employee Benefits        |                         |                                       |
| (a) Provision for Gratuity             | 8.32                    | 4.32                                  |
| (b) Provision for Compensated absences | 2.78                    | 2.69                                  |
| (c) Provision for Pension              | 1.23                    | 1.15                                  |
| (d) Provision for other Benefits       | 0.66                    | 0.57                                  |
|  | <b>12.99</b>            | <b>8.73</b>                           |

## Notes to the Standalone Financial Statements

### Note 20 : Current Financial Liabilities - Borrowings

Amount ₹ in Crore

| Particulars                                | As at<br>March 31, 2020 | As at<br>March 31, 2019<br>(Restated) |
|--|-------------------------|---------------------------------------|
| 1 Secured Borrowings                       |                         |                                       |
| (a) Short Term Loans                       |                         |                                       |
| (i) From Banks (Refer Note 1 below)        | -                       | 10.00                                 |
| 2 Unsecured Borrowings                     |                         |                                       |
| (a) Loans Repayable on Demand              |                         |                                       |
| (i) From Banks (Refer Note 2 below)        | 100.79                  | 91.58                                 |
| (b) Short Term Loans                       |                         |                                       |
| (i) From Banks (Refer Note 2 below)        | 1,230.00                | 1,245.00                              |
| (c) Other Loans                            |                         |                                       |
| (i) Commercial Papers (Refer Note 3 below) | 920.00                  | 940.00                                |
|  | <b>2,250.79</b>         | <b>2,286.58</b>                       |

#### Notes:

1 Working capital facilities sanctioned by banks under consortium arrangement are secured by hypothecation of stocks and book debts, carries interest rate at 3 month MCLR+0.1% repayable by May 2019.

2 Unsecured Loans from Bank Amount ₹ in Crore

| Particulars  | As at<br>March 31, 2020 | As at<br>March 31, 2019<br>(Restated) |
|--|-------------------------|---------------------------------------|
| Loan carries interest rate from 8.0%p.a. to 8.75%p.a. repayable by July 20     | 540.00                  | -                                     |
| Loan carries interest rate from 8.05%p.a. to 8.10%p.a. repayable by July 20    | 100.00                  | -                                     |
| Loan carries interest rate from 7.75%p.a. repayable by June 20                 | 100.00                  | -                                     |
| Loan carries interest rate from 7.95%p.a. to 8.00%p.a. repayable by June 20    | 130.00                  | -                                     |
| Loan carries interest rate from 7.00%p.a. to 7.05%p.a. repayable by Sept 20    | 285.00                  | -                                     |
| Loan carries interest rate from 8.00%p.a. to 8.15%p.a. repayable by May 20     | 75.00                   | -                                     |
| Loan carries interest at 4.95% repayable by Sept 2020.                         | 100.79                  | -                                     |
| Loan carries interest rate from 8.45%p.a. to 8.95 p.a. repayable by April 2019 | -                       | 460.00                                |
| Loan carries interest rate at 1 month MCLR repayable by April 2019             | -                       | 55.00                                 |
| Loan carries interest rate of 7.99%. repayable by May 2019                     | -                       | 150.00                                |
| Loan carries interest rate at 1 month MCLR repayable by May 2019               | -                       | 100.00                                |
| Loan carries interest rate at 6month MCLR+0.05% repayable by May 2019          | -                       | 25.00                                 |
| Loan carries interest rate at 3month MCLR repayable by May 2019                | -                       | 25.00                                 |
| Loan carries interest rate at 3 month MCLR + 0.25 % p.a.repayable by May 2019  | -                       | 150.00                                |
| Loan carries interest rate at 6month MCLR repayable by June 2019               | -                       | 75.00                                 |
| Loan carries interest rate at 6month+0.05% MCLR repayable by June 2019         | -                       | 155.00                                |
| Loan carries interest rate at 6month+0.05% MCLR repayable by July 2019         | -                       | 50.00                                 |
| Loan carries interest at Base Rate repayable within 6 months                   | -                       | 91.58                                 |

## Notes to the Standalone Financial Statements

### Note 20 : Current Financial Liabilities - Borrowings (Continued)

3 Commercial Papers

Amount ₹ in Crore

| Particulars  | As at<br>March 31, 2020 | As at<br>March 31, 2019<br>(Restated) |
|--|-------------------------|---------------------------------------|
| Commercial Papers carries interest at 5.25% p.a. to 5.68% p.a. repayable during the period April to June 2020. | 920.00                  |                                       |
| Commercial Papers carries interest at 7.16% p.a. to 7.58% p.a. repayable during the period April to June 2019. | -                       | 940.00                                |

4 The Company does not have any default as on the Balance Sheet date in repayment of loan or Interest.

### Note 21 : Current Financial Liabilities - Trade Payables

Amount ₹ in Crore

| Particulars  | As at<br>March 31, 2020 | As at<br>March 31, 2019<br>(Restated) |
|--|-------------------------|---------------------------------------|
| Trade Payables   |                         |                                       |
| (a) Total Outstanding dues of Micro and Small Enterprises (Refer Note 1 below)             | 12.38                   | 8.44                                  |
| (b) Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises | 373.05                  | 366.81                                |
|  | <b>385.43</b>           | <b>375.25</b>                         |

Note

1 Disclosure Under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2019-20, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.

Amount ₹ in Crore

| Particulars  | As at<br>March 31, 2020 | As at<br>March 31, 2019<br>(Restated) |
|--|-------------------------|---------------------------------------|
| (i) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per MSME act)   |                         |                                       |
| a. Principal amount due to micro and small enterprise  | 12.38                   | 8.44                                  |
| b. Interest due on above *   | 0.00                    | -                                     |
| (ii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period              | -                       | -                                     |
| (iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006 | -                       | -                                     |
| (iv) The amount of interest accrued and remaining unpaid at the end of each accounting year  | -                       | -                                     |
| (v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises  | -                       | -                                     |

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

\* Amount less than 0.01 crore

## Notes to the Standalone Financial Statements

### Note 22 : Current Financial Liabilities - Others

Amount ₹ in Crore

| Particulars   | As at March 31, 2020 | As at March 31, 2019<br>(Restated) |
|---|----------------------|------------------------------------|
| 1 Current Maturities of Long Term Debts<br>Unsecured              |                      |                                    |
| (a) Term Loan from Bank   | 62.50                | 249.99                             |
| (b) Term Loan from Others   | -                    | 33.33                              |
|   | <b>62.50</b>         | <b>283.32</b>                      |
| 2 Current Maturities of Finance Lease Obligations (Refer Note 37) | <b>6.93</b>          | -                                  |
| 3 Interest Accrued but not Due on Borrowings                      | <b>8.83</b>          | 4.45                               |
| 4 Unclaimed Dividends   | <b>0.37</b>          | 0.33                               |
| 5 Unclaimed Matured Deposits                                      |                      |                                    |
| (a) Principal Amount  | 0.36                 | 0.48                               |
| (b) Interest accrued Thereon                                      | 0.01                 | 0.03                               |
|   | <b>0.37</b>          | <b>0.51</b>                        |
| 6 Others  |                      |                                    |
| (a) Other Creditors   | 57.23                | 41.32                              |
| (b) Deposits  | 9.55                 | 8.77                               |
| (c) Forward Cover Contracts Payable                               | -                    | 4.81                               |
| (d) Other Payables  | 0.08                 | 0.08                               |
|   | <b>66.86</b>         | <b>54.98</b>                       |
|   | <b>145.86</b>        | <b>343.59</b>                      |

#### Note

- 1 There are no amounts due for payments to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end.

### Note 23 : Other Current Liabilities

Amount ₹ in Crore

| Particulars               | As at<br>March 31, 2020 | As at<br>March 31, 2019<br>(Restated) |
|---------------------------|-------------------------|---------------------------------------|
| 1 Advances from Customers | 6.85                    | 5.91                                  |
| 2 Statutory Liabilities   | 8.04                    | 10.86                                 |
| 3 Other Liabilities       | 0.69                    | 1.08                                  |
|                           | <b>15.58</b>            | <b>17.85</b>                          |

### Note 24 : Current Provisions

Amount ₹ in Crore

| Particulars                            | As at<br>March 31, 2020 | As at<br>March 31, 2019<br>(Restated) |
|--|-------------------------|---------------------------------------|
| Provision for Employee Benefits        |                         |                                       |
| (a) Provision for Gratuity             | 3.33                    | 3.42                                  |
| (b) Provision for Compensated absences | 0.97                    | 1.00                                  |
| (c) Provision for Pension              | 0.05                    | 0.40                                  |
| (d) Provision for other Benefits       | 0.11                    | 0.05                                  |
|  | <b>4.45</b>             | <b>4.87</b>                           |

## Notes to the Standalone Financial Statements

### Note 25 : Contingent Liabilities

Amount ₹ in Crore

| Particulars   | As at<br>March 31, 2020 | As at<br>March 31, 2019<br>(Restated) |
|---|-------------------------|---------------------------------------|
| <b>1 Claims against the Company not acknowledged as debts</b>   |                         |                                       |
| (a) Excise duty / Service Tax demands relating to disputed classification, post manufacturing expenses, assessable values, etc. which the Company has contested and is in appeal at various levels. | <b>1.43</b>             | 5.89                                  |
| (b) Customs Duty demands relating to lower charge, differential duty, classification, etc.  | -                       | 2.63                                  |
| (c) Sales Tax demands relating to purchase tax on Branch Transfer / disallowance of high seas sales, etc. at various levels.  | <b>38.01</b>            | 46.03                                 |
| (d) Octroi demand relating to classification issue on import of Palm Stearine and interest thereon.   | <b>0.29</b>             | 0.29                                  |
| (e) Stamp duties claimed on certain properties which are under appeal by the Company.   | <b>1.82</b>             | 1.82                                  |
| (f) Income tax demands against which the Company has preferred appeals.   | <b>96.75</b>            | 96.75                                 |
| (g) Industrial relations matters under appeal.  | <b>0.38</b>             | 0.52                                  |
| (h) Others.   | <b>5.61</b>             | 5.61                                  |
| <b>2 Surety Bonds</b>   |                         |                                       |
| Surety Bonds given by the Company in respect of refund received from excise authority for exempted units of associate company - refer note 1 below.   | <b>38.54</b>            | 33.11                                 |

#### Notes

- Detail of Guarantee given covered under section 186 (4) of the Companies Act, 2013 :  
The Corporate surety bond of ₹ 38.54 crore ( previous year ₹ 33.11 crore) is in respect of refund received from excise authority for exempted units (North East) of Godrej Consumer Products Limited, an associate company.
- The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.
- It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

### Note 26 : Commitments

Amount ₹ in Crore

| Particulars   | As at<br>March 31, 2020 | As at<br>March 31, 2019<br>(Restated) |
|---|-------------------------|---------------------------------------|
| 1 Estimated amount of contracts remaining to be executed on capital account and not provided for,<br>[Net of Advances amounting to ₹ 8.21 crore (previous year - ₹15.91 crore)] | <b>44.78</b>            | 6.95                                  |
| 2 Uncalled liability on partly paid shares / debentures (*)   | <b>0.00</b>             | 0.00                                  |
| 3 Other Long Term Commitments<br>Contracts for Purchase of Raw Material   | <b>120.70</b>           | 113.90                                |

\* Amount less than ₹ 0.01 crore

## Notes to the Standalone Financial Statements

### Note 27 : Revenue From Operations

Amount ₹ in Crore

| Particulars                                   | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019<br>(Restated) |
|---|------------------------------|--|
| 1 Sale of Products (Refer Note 2 and 3 below) | <b>1,684.00</b>              | 1,762.92                                   |
| 2 Other Operating Revenues                    |                              |  |
| (a) Export Incentives                         | <b>12.93</b>                 | 21.66                                      |
| (b) Sale of Scrap                             | <b>2.26</b>                  | 2.49                                       |
| (c) Dividend Income (Refer Note 1 below)      | <b>244.51</b>                | 341.87                                     |
| (d) Rental Income                             | <b>25.02</b>                 | 15.43                                      |
|   | <b>1,968.72</b>              | 2,144.37                                   |

#### Notes

1 Dividend Income has been disclosed under Revenue from Operations since Finance and Investments is an Operating Business Segment for the Company.

2 Disaggregation of revenue from contracts with customers

The Company derives revenue from the sale of products in the following major segments:

Amount ₹ in Crore

| Sale of Products              | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019<br>(Restated) |
|-------------------------------|------------------------------|--|
| 1 Chemicals Segment           |                              |  |
| Domestic Sale                 | <b>1,096.53</b>              | 1,113.66                                   |
| Export Sale                   | <b>471.99</b>                | 534.69                                     |
| 2 Vegoils Segment             |                              |  |
| Domestic Sale                 | <b>113.01</b>                | 111.34                                     |
| 3 Other Segment - Wind Energy |                              |  |
| Domestic Sale                 | <b>2.47</b>                  | 3.23                                       |
|                               | <b>1,684.00</b>              | 1,762.92                                   |

3 Reconciliation of revenue from contract with customer

Amount ₹ in Crore

| Particulars   | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019<br>(Restated) |
|---|------------------------------|--|
| Revenue from contract with customer as per the contract price               | <b>1,690.70</b>              | 1,769.41                                   |
| Adjustments made to contract price on account of :-                         |                              |  |
| a) Discounts / Rebates / Incentives   | <b>(6.00)</b>                | (5.36)                                     |
| b) Sales Returns /Credits / Reversals                                       | <b>1.32</b>                  | (1.33)                                     |
| c) Any other adjustments  | <b>(2.02)</b>                | 0.20                                       |
| Revenue from contract with customer as per the statement of Profit and Loss | <b>1,684.00</b>              | 1,762.92                                   |



## Notes to the Standalone Financial Statements

### Note 28 : Other Income

Amount ₹ in Crore

| Particulars                     | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019<br>(Restated) |
|---------------------------------|------------------------------|--|
| 1 Interest Income               | 6.70                         | 1.13                                       |
| 2 Profit on Sale of Investments | 7.31                         | 4.09                                       |
| 3 Business Support Service      | 31.48                        | 30.24                                      |
| 4 Miscellaneous Income          | 15.44                        | 6.66                                       |
|                                 | <b>60.93</b>                 | <b>42.11</b>                               |

### Note 29 : Cost of Materials Consumed

Amount ₹ in Crore

| Particulars                                   | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019<br>(Restated) |
|---|------------------------------|--|
| 1 Raw Materials Consumed                      |                              |  |
| Inventory at the Commencement of the Year     | 134.50                       | 124.69                                     |
| Add : Purchases (Net)                         | 1,097.71                     | 1,243.70                                   |
|   | <b>1,232.21</b>              | <b>1,368.39</b>                            |
| Less : Inventory at the Close of the Year (1) | 94.47                        | 134.50                                     |
|   | <b>1,137.74</b>              | <b>1,233.89</b>                            |
| 2 Packing Materials Consumed                  |                              |  |
| Inventory at the Commencement of the Year     | 2.91                         | 4.35                                       |
| Add : Purchases (Net)                         | 50.00                        | 53.42                                      |
|   | <b>52.91</b>                 | <b>57.77</b>                               |
| Less : Inventory at the Close of the Year (2) | 2.99                         | 2.91                                       |
|   | <b>49.92</b>                 | <b>54.86</b>                               |
| Total Material Consumed (1+2)                 | <b>1,187.66</b>              | <b>1,288.75</b>                            |

### Note 30 : Changes in Inventories of Finished Goods, Stock in Trade and Work in Progress

Amount ₹ in Crore

| Particulars                                 | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019<br>(Restated) |
|---|------------------------------|--|
| 1 Inventory at the Commencement of the Year |                              |  |
| Finished Goods                              | 78.24                        | 72.26                                      |
| Stock in Trade                              | 0.32                         | 0.02                                       |
| Work in Progress                            | 75.88                        | 89.81                                      |
|   | <b>154.44</b>                | <b>162.09</b>                              |
| 2 Inventory at the End of the Year          |                              |  |
| Finished Goods                              | 67.19                        | 78.24                                      |
| Stock in Trade                              | 0.07                         | 0.32                                       |
| Work in Progress                            | 80.23                        | 75.88                                      |
|   | <b>147.49</b>                | <b>154.44</b>                              |
| Changes in Inventories (1-2)                | <b>6.95</b>                  | <b>7.65</b>                                |

## Notes to the Standalone Financial Statements

### Note 31 : Employee Benefits Expenses

Amount ₹ in Crore

| Particulars                                 | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019<br>(Restated) |
|---|------------------------------|--|
| 1 Salaries and Wages                        | 126.49                       | 111.39                                     |
| 2 Contribution to Provident and Other Funds | 9.26                         | 8.09                                       |
| 3 Employee Share based payments             | 2.34                         | 2.81                                       |
| 4 Staff Welfare Expense                     | 7.65                         | 7.88                                       |
|   | <b>145.74</b>                | <b>130.17</b>                              |

### Note 32 : Finance Costs

Amount ₹ in Crore

| Particulars             | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019<br>(Restated) |
|-------------------------|------------------------------|--|
| 1 Interest Expense      | 212.08                       | 220.09                                     |
| 2 Other Borrowing Costs |                              |  |
| a) Discounting Charges  | 14.07                        | 14.09                                      |
| b) Others               | 2.84                         | 5.41                                       |
|                         | <b>228.99</b>                | <b>239.59</b>                              |

### Note 33 : Other Expenses

Amount ₹ in Crore

| Particulars   | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019<br>(Restated) |
|---|------------------------------|--|
| 1 Consumption of Stores and Spares                  | 11.02                        | 9.94                                       |
| 2 Power and Fuel                                    | 96.20                        | 93.72                                      |
| 3 Processing Charges                                | 6.94                         | 6.54                                       |
| 4 Rent (Refer Note 1 below)                         | 0.93                         | 7.32                                       |
| 5 Rates and Taxes                                   | 14.53                        | 5.05                                       |
| 6 Repairs and Maintenance                           |                              |  |
| (a) Machinery                                       | 12.15                        | 11.56                                      |
| (b) Buildings                                       | 9.32                         | 12.92                                      |
| (c) Other Assets                                    | 0.93                         | 0.49                                       |
| 7 Insurance   | 2.10                         | 1.76                                       |
| 8 Freight   | 47.10                        | 50.19                                      |
| 9 Commission  | 6.81                         | 7.38                                       |
| 10 Advertisement and Publicity                      | 7.40                         | 1.62                                       |
| 11 Selling and Distribution Expenses                | 11.53                        | 12.45                                      |
| 12 Provision for Doubtful Debts and Advances        | 0.06                         | 0.18                                       |
| 13 Loss on Foreign Exchange Translation             | 9.46                         | 8.18                                       |
| 14 Loss on Sale of Fixed Assets                     | 0.11                         | 0.17                                       |
| 15 Research Expense                                 | 1.43                         | 1.12                                       |
| 16 Legal and Professional fees                      | 32.48                        | 23.78                                      |
| 17 Fair Value Loss on Investments measured at FVTPL | 2.88                         | 11.34                                      |
| 18 Auditor's Remuneration (Refer Note 2 below)      | 0.72                         | 0.81                                       |
| 19 Miscellaneous Expenses                           | 60.31                        | 56.35                                      |
|   | <b>334.41</b>                | <b>322.87</b>                              |

#### Notes :

- Rental expenses amounting to ₹ 9.13 crore (previous year ₹ 9.13 crore) are netted off with rental income in respect of certain premises in the same building.

## Notes to the Standalone Financial Statements

### Note 33 : Other Expenses (Continued)

2 Auditor's Remuneration

Amount ₹ in Crore

| Particulars   | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019<br>(Restated) |
|---|------------------------------|--|
| (a) Auditors - Limited Review and Statutory Auditors Fees | 0.65                         | 0.75                                       |
| (b) For other services - Certification Fees               | 0.07                         | 0.06                                       |
|   | <b>0.72</b>                  | 0.81                                       |

### Note 34 : Exceptional Items

Amount ₹ in Crore

| Particulars   | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019<br>(Restated) |
|---|------------------------------|--|
| 1 Loss on sale of Non Current Investments (Refer Note 4(b)) | (25.62)                      | -  |
| 2 Provision for Impairment of Investment (Refer Note 4(b))  | -                            | (243.79)                                   |
|   | <b>(25.62)</b>               | (243.79)                                   |

### Note 35 : Earnings Per Share

| Particulars   | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019<br>(Restated) |
|---|------------------------------|--|
| 1 Calculation of weighted average number of equity shares - Basic                             |                              |  |
| (a) Number of equity shares at the beginning of the year (in units)                           | 33,63,84,367                 | 33,62,72,731                               |
| (b) Number of equity shares issued during the year (in units)                                 | 81,649                       | 1,11,636                                   |
| (c) Number of equity shares outstanding at the end of the year (in units)                     | 33,64,66,016                 | 33,63,84,367                               |
| (d) Weighted average number of equity shares outstanding during the year (in units)           | 33,64,45,436                 | 33,63,60,270                               |
| 2 Calculation of weighted average number of equity shares - Diluted                           |                              |  |
| (a) Number of potential equity shares at the beginning of the year (in units)                 | 33,65,45,396                 | 33,64,84,969                               |
| (b) Number of potential equity shares at the end of the year (in units)                       | 33,65,81,797                 | 33,65,45,396                               |
| (c) Weighted average number of potential equity shares outstanding during the year (in units) | 33,65,78,913                 | 33,65,37,445                               |
| 3 Profit / (Loss) for the Year (Amount ₹ in Crore)  | 30.81                        | (101.37)                                   |
| (a) Basic Earnings Per Share of Re 1 each   | 0.92                         | (3.01)                                     |
| (b) Diluted Earnings Per Share of Re 1 each   | 0.92                         | (3.01)                                     |

## Notes to the Standalone Financial Statements

## Note 36 : Income Tax Expense

Amount ₹ in Crore

| Particulars  | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019<br>(Restated) |
|--|------------------------------|--|
| <b>1 Tax Expense recognised in the Statement of Profit and Loss</b>  |                              |  |
| Deferred Income Tax Liability / (Asset), net   |                              |  |
| Origination and reversal of temporary differences  | 10.01                        | 18.79                                      |
| Recognition of previously unrecognised tax losses  | (10.06)                      | (18.86)                                    |
| Deferred Tax Expense - (credit)  | (0.05)                       | (0.07)                                     |
| Tax Liability of earlier years   | (0.07)                       | -  |
| Tax Expense For the Year   | (0.12)                       | (0.07)                                     |
| <b>2 Amounts recognised in Other Comprehensive Income</b>  |                              |  |
| Items that will not be reclassified to Profit or Loss  |                              |  |
| Remeasurements of defined benefit liability (asset)  | -                            | -  |
|  | -                            | -  |
| <b>3 Reconciliation of effective tax rate</b>  |                              |  |
| Profit / (Loss) Before Tax   | 30.69                        | (101.37)                                   |
| Tax using the Company's statutory tax rate   | 10.72                        | (35.42)                                    |
| Tax effect of  |                              |  |
| Income not subject to tax  | (81.96)                      | (30.39)                                    |
| Amounts which are not deductible for taxable income  | 2.01                         | 1.62                                       |
| Previously unrecognised tax losses and unabsorbed depreciation now recouped to reduce deferred tax expense | (10.06)                      | (18.86)                                    |
| Deferred tax assets not recognized because realization is not probable                                     | 79.28                        | 83.05                                      |
| Current Tax pertaining to prior years  | (0.07)                       | -  |
| Others   | (0.05)                       | (0.07)                                     |
|  | (0.12)                       | (0.07)                                     |

The applicable statutory tax rate for the years ended March 31, 2020 and March 31, 2019 is 34.95%. The Company has not recognised Deferred tax assets on unused tax losses and unused tax credits (refer note 5 and 6 below) as there is no reasonable certainty of availing the same in future years against normal taxes.

## 4 Movement in deferred tax balances

Amount ₹ in Crore

| Particulars                                  | Net balance<br>April 1, 2019 | Recognised<br>in Statement<br>of Profit and<br>Loss | Net balance<br>March 31,<br>2020 | Deferred<br>tax asset<br>March 31,<br>2020 | Deferred<br>tax liability<br>March 31,<br>2020 |
|--|------------------------------|---|----------------------------------|--|--|
| <b>Deferred tax asset</b>                    |                              |   |                                  |  |  |
| Property, Plant and Equipment                | (177.98)                     | (23.89)   | (201.87)                         |  | (201.87)                                       |
| Indexation benefit on land and shares        | 0.94                         | 0.05  | 0.99                             | 0.99                                       |  |
| Employee benefits                            | 1.60                         | (0.01)  | 1.59                             | 1.59                                       |  |
| Provision for Doubtful Debts / Advances      | 8.43                         | 0.03  | 8.46                             | 8.46                                       |  |
| Unabsorbed Depreciation                      | 158.19                       | 23.05   | 181.24                           | 181.24                                     |  |
| Other provisions                             | 9.76                         | 0.82  | 10.58                            | 10.58                                      |  |
| Others (Related to EHFL Demerger)            | (0.58)                       | -   | (0.58)                           |  | (0.58)   |
| Investments (Acquisition on account of EHFL) | 0.03                         | -   | 0.03                             | 0.03                                       |  |
| Tax assets (Liabilities)                     | 0.39                         | 0.05  | 0.44                             | 202.89                                     | (202.45)                                       |
| Net tax assets                               | 0.39                         | 0.05  | 0.44                             | 202.89                                     | (202.45)                                       |

## Notes to the Standalone Financial Statements

### Note 36 : Income Tax Expense (Continued)

#### 4 Movement in deferred tax balances (Continued)

Amount ₹ in Crore

| Particulars                                  | Net balance<br>April 1, 2018 | Recognised<br>in Statement<br>of Profit and<br>Loss | Net balance<br>March 31,<br>2019 | Deferred tax<br>asset March<br>31, 2019 | Deferred<br>tax liability<br>March 31,<br>2019 |
|--|------------------------------|---|----------------------------------|---|--|
| Deferred tax asset                           |                              |   |                                  |   |  |
| Property, Plant and Equipment                | (109.79)                     | (68.19)   | (177.98)                         |   | (177.98)                                       |
| Indexation benefit on land and shares        | 0.87                         | 0.07  | 0.94                             | 0.94                                    |  |
| Employee benefits                            | 1.76                         | (0.16)  | 1.60                             | 1.60                                    |  |
| Provision for Doubtful Debts / Advances      | 6.31                         | 2.12  | 8.43                             | 8.43                                    |  |
| Unabsorbed Depreciation                      | 92.65                        | 65.54   | 158.19                           | 158.19                                  |  |
| Other provisions                             | 9.07                         | 0.69  | 9.76                             | 9.76                                    |  |
| Others (Related to EHFL Demerger)            | (0.58)                       | -   | (0.58)                           |   | (0.58)   |
| Investments (Acquisition on account of EHFL) | 0.03                         | -   | 0.03                             | 0.03                                    |  |
| Tax assets (Liabilities)                     | 0.32                         | 0.07  | 0.39                             | 178.95                                  | (178.56)                                       |
| Net tax assets                               | 0.32                         | 0.07  | 0.39                             | 178.95                                  | (178.56)                                       |

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant Management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Details of unused tax losses and unused tax credit is given in note 5 & 6 below.

As the Company does not have any intention to dispose off investments in unlisted subsidiaries and associates in the foreseeable future, deferred tax asset on indexation benefit in relation to such investments has not been recognised.

During the year, the Company has not accounted for tax credits in respect of Minimum Alternative Tax (MAT credit) of ₹ NIL crore (previous year ₹ Nil crores). The Company is not reasonably certain of availing the said MAT credit in future years against the normal tax expected to be paid in those years and accordingly has not recognised a deferred tax asset for the same.

#### 5 Tax losses carried forward

Amount ₹ in Crore

| Particulars                           | As at<br>March 31, 2020 | As at<br>March 31, 2019<br>(Restated) |
|---------------------------------------|-------------------------|---------------------------------------|
| <b>Expiry date</b>                    |                         |                                       |
| 31-03-2021                            | 47.45                   | 47.45                                 |
| 31-03-2022                            | 4.63                    | 4.63                                  |
| 31-03-2023                            | 153.69                  | 153.69                                |
| 31-03-2024                            | 110.09                  | 110.09                                |
| 31-03-2025                            | 133.22                  | 133.22                                |
| 31-03-2026                            | 119.43                  | 119.43                                |
| 31-03-2027                            | 229.33                  | 229.33                                |
| 31-03-2028                            | 112.34                  | -                                     |
|                                       | <b>910.18</b>           | 797.84                                |
| Unabsorbed Depreciation never expires | <b>821.81</b>           | 702.31                                |

## Notes to the Standalone Financial Statements

### Note 36 : Income Tax Expense (Continued)

#### 6 Tax credit carried forward

Amount ₹ in Crore

| Particulars | As at<br>March 31, 2020 | As at March 31,<br>2019 (Restated) |
|-------------|-------------------------|------------------------------------|
| Expiry date |                         |                                    |
| 31-03-2021  | 7.48                    | 7.48                               |
| 31-03-2022  | 19.04                   | 19.04                              |
| 31-03-2023  | 16.87                   | 16.87                              |
| 31-03-2026  | 3.90                    | 3.90                               |
| 31-03-2027  | 6.01                    | 6.01                               |
| 31-03-2029  | 4.45                    | 4.45                               |
|             | <b>57.75</b>            | <b>57.75</b>                       |

### Note 37 : Leases

#### 1 Cost, Accumulated Depreciation and Carrying Amount

Amount ₹ in Crore

| Particulars                                    | Land and<br>Buildings | Total |
|--|-----------------------|-------|
| <b>Cost</b>                                    |                       |       |
| Balance at 1 <sup>st</sup> April 2019          | 59.75                 | 59.75 |
| Additions                                      | 1.67                  | 1.67  |
| Disposals                                      | -                     | -     |
| Balance at 31 March 2020                       | 61.42                 | 61.42 |
| <b>Accumulated depreciation and impairment</b> |                       |       |
| Balance at 1 <sup>st</sup> April 2019          | 39.30                 | 39.30 |
| Depreciation                                   | 12.84                 | 12.84 |
| Balance at 31 March 2020                       | 52.14                 | 52.14 |
| <b>Carrying amounts</b>                        |                       |       |
| As at 1 April 2019                             | 20.46                 | 20.46 |
| Balance at 31 March 2020                       | 9.28                  | 9.28  |

#### 2 Breakdown of lease expenses

Amount ₹ in Crore

| Particulars                | Year Ended<br>March 31, 2020 |
|----------------------------|------------------------------|
| Short-term lease expense   | 0.93                         |
| Low value lease expense*   | 0.00                         |
| <b>Total lease expense</b> | <b>0.93</b>                  |

\* Amount less than 0.01 crore

## Notes to the Standalone Financial Statements

### Note 37 : Leases (Continued)

#### 3 Cash outflow on leases

Amount ₹ in Crore

| Particulars                         | Year Ended<br>March 31, 2020 |
|-------------------------------------|------------------------------|
| Repayment of lease liabilities      | 13.93                        |
| Interest on lease liabilities       | 1.86                         |
| Short-term lease expense            | 0.50                         |
| <b>Total cash outflow on leases</b> | <b>16.28</b>                 |

#### 4 Maturity analysis (Discounted amounts)

Amount ₹ in Crore

| Particulars                | Total        | Less than<br>1 year | Between<br>1 and 2<br>years | 2 and 5<br>years | Over 5<br>years | Weighted<br>average<br>effective<br>interest rate % |
|----------------------------|--------------|---------------------|-----------------------------|------------------|-----------------|---|
| <b>As at 31 March 2020</b> |              |                     |                             |                  |                 |   |
| Lease liabilities          |              |                     |                             |                  |                 |   |
| Principal Repayment        | 13.20        | 6.93                | 4.27                        | 2.00             | -               | 8.90%   |
| Interest Repayment         | 1.44         | 0.86                | 0.39                        | 0.19             | -               | 8.90%   |
|                            | <b>14.64</b> | <b>7.79</b>         | <b>4.66</b>                 | <b>2.19</b>      | <b>-</b>        |   |

#### 5. As a Lessor

Undiscounted lease payments to be received for operating leases

Amount ₹ in Crore

| Particulars                            | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019<br>(Restated) |
|--|------------------------------|--|
| Year 1                                 | 8.93                         | 10.70                                      |
| More than 1 year and less than 5 years | 36.35                        | 14.01                                      |
| <b>Total</b>                           | <b>45.28</b>                 | <b>24.71</b>                               |

#### 6 Impact on Retained Earnings due to adopting the modified Retrospective Approach

Amount ₹ in Crore

| Particulars                      | As at<br>April 01, 2019 |
|----------------------------------|-------------------------|
| Recognition of Lease Assets      | 20.46                   |
| Recognition of Lease Liabilities | 25.46                   |
| Net Impact in Retained Earnings  | (5.00)                  |

#### 7 Reconciliation between operating lease commitments disclosed in March 2019 financials applying Ind AS 17 and lease liabilities recognised in the statement of financial position

Amount ₹ in Crore

| Particulars  | As at<br>March 31, 2019 |
|--|-------------------------|
| Operating lease commitments disclosed in March 2019 financials (under Ind AS 17)     | 26.45                   |
| Less: Discounting impact   | 0.99                    |
| Lease liabilities recognised in the statement of financial position as at April 2019 | 25.46                   |

## Notes to the Standalone Financial Statements

### Note 38 : Employee Benefits

#### 1 DEFINED CONTRIBUTION PLAN

##### Provident Fund :

The contributions to the Provident Fund and Family Pension Fund of certain employees are made to a Government administered Provident Fund and there are no further obligations beyond making such contribution.

#### 2 DEFINED BENEFIT PLAN

##### Gratuity :

The Company participates in the Employees' Group Gratuity-cum-Life Assurance Scheme of ICICI Prudential Life Insurance Co. Ltd, HDFC Standard Life Insurance Co. Ltd. and SBI 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 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.

##### Provident Fund :

The Company manages the Provident Fund plan through a Provident Fund Trust for a majority of its employees which is permitted under The Employees' Provident Fund and Miscellaneous Provisions Act, 1952. The plan envisages contribution by the employer and employees and guarantees interest at the rate notified by the Provident Fund authority. The contribution by employer and employee, together with interest, are payable at the time of separation from service or retirement, whichever is earlier.

The Company has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. These administered rates are determined annually predominantly considering the social rather than economic factors and the actual return earned by the Company has been higher in the past years. The actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the below provided assumptions there is no shortfall as at March 31, 2020.

Amount ₹ in Crore

| Particulars                              | As at          | As at          |
|--|----------------|----------------|
|  | March 31, 2020 | March 31, 2019 |
| Plan assets at period end, at fair value | 107.31         | 109.82         |
| Provident Fund Corpus                    | 104.06         | 106.36         |

Valuation assumptions under Deterministic Approach:

|                             |       |
|-----------------------------|-------|
| Weighted Average Yield      | 8.66% |
| Weighted Average YTM        | 8.90% |
| Guaranteed Rate of Interest | 8.65% |

##### Pension :

The Company has Pension plan for eligible employees. 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.



## Notes to the Standalone Financial Statements

### Note 38 : Employee Benefits (Continued)

#### 3 Basis Used to Determine Expected Rate of Return on Assets :

The expected return on plan assets of 6.86% p.a. has been considered based on the current investment pattern in Government securities.

#### 4 Amounts Recognised as Expense :

##### i) Defined Contribution Plan

Employer's Contribution to Provident Fund amounting to ₹ 3.86 crore (previous year ₹ 3.14 crore) has been included in Note 31 Employee Benefits Expenses.

##### ii) Defined Benefit Plan

Gratuity cost amounting to ₹ 1.97 crore (previous year ₹ 1.80 crore) has been included in Note 31 Employee Benefits Expenses.

Employer's Contribution to Provident Fund amounting to ₹ 1.16 crore (previous year ₹ 1.58 crore) has been included in Note 31 Employee Benefits Expenses.

Pension cost amounting to ₹ 0.11 crore (previous year ₹ 0.11 crore) has been included in Note 31 Employee Benefits Expenses.

#### 5 The amounts recognised in the Company's financial statements as at the year end are as under :

| Particulars  | Amount ₹ in Crore               |   |                                 |   |
|--|---------------------------------|---|---------------------------------|---|
|  | Gratuity                        |   | Pension                         |   |
|  | Year ended<br>March<br>31, 2020 | Year ended<br>March<br>31, 2019<br>(Restated) | Year ended<br>March<br>31, 2020 | Year ended<br>March<br>31, 2019<br>(Restated) |
| <b>1 Change in Present Value of Obligation</b>                               |                                 |   |                                 |   |
| Present value of the obligation at the beginning of the year                 | 35.06                           | 35.07   | 0.54                            | 0.53  |
| Current Service Cost   | 1.38                            | 1.39  | -                               | -   |
| Interest Cost  | 2.73                            | 2.73  | -                               | -   |
| Contribution by Plan Participants  |                                 |   | -                               | -   |
| Actuarial (Gain) / Loss on Obligation due to change in financial assumptions | 1.59                            | (0.02)  | 0.15                            | 0.17  |
| Actuarial (Gain) / Loss on Obligation due to experience adjustments          | (0.05)                          | 0.29  | -                               | -   |
| Benefits Paid  | (5.22)                          | (4.40)  | (0.15)                          | (0.16)  |
| Present value of the obligation at the end of the year                       | 35.49                           | 35.06   | 0.54                            | 0.54  |

## Notes to the Standalone Financial Statements

## Note 38 : Employee Benefits (Continued)

Amount ₹ in Crore

| Particulars   | Gratuity  |   | Pension   |   |
|---|---|---|---|---|
|   | Year ended<br>March<br>31, 2020                   | Year ended<br>March<br>31, 2019<br>(Restated)     | Year ended<br>March<br>31, 2020                   | Year ended<br>March<br>31, 2019<br>(Restated)     |
| <b>2 Change in Plan Assets</b>                                    |   |   |   |   |
| Fair value of Plan Assets at the beginning of the year            | 27.32   | 29.73   | -   | -   |
| Expected return on Plan Assets                                    | 2.13  | 2.31  | -   | -   |
| Actuarial (Gain) / Loss on Plan Assets                            | 0.43  | 0.32  | -   | -   |
| Contributions by the Employer                                     | 0.03  | -   | -   | -   |
| Benefits Paid   | (5.22)  | (4.40)  | -   | -   |
| Fair value of Plan Assets at the end of the year                  | 23.84   | 27.32   | -   | -   |
| <b>3 Amounts Recognised in the Balance Sheet :</b>                |   |   |   |   |
| Present value of Obligation at the end of the year                | 35.49   | 35.06   | -   | -   |
| Fair value of Plan Assets at the end of the year                  | 23.84   | 27.32   | -   | -   |
| Net Obligation at the end of the year                             | 11.65   | 7.74  | -   | -   |
| <b>4 Amounts Recognised in the statement of Profit and Loss :</b> |   |   |   |   |
| Current Service Cost  | 1.38  | 1.39  | -   | -   |
| Interest cost on Obligation                                       | 2.73  | 2.73  | -   | -   |
| Expected return on Plan Assets                                    | (2.13)  | (2.31)  | -   | -   |
| Net Cost Included in Personnel Expenses                           | 1.99  | 1.81  | -   | -   |
| <b>5 Amounts Recognised in Other Comprehensive Income (OCI):</b>  |   |   |   |   |
| Actuarial Loss on Obligation For the Year                         | 1.53  | 0.28  | -   | -   |
| Return on Plan Assets, Excluding Interest Income                  | 0.43  | 0.32  | -   | -   |
| Net Expense For the Period Recognised in OCI                      | 1.96  | 0.60  | -   | -   |
| <b>6 Actual Return on Plan Assets</b>                             | 1.70  | 1.99  | -   | -   |
| <b>7 Estimated Contribution to be made in Next Financial Year</b> | 3.32  | 3.41  | -   | -   |
| <b>8 Actuarial Assumptions</b>                                    |   |   |   |   |
| i) Discount Rate  | 6.86% P.A.  | 7.79% P.A.  | 6.86% P.A.  | 7.79% P.A.  |
| ii) Expected Rate of Return on Plan Assets                        | 6.86% P.A.  | 7.79% P.A.  | -   | -   |
| iii) Salary Escalation Rate                                       | 6.00% P.A.  | 6.00% P.A.  | -   | -   |
| iv) Employee Turnover   | 1.00% P.A.  | 1.00% P.A.  | 1.00% P.A.  | 1.00% P.A.  |
| v) Mortality  | Indian Assured Lives Mortality (2006-08) Ultimate | Indian Assured Lives Mortality (2006-08) Ultimate | Indian Assured Lives Mortality (2006-08) Ultimate | Indian Assured Lives Mortality (2006-08) Ultimate |

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

## Notes to the Standalone Financial Statements

### Note 38 : Employee Benefits (Continued)

#### 6 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.

| Particulars                             | Year ended March 31, 2020 |          | Year ended March 31, 2019<br>(Restated) |          |
|---|---------------------------|----------|---|----------|
|   | Increase                  | Decrease | Increase                                | Decrease |
| Discount rate (1% movement)             | (1.70)                    | 1.92     | (1.59)                                  | 1.79     |
| Future salary growth (1% movement)      | 1.91                      | (1.73)   | 1.80                                    | (1.63)   |
| Rate of employee turnover (1% movement) | 0.09                      | (0.10)   | 1.19                                    | (0.21)   |

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting year.

#### 7 Expected future benefit payments of Gratuity

Amount ₹ in Crore

| Particulars                    | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019<br>(Restated) |
|--------------------------------|------------------------------|--|
| 1 <sup>st</sup> following year | 9.04                         | 9.32                                       |
| 2 <sup>nd</sup> following year | 2.80                         | 2.72                                       |
| 3 <sup>rd</sup> following year | 2.84                         | 3.86                                       |
| 4 <sup>th</sup> following year | 4.09                         | 2.72                                       |
| 5 <sup>th</sup> following year | 2.02                         | 3.90                                       |
| Thereafter                     | 15.68                        | 14.33                                      |

#### 8 Details of Plan Assets

Amount ₹ in Crore

| Particulars                     | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019<br>(Restated) |
|---------------------------------|------------------------------|--|
| ICICI Prudential Life Insurance | 0.82                         | 2.84                                       |
| HDFC Standard Life Insurance    | 5.01                         | 4.83                                       |
| SBI Life Insurance              | 18.01                        | 19.65                                      |
| <b>Total</b>                    | <b>23.84</b>                 | <b>27.32</b>                               |

### Note 39 : Employee Stock Benefit Plans

#### 1 Employee Stock Grant Scheme

- The Company had set up the Employees Stock Grant Scheme 2011 (ESGS) pursuant to the approval by the Shareholders at their Meeting held on January 17, 2011.
- 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.
- The Scheme applies to the Eligible Employees who are in whole time employment of the Company or its Subsidiary Companies. The entitlement of each employee would be decided by the Compensation Committee of the respective Company based on the employee's performance, level, grade, etc.

## Notes to the Standalone Financial Statements

### Note 39 : Employee Stock Benefit Plans (Continued)

- (d) The total number of Stock Grants to be awarded under the ESGS Scheme are restricted to 25,00,000 (Twenty Five Lac) fully paid up equity shares of the Company. Not more than 5,00,000 (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 from the date on which the Stock Grants are awarded for a period of three consecutive years, or as may be determined by Compensation Committee, 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 of the employee share options has been measured using the Black-Scholes Option Pricing Model 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.

Following table lists the average inputs to the model used for the plan for the year ended March 31, 2020:

| Particulars   | Year Ended<br>March 31, 2020 | Year Ended<br>March 31, 2019<br>(Restated) | Description of the Inputs used  |
|---|------------------------------|--|---|
| Dividend yield %  | 0.37%                        | 0.31%                                      | Dividend yield of the options is based on recent dividend activity.   |
| Expected volatility %   | 28%-31%                      | 28%-31%                                    | Expected volatility of the option is based on historical volatility, during a period equivalent to the option life, of the observed market prices of the Company's publicly traded equity shares. |
| Risk free Interest rate %                                     | 6.91% to 7.95%               | 6.91% to 7.95%                             | Risk-free interest rates are based on the government securities yield in effect at the time of the grant.   |
| Expected life of share options                                | 1 to 3 years                 | 1 to 3 years                               |   |
| Weighted Average Market price on date of granting the options | 471.20                       | 564.45                                     |   |

- (h) The Status of the above plan is as under:

| Particulars   | Year Ended<br>March 31,<br>2020 | Year Ended<br>March<br>31, 2019<br>(Restated) | Weighted<br>average<br>Exercise<br>Price (₹) | Weighted<br>average<br>Share Price<br>(₹) |
|---|---------------------------------|---|--|---|
| Options Outstanding at the Beginning of the Year        | 1,61,029                        | 2,19,380                                      |  |   |
| Options Granted   | 60,372                          | 58,767  |  |   |
| Options Vested  | 81,649                          | 1,11,636                                      | 1.00   | 474.42                                    |
| Options Exercised                                       | 81,649                          | 1,11,636                                      |  |   |
| Options Lapsed / Forfeited                              | 23,971                          | 5,482   |  |   |
| <b>Total Options Outstanding at the end of the year</b> | <b>1,15,781</b>                 | <b>1,61,029</b>                               |  |   |

- (i) The weighted average exercise price of the options outstanding as on March 31, 2020 is Re. 1 (previous year Re. 1 per share) and the weighted average remaining contractual life of the options outstanding as on March 31, 2020 is 0.73 years (previous year 0.79 years)

## Notes to the Standalone Financial Statements

### Note 40: Related Party Information

#### a) Names of related parties and description of relationship

##### Parties where control exists

#### 1 Godrej Agrovet Limited - Subsidiary Co.

- 1.1 Godvet Agrochem Limited
- 1.2 Astec LifeSciences Limited (including its following wholly owned subsidiaries)
  - 1.2.1 Behram Chemicals Private Limited
  - 1.2.2 Astec Europe Sprl
  - 1.2.3 Comercializadora Agricola Agroastrachem Cia Ltda
- 1.3 Creamline Dairy Products Limited
  - 1.3.1 Nagavalli Milkline Private Limited (merged with Creamline Dairy Products Limited effective October 31, 2019)
- 1.4 Godrej Tyson Foods Limited (effective March 27, 2019)
- 1.5 Godrej Maxximilk Private Limited (effective March 27, 2019)

##### Joint Venture

- 1.6 ACI Godrej Agrovet Private Limited, Bangladesh
- 1.7 Omnivore India Capital Trust
- 1.8 Godrej Tyson Foods Limited ( up to March 26, 2019)

##### Associates

- 1.9 Al Rahba International Trading LLC, UAE
- 1.10 Godrej Maxximilk Private Limited ( up to March 26, 2019)

#### 2 Godrej Properties Limited - Subsidiary Co.

- 2.1 Godrej Garden City Properties Private Limited
- 2.2 Prakritiplaza Facilities Management Private Limited
- 2.3 Godrej Prakriti Facilities Private Limited
- 2.4 Godrej Genesis Facilities Management Private Limited
- 2.5 Godrej Hill Side Properties Private Limited
- 2.6 Godrej Highrises Properties Private Limited
- 2.7 City Star Infraprojects Limited
- 2.8 Godrej Residency Private Limited
- 2.9 Godrej Home Developers Private Limited
- 2.10 Godrej Project Development Limited
- 2.11 Godrej Project Developers & Properties LLP
- 2.12 Godrej Projects (Soma) LLP
- 2.13 Embellish Houses LLP
- 2.14 Godrej City Facilities Management LLP
- 2.15 Godrej Properties Worldwide Inc, USA
- 2.16 Godrej Highrises Realty LLP
- 2.17 Godrej Green Properties LLP

## Notes to the Standalone Financial Statements

### Note 40: Related Party Information (Continued)

- 2.18 Godrej Skyview LLP
- 2.19 Godrej Projects North LLP
- 2.20 Godrej Athenmark LLP
- 2.21 Ashank Realty Management LLP
- 2.22 Godrej Olympia LLP
- 2.23 Godrej Florentine LLP
- 2.24 Ashank Facility Management LLP (effective July 09, 2019)
- 2.25 Ceezar Lifespaces Private Limited (effective March 20, 2020)

#### Joint Venture

- 2.26 Godrej Realty Private Limited
- 2.27 Godrej Landmark Redevelopers Private Limited (up to March 14, 2019)
- 2.28 Godrej Redevelopers (Mumbai) Private Limited
- 2.29 Godrej Greenview Housing Private Limited
- 2.30 Wonder Space Properties Private Limited (up to April 03, 2019)
- 2.31 Wonder City Buildcon Private Limited
- 2.32 Godrej Home Constructions Private Limited
- 2.33 Wonder Projects Development Private Limited
- 2.34 Godrej Real View Developers Private Limited
- 2.35 Pearlite Real Properties Private Limited
- 2.36 Godrej Skyline Developers Private Limited
- 2.37 Godrej Green Homes Private Limited (Formerly Known as Godrej Green Homes Limited)
- 2.38 Ashank Macbricks Private Limited (effective July 31, 2018)
- 2.39 Munjal Hospitality Private Limited (effective May 07, 2019)
- 2.40 Yujya Developers Private Limited (effective December 2, 2019)
- 2.41 Vivrut Developers Private Limited (effective February 10, 2020)
- 2.42 Mosiac Landmarks LLP
- 2.43 Dream World Landmarks LLP
- 2.44 Oxford Realty LLP
- 2.45 Godrej SSPDL Green Acres LLP
- 2.46 Caroa Properties LLP
- 2.47 M S Ramaiah Ventures LLP
- 2.48 Oasis Landmarks LLP
- 2.49 Godrej Amitis Developers LLP (formerly known as Amitis Developers LLP)
- 2.50 Godrej Constructions Projects LLP
- 2.51 Godrej Housing Projects LLP
- 2.52 Godrej Property Developers LLP
- 2.53 A R Landcraft LLP
- 2.54 Bavdhan Realty @ Pune 21 LLP

## Notes to the Standalone Financial Statements

### Note 40: Related Party Information (Continued)

- 2.55 Prakhhyat Dwellings LLP
  - 2.56 Godrej Highview LLP
  - 2.57 Godrej Projects North Star LLP
  - 2.58 Godrej Developers & Properties LLP
  - 2.59 Godrej Reserve LLP (formerly known as Sai Srushti Onehub Projects LLP)
  - 2.60 Godrej Irismark LLP
  - 2.61 Rosebery Estate LLP (effective September 18, 2018)
  - 2.62 Suncity Infrastructures (Mumbai) LLP (effective October 10, 2018)
  - 2.63 Manjari Housing Projects LLP (Formerly Known as Godrej Avamark LLP) (effective February 01, 2019)
  - 2.64 Maan-Hinje Township Developers LLP (Formerly Known as Godrej Projects (Pune) LLP) (effective February 01, 2019)
  - 2.65 Mahalunge Township Developers LLP (Formerly Known as Godrej Land Developers LLP) (effective February 01, 2019)
  - 2.66 Godrej Vestamark LLP (effective May 03, 2019)
  - 2.67 Manyata Industrial Parks LLP (effective April 22, 2019)
  - 2.68 Godrej Odyssey LLP (effective September 26, 2019)
  - 2.69 Universal Metro Properties LLP. (effective December 02, 2019)
  - 2.70 Madhuvan Enterprises Private Limited (effective January 16, 2020)
- 3 Natures Basket Limited - Subsidiary Co. (up to July 4, 2019)**
  - 4 Godrej International Limited - Subsidiary Co.**
  - 5 Godrej International Trading & Investments Pte Limited - Subsidiary Co**
  - 6 Ensemble Holdings & Finance Limited - Subsidiary Co.**
  - 7 Godrej One Premises Management Private Limited - Subsidiary Co.**
  - 8 Godrej Industries Limited Employee Stock Option Trust - Subsidiary Co.**
- Associates**
- 9 Godrej Consumer Products Limited and its stepdown subsidiaries and Associates**
  - 9.1 Bhabhani Blunt Hairdressing Private Limited (Associate)
  - 9.2 Godrej Global Mideast FZE, Sharjah
  - 9.3 PT Megasari Makmur, Indonesia
  - 9.4 Strength of Nature LLC, USA
  - 9.5 Godrej Household Products Bangladesh Private Limited, Bangladesh
  - 9.6 Godrej Household Products Lanka Private Limited, Sri Lanka
  - 9.7 Laboratoria Cuenca S.A.
  - 9.8 Godrej South Africa Pty Limited
- 10 Companies under common ownership**
  - 10.1 Godrej & Boyce Manufacturing Company Limited
  - 10.2 Godrej Seeds & Genetics Limited

## Notes to the Standalone Financial Statements

### Note 40: Related Party Information (Continued)

#### 11 Key Management Personnel

- 11.1 Mr. A. B. Godrej - Chairman
- 11.2 Mr. N. B. Godrej - Managing Director
- 11.3 Ms. T. A. Dubash - Executive Director & Chief Brand Officer
- 11.4 Mr. N. S. Nabar - Executive Director & President (Chemicals)
- 11.5 Mr. C. G. Pinto - Chief Financial Officer
- 11.6 Ms. Tejal Jariwala - Company Secretary (effective November 12, 2018)
- 11.7 Ms. Nilufer Shekhawat - Company Secretary (up to October 31, 2018)

#### 12 Non-Executive Directors

- 12.1 Mr. J.N. Godrej
- 12.2 Mr. V.M. Crishna
- 12.3 Mr. K.M. Elavia
- 12.4 Mr. K.N. Petigara
- 12.5 Mr. A.D. Cooper
- 12.6 Mr. Mathew Eipe (effective May 13, 2019)
- 12.7 Dr. Ganapati D. Yadav (effective May 13, 2019)
- 12.8 Ms. Rashmi Joshi (up to March 27, 2020)
- 12.9 Mr. K.K. Dastur (up to August 8, 2019)
- 12.10 Mr. S.A. Ahmadullah (up to August 8, 2019)
- 12.11 Mr. A.B. Choudhury (up to August 8, 2019)

#### 13 Relatives of Key Management Personnel

- 13.1 Ms. N. A. Godrej - Daughter of Mr. A. B. Godrej
- 13.2 Mr. P. A. Godrej - Son of Mr. A. B. Godrej
- 13.3 Ms. R. N. Godrej - Wife of Mr. N. B. Godrej
- 13.4 Mr. B. N. Godrej - Son of Mr. N. B. Godrej
- 13.5 Mr. S. N. Godrej - Son of Mr. N. B. Godrej
- 13.6 Mr. H. N. Godrej - Son of Mr. N. B. Godrej
- 13.7 Mr. A. D. Dubash - Husband of Ms. Tanya Dubash
- 13.8 Master A. A. Dubash - Son of Ms. Tanya Dubash
- 13.9 Master A. A. Dubash - Son of Ms. Tanya Dubash
- 13.10 Ms. N. N. Nabar - Wife of Mr. N. S. Nabar

#### 14 Enterprises over which key management personnel exercise significant influence

- 14.1 Anamudi Real Estates LLP
- 14.2 Innovia Multiventures Private Limited
- 14.3 ABG Family Trust
- 14.4 NBG Family Trust
- 14.5 TAD Family Trust



## Notes to the Standalone Financial Statements

### Note 40: Related Party Information (Continued)

#### 15 Enterprises over which relative of key management personnel exercise significant influence

- 15.1 Shata Trading & Finance Private Limited
- 15.2 Shilawati Trading & Finance Private Limited
- 15.3 NG Family Trust
- 15.4 PG Family Trust
- 15.5 BNG Family Trust
- 15.6 SNG Family Trust
- 15.7 HNG Family Trust
- 15.8 Godrej Investment Advisers Private Limited
- 15.9 Godrej Housing Finance Limited
- 15.10 Karukachal Developers Private Limited
- 15.11 Eranthus Developers Private Limited
- 15.12 Praviz Developers Private Limited
- 15.13 Godrej Holdings Private Limited
- 15.14 Ceres Developers Private Limited (effective September 5, 2019)
- 15.15 Pyxis Developers Private Limited (effective September 6, 2019)

#### 16 Post Employment Benefit Trust where reporting entity exercises significant influence

- 16.1 Godrej Industries Employees Provident Fund
- 16.2 Godrej Industries Ltd Group Gratuity Trust
- 16.3 Godrej Industries Limited Employee Stock Option Trust

## Notes to the Standalone Financial Statements

## Note 40: Related Party Information (Continued)

## b) Transactions with Related Parties

Amount ₹ in Crore

| Nature of Transaction                               | Holding Company | Subsidiary Companies | Fellow Subsidiaries | Associate/Joint Venture Companies | Companies under common ownership | Key Management Personnel | Relative of Key Management Personnel | Enterprises over which Key Management Personnel exercise significant influence | Enterprises over which Key Management Personnel exercise significant influence | Post Employment Benefit Trust | Total  |
|---|-----------------|----------------------|---------------------|-----------------------------------|----------------------------------|--------------------------|--------------------------------------|--|--|-------------------------------|--------|
| Sale of Goods *                                     | -               | 5.75                 | -                   | 61.20                             | 0.58                             | -                        | -                                    | -  | 0.00   | -                             | 67.53  |
| Previous Year *                                     | -               | 4.70                 | -                   | 60.38                             | 4.37                             | -                        | -                                    | 0.00   | -  | -                             | 69.45  |
| Purchase of goods                                   | -               | 3.26                 | -                   | 8.73                              | -                                | -                        | -                                    | -  | -  | -                             | 11.99  |
| Previous Year                                       | -               | 1.08                 | -                   | 10.49                             | -                                | -                        | -                                    | -  | -  | -                             | 11.57  |
| Purchase of Property, Plants & Equipments           | -               | 1.99                 | -                   | -                                 | 0.26                             | -                        | -                                    | -  | -  | -                             | 2.25   |
| Previous Year                                       | -               | 1.45                 | -                   | -                                 | 0.37                             | -                        | -                                    | -  | -  | -                             | 1.82   |
| Commission / Royalty received                       | -               | -                    | -                   | 0.28                              | -                                | -                        | -                                    | -  | -  | -                             | 0.28   |
| Previous Year                                       | -               | -                    | -                   | 0.24                              | -                                | -                        | -                                    | -  | -  | -                             | 0.24   |
| Licence fees / Service charges / Storage Income     | -               | 5.08                 | -                   | 14.04                             | -                                | -                        | -                                    | -  | 0.13   | -                             | 19.25  |
| Previous Year                                       | -               | 6.87                 | -                   | 7.79                              | 0.01                             | -                        | -                                    | 0.01   | 0.03   | -                             | 14.71  |
| Other Income *                                      | -               | 0.82                 | -                   | 0.64                              | 0.02                             | -                        | -                                    | 0.00   | 0.02   | -                             | 1.50   |
| Previous Year                                       | -               | 0.70                 | -                   | 0.45                              | -                                | -                        | -                                    | 0.09   | -  | -                             | 1.24   |
| *Recovery of establishment & Other Expenses*        | -               | 20.24                | -                   | 25.16                             | 6.68                             | -                        | -                                    | 1.35   | 0.06   | -                             | 53.49  |
| Previous Year                                       | 0.03            | 19.17                | -                   | 33.01                             | 5.51                             | -                        | -                                    | 2.79   | -  | -                             | 60.51  |
| Rent, Establishment & other exps paid *             | -               | 9.63                 | -                   | 11.06                             | 4.68                             | -                        | 0.91                                 | 0.00   | 2.02   | -                             | 28.30  |
| Previous Year                                       | -               | 8.93                 | -                   | 10.01                             | 5.16                             | -                        | 0.96                                 | 0.01   | 1.93   | -                             | 27.00  |
| Dividend income                                     | -               | 50.25                | -                   | 194.25                            | -                                | -                        | -                                    | -  | -  | -                             | 244.50 |
| Previous Year                                       | -               | 50.11                | -                   | 291.38                            | -                                | -                        | -                                    | -  | -  | -                             | 341.49 |
| Dividend paid                                       | -               | -                    | -                   | -                                 | -                                | 0.22                     | 1.63                                 | 3.73   | 4.21   | -                             | 9.79   |
| Previous Year                                       | 33.93           | -                    | -                   | -                                 | -                                | 0.43                     | 3.01                                 | 0.32   | 0.72   | -                             | 38.41  |
| Remuneration to Key Management Personnel            | -               | -                    | -                   | -                                 | -                                | -                        | -                                    | -  | -  | -                             | -      |
| Short term employee benefit                         | -               | -                    | -                   | -                                 | -                                | 22.16                    | -                                    | -  | -  | -                             | 22.16  |
| Post employment benefit                             | -               | -                    | -                   | -                                 | -                                | 0.73                     | -                                    | -  | -  | -                             | 0.73   |
| Share based payment                                 | -               | -                    | -                   | -                                 | -                                | 0.84                     | -                                    | -  | -  | -                             | 0.84   |
| Previous Year                                       | -               | -                    | -                   | -                                 | -                                | -                        | -                                    | -  | -  | -                             | -      |
| Short term employee benefit                         | -               | -                    | -                   | -                                 | -                                | 17.09                    | -                                    | -  | -  | -                             | 17.09  |
| Post employment benefit                             | -               | -                    | -                   | -                                 | -                                | 0.70                     | -                                    | -  | -  | -                             | 0.70   |
| Share based payment                                 | -               | -                    | -                   | -                                 | -                                | 0.78                     | -                                    | -  | -  | -                             | 0.78   |
| Remuneration  | -               | -                    | -                   | -                                 | -                                | -                        | -                                    | -  | -  | -                             | -      |
| Previous Year                                       | -               | -                    | -                   | -                                 | -                                | -                        | -                                    | -  | -  | -                             | -      |
| Purchase of Investments                             | -               | -                    | -                   | -                                 | -                                | -                        | -                                    | -  | -  | -                             | -      |
| Previous Year                                       | -               | 76.60                | -                   | -                                 | -                                | -                        | -                                    | -  | -  | -                             | 76.60  |
| Other Deposits accepted                             | -               | 0.14                 | -                   | 0.16                              | -                                | -                        | -                                    | -  | -  | -                             | 0.30   |
| Previous Year                                       | -               | 0.26                 | -                   | 0.26                              | -                                | -                        | -                                    | -  | -  | -                             | 0.52   |
| Other Deposits refunded                             | -               | 0.10                 | -                   | -                                 | -                                | -                        | -                                    | -  | -  | -                             | 0.10   |
| Previous Year                                       | -               | 0.01                 | -                   | 0.12                              | -                                | -                        | -                                    | -  | -  | -                             | 0.13   |
| Other Deposits - Advanced during the year           | -               | 0.21                 | -                   | -                                 | -                                | -                        | -                                    | -  | -  | -                             | 0.21   |
| Previous Year                                       | -               | 0.30                 | -                   | -                                 | -                                | -                        | -                                    | -  | -  | -                             | 0.30   |
| Other Deposits - Repayment received during the year | -               | -                    | -                   | -                                 | -                                | -                        | -                                    | -  | -  | -                             | -      |
| Previous Year                                       | -               | -                    | -                   | -                                 | -                                | -                        | -                                    | -  | -  | -                             | -      |
| Directors Fees                                      | -               | -                    | -                   | -                                 | -                                | 0.07                     | -                                    | -  | -  | -                             | 0.07   |
| Previous Year                                       | -               | -                    | -                   | -                                 | -                                | 0.52                     | -                                    | -  | -  | -                             | 0.52   |
| <b>Balance Outstanding as on March 31, 2020</b>     |                 |                      |                     |                                   |                                  |                          |                                      |  |  |                               |        |
| Receivables *                                       | -               | 5.06                 | -                   | 16.75                             | 1.81                             | 0.00                     | -                                    | 0.10   | 0.00   | -                             | 23.72  |
| Previous Year *                                     | -               | 5.78                 | -                   | 8.47                              | 1.00                             | -                        | -                                    | 0.05   | -  | -                             | 15.30  |
| Payables  | -               | -                    | -                   | 0.03                              | -                                | -                        | -                                    | -  | -  | -                             | 0.03   |
| Previous Year                                       | -               | 0.14                 | -                   | 0.04                              | -                                | -                        | -                                    | -  | -  | -                             | 0.18   |
| Guarantees outstanding                              | -               | -                    | -                   | 38.54                             | -                                | -                        | -                                    | -  | -  | -                             | 38.54  |
| Previous Year                                       | -               | -                    | -                   | 33.11                             | -                                | -                        | -                                    | -  | -  | -                             | 33.11  |

\* Amount less than ₹ 0.01 crores

## Notes to the Standalone Financial Statements

### Note 41 : Fair Value Measurement

Refer Note 2 sub note 9 & 10 for accounting policy on Financial Instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

#### 1 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 as follows.

Amount ₹ in Crore

| As at March 31, 2020                                    | Carrying amount |          |                 |                 | Fair value  |             |             |              |
|---|-----------------|----------|-----------------|-----------------|-------------|-------------|-------------|--------------|
|   | FVTPL           | FVTOCI   | Amortised Cost  | Total           | Level 1     | Level 2     | Level 3     | Total        |
| <b>Financial assets</b>                                 |                 |          |                 |                 |             |             |             |              |
| <b>Non-Current</b>                                      |                 |          |                 |                 |             |             |             |              |
| <b>Investments</b>                                      |                 |          |                 |                 |             |             |             |              |
| Subsidiaries and Associates                             |                 |          | 2,600.17        | 2,600.17        |             |             |             |              |
| Other Investments*                                      | 13.75           | -        | -               | 13.75           | 8.38        | -           | 5.37        | 13.75        |
| <b>Loans</b>  |                 |          |                 |                 |             |             |             |              |
| Security Deposits                                       | -               | -        | 4.05            | 4.05            |             |             |             |              |
| Loans to Employees                                      | -               | -        | 0.79            | 0.79            |             |             |             |              |
| Other financial assets                                  |                 |          | 2.59            | 2.59            |             |             |             |              |
| <b>Current</b>  |                 |          |                 |                 |             |             |             |              |
| Trade receivables                                       | -               | -        | 199.91          | 199.91          |             |             |             |              |
| Cash and cash equivalents                               | -               | -        | 317.71          | 317.71          |             |             |             |              |
| Other bank balances                                     | -               | -        | 25.87           | 25.87           |             |             |             |              |
| <b>Loans</b>  |                 |          |                 | -               |             |             |             |              |
| Others  | -               | -        | 0.26            | 0.26            |             |             |             |              |
| Derivative asset  | 0.11            | -        | -               | 0.11            |             | 0.11        |             | 0.11         |
| Other Current Financial Assets                          | -               | -        | 23.56           | 23.56           |             |             |             |              |
|   | <b>13.86</b>    | <b>-</b> | <b>3,174.91</b> | <b>3,188.77</b> | <b>8.38</b> | <b>0.11</b> | <b>5.37</b> | <b>13.86</b> |
| <b>Financial liabilities</b>                            |                 |          |                 |                 |             |             |             |              |
| <b>Non-Current</b>                                      |                 |          |                 |                 |             |             |             |              |
| Borrowings  | -               | -        | 562.50          | 562.50          | -           | -           | -           | -            |
| Lease Liabilities                                       | -               | -        | 6.27            | 6.27            |             |             |             |              |
| <b>Current</b>  |                 |          |                 |                 |             |             |             |              |
| Borrowings  | -               | -        | 2,250.79        | 2,250.79        | -           | -           | -           | -            |
| Trade and other payables                                | -               | -        | 385.43          | 385.43          | -           | -           | -           | -            |
| Other financial liabilities (include lease liabilities) | -               | -        | 145.86          | 145.86          | -           | -           | -           | -            |
|   | <b>-</b>        | <b>-</b> | <b>3,350.85</b> | <b>3,350.85</b> | <b>-</b>    | <b>-</b>    | <b>-</b>    | <b>-</b>     |

## Notes to the Standalone Financial Statements

## Note 41 : Fair Value Measurement (Continued)

Amount ₹ in Crore

| As at March 31, 2019 (Restated) | Carrying amount |        |                |          | Fair value |         |         |       |
|---------------------------------|-----------------|--------|----------------|----------|------------|---------|---------|-------|
|                                 | FVTPL           | FVTOCI | Amortised Cost | Total    | Level 1    | Level 2 | Level 3 | Total |
| <b>Financial assets</b>         |                 |        |                |          |            |         |         |       |
| <b>Non-Current</b>              |                 |        |                |          |            |         |         |       |
| <b>Investments</b>              |                 |        |                |          |            |         |         |       |
| Subsidiaries and Associates     |                 |        | 2,688.75       | 2,688.75 |            |         |         | -     |
| Other Investments*              | 16.46           | -      | -              | 16.46    | 10.85      | -       | 5.61    | 16.46 |
| <b>Loans</b>                    |                 |        |                |          |            |         |         |       |
| Security Deposits               | -               | -      | 3.05           | 3.05     | -          | -       | -       | -     |
| Loans to Employees              | -               | -      | 0.67           | 0.67     | -          | -       | -       | -     |
| Other financial assets          | -               | -      | 10.90          | 10.90    | -          | -       | -       | -     |
| <b>Current</b>                  |                 |        |                |          |            |         |         |       |
| Trade receivables               | -               | -      | 179.23         | 179.23   | -          | -       | -       | -     |
| Cash and cash equivalents       | -               | -      | 512.73         | 512.73   | -          | -       | -       | -     |
| Other bank balances             | -               | -      | 2.11           | 2.11     | -          | -       | -       | -     |
| <b>Loans</b>                    |                 |        |                |          |            |         |         |       |
| Others                          | -               | -      | 0.17           | 0.17     | -          | -       | -       | -     |
| Derivative asset                | 0.06            | -      | -              | 0.06     | -          | 0.06    | -       | 0.06  |
| Other Current Financial Assets  | -               | -      | 15.69          | 15.69    | -          | -       | -       | -     |
|                                 | 16.52           | -      | 3,413.30       | 3,429.81 | 10.85      | 0.06    | 5.61    | 16.52 |
| <b>Financial liabilities</b>    |                 |        |                |          |            |         |         |       |
| <b>Non-Current</b>              |                 |        |                |          |            |         |         |       |
| Borrowings                      | -               | -      | 625.00         | 625.00   | -          | -       | -       | -     |
| <b>Current</b>                  |                 |        |                |          |            |         |         |       |
| Borrowings                      | -               | -      | 2,286.58       | 2,286.58 | -          | -       | -       | -     |
| Trade and other payables        | -               | -      | 375.25         | 375.25   | -          | -       | -       | -     |
| Derivative liabilities          | 4.81            | -      | -              | 4.81     | -          | 4.81    | -       | 4.81  |
| Other financial liabilities     | -               | -      | 338.78         | 338.78   | -          | -       | -       | -     |
|                                 | 4.81            | -      | 3,625.61       | 3,630.42 | -          | 4.81    | -       | 4.81  |

\* The fair value in respect of the unquoted equity investments cannot be reliably estimated. The Company has currently measured them at net book value as per the latest audited financial statements available.

The Fair value of cash and cash equivalents, other bank balances, trade receivables, trade payables approximated their carrying value largely due to short term maturities of these instruments.

Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

## Notes to the Standalone Financial Statements

### Note 41 : Fair Value Measurement (Continued)

#### 2 Measurement of fair values

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

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.

| Type                | Valuation technique   |
|---------------------|---|
| Preference shares   | The preference shares were converted into equity and listed in the near future and accordingly we have used the listing price as fair value on the date of reporting. |
| Forward contracts   | The fair value is determined using forward exchange rates at the reporting date.  |
| Interest rate swaps | Present value of the estimated future cash flows based on observable yield curves   |

### Note 42 : Financial Risk Management

#### 1 Financial Risk Management objectives and policies

The Company's business activities are exposed to a variety of financial risks, namely Credit risk, Liquidity risk, Currency risk, Interest risks and Commodity price risk. The Company's Senior Management has the overall responsibility for establishing and governing the Company's risk management framework. The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The audit committee oversees how Management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

#### 2 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans and advances and Bank balances and derivative transactions.

The carrying amount of following financial assets represents the maximum credit exposure:

##### Trade receivables and loans and advances.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer and the geography in which it operates. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The Company has a policy under which each new customer is analysed individually for creditworthiness before offering credit period and delivery terms and conditions. The Company's export sales are backed by letters of credit and insured through Export Credit Guarantee Corporation. The Company bifurcates the Domestic Customers into Large Corporates, Distributors and others for Credit monitoring.

## Notes to the Standalone Financial Statements

### Note 42 : Financial Risk Management (Continued)

The Company maintains adequate security deposits for sales made to its distributors. For other trade receivables, the Company individually monitors the sanctioned credit limits as against the outstanding balances. Accordingly, the Company makes specific provisions against such trade receivables wherever required and monitors the same at periodic intervals.

The Company monitors each loans and advances given and makes any specific provision wherever required.

Based on prior experience and an assessment of the current economic environment, Management believes there is no credit risk provision required. Also Company does not have any significant concentration of credit risk.

The ageing of trade receivables that were not impaired was as follows:

Amount ₹ in Crore

| Particulars        | As at<br>March 31, 2020 | As at March 31,<br>2019 (Restated) |
|--------------------|-------------------------|------------------------------------|
| More than 6 Months | 1.41                    | 3.85                               |
| Others             | 198.50                  | 175.38                             |
|                    | <b>199.91</b>           | <b>179.23</b>                      |

The movement in Provision for Doubtful Debts is as follows:

Amount ₹ in Crore

| Particulars                          | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019<br>(Restated) |
|--------------------------------------|------------------------------|--|
| Opening Provision for Doubtful Debts | 3.11                         | 2.97                                       |
| Impairment loss recognised           | 0.06                         | 0.14                                       |
| Closing Provision for Doubtful Debts | <b>3.17</b>                  | <b>3.11</b>                                |

### Bank Balances and derivative transactions

Bank Accounts are maintained / carried out with Banks having high credit ratings

### 3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position on the basis of expected cash flows. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents.

The Company has access to funds from debt markets through loan from banks, commercial papers, fixed deposits from public and other Debt instrument. The Company invests its surplus funds in bank fixed deposits and debt based mutual funds.

## Notes to the Standalone Financial Statements

### Note 42 : Financial Risk Management (Continued)

#### Maturity profile of financial liabilities

The following are the remaining contractual maturities of financial liabilities as at Balance Sheet Dates:

Amount ₹ in Crore

| As at March 31, 2020                        | Contractual cash flows |          |                    |             |           |           |                   |
|---|------------------------|----------|--------------------|-------------|-----------|-----------|-------------------|
|   | Carrying amount        | Total    | Less than 6 months | 6-12 months | 1-2 years | 2-5 years | More than 5 years |
| <b>Non-derivative financial liabilities</b> |                        |          |                    |             |           |           |                   |
| Non Current Borrowings                      | 562.50                 | 712.91   | 23.02              | 22.78       | 144.74    | 522.37    | -                 |
| Non Current Lease Liabilities               | 6.27                   | 6.27     | -                  | -           | 4.27      | 2.00      | -                 |
| Current Borrowings                          | 2,250.79               | 2,262.92 | 2,262.92           | -           | -         | -         | -                 |
| Current maturities of long term borrowings  | 62.50                  | 65.77    | 33.57              | 32.20       | -         | -         | -                 |
| Trade and other payables                    | 385.43                 | 378.86   | 278.10             | 95.30       | 3.31      | 1.16      | 0.99              |
| Other financial liabilities                 | 74.53                  | 74.53    | 74.53              | -           | -         | -         | -                 |

Amount ₹ in Crore

| As at March 31, 2019 (Restated)             | Contractual cash flows |          |                    |             |           |           |                   |
|---|------------------------|----------|--------------------|-------------|-----------|-----------|-------------------|
|   | Carrying amount        | Total    | Less than 6 months | 6-12 months | 1-2 years | 2-5 years | More than 5 years |
| <b>Non-derivative financial liabilities</b> |                        |          |                    |             |           |           |                   |
| Non Current Borrowings                      | 625.00                 | 847.96   | 27.73              | 27.58       | 115.59    | 514.71    | 162.35            |
| Current Borrowings                          | 2,286.58               | 2,299.58 | 2,299.58           | -           | -         | -         | -                 |
| Current maturities of long term borrowings  | 283.32                 | 292.04   | 242.63             | 49.41       | -         | -         | -                 |
| Trade and other payables                    | 375.25                 | 353.78   | 346.02             | 7.76        | -         | -         | -                 |
| Other financial liabilities                 | 55.82                  | 55.82    | 55.82              | -           | -         | -         | -                 |

#### 4 Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The Company's exposure to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of investments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

##### (i) Currency risk

The Company is exposed to currency risk on account of its borrowings, Receivables for Exports and Payables for Imports in foreign currency. The functional currency of the Company is Indian Rupee. The Company manages currency exposures within prescribed limits, through use of forward exchange contracts. Foreign exchange transactions are covered with strict limits placed on the amount of uncovered exposure, if any, at any point in time.

## Notes to the Standalone Financial Statements

### Note 42 : Financial Risk Management (Continued)

**Exposure to currency risk** (Exposure in different currencies converted to functional currency)

The currency profile of financial assets and financial liabilities as at Balance Sheet dates are as below:

Amount ₹ in Crore

| As at March 31, 2020                           | USD     | EURO |
|--|---------|------|
| <b>Financial assets</b>                        |         |      |
| <b>Current</b>                                 |         |      |
| Trade Receivables                              | 96.17   | 2.89 |
| Less : Forward Contracts for Trade Receivables | (11.35) | -    |
|  | 84.82   | 2.89 |
| <b>Financial liabilities</b>                   |         |      |
| <b>Non-Current</b>                             |         |      |
| Borrowings                                     | -       | -    |
| Less: Forward contracts                        | -       | -    |
| <b>Current</b>                                 |         |      |
| Trade and other payables                       | 203.94  | 0.25 |
| Other financial liabilities                    | -       | -    |
| Less: Forward contracts for Trade Payables     | (63.56) | -    |
|  | 140.37  | 0.25 |

Amount ₹ in Crore

| As at March 31, 2019 (Restated)                | USD     | EURO    |
|--|---------|---------|
| <b>Financial assets</b>                        |         |         |
| <b>Current</b>                                 |         |         |
| Trade Receivables                              | 101.00  | 2.33    |
| Less : Forward Contracts for Trade Receivables | (28.01) | -       |
|  | 72.99   | 2.33    |
| <b>Financial liabilities</b>                   |         |         |
| <b>Non-Current</b>                             |         |         |
| Borrowings                                     | 87.49   | -       |
| Less: Forward contracts                        | (21.85) | -       |
|  | 65.64   | -       |
| <b>Current</b>                                 |         |         |
| Trade and other payables                       | 223.55  | 10.45   |
| Other financial liabilities                    | 0.32    | -       |
| Less: Forward contracts for Trade Payables     | (91.77) | (10.24) |
|  | 132.10  | 0.21    |

Uncovered Foreign Exchange Exposure on Long Term Borrowings as at balance sheet dates includes External Commercial Borrowings (ECB) and Foreign Currency Term Loan (FCTL) taken for Capital Expenditure. Impact of fluctuation in Foreign Currency Rates on these borrowings relating to Capital Expenditure will be capitalised to Fixed Assets and would not impact the Statement of Profit and Loss.



## Notes to the Standalone Financial Statements

### Note 42 : Financial Risk Management (Continued)

The following significant exchange rates have been applied as at the Balance Sheet dates:

| INR   | Year-end spot rate      |                                    |
|-------|-------------------------|------------------------------------|
|       | As at<br>March 31, 2020 | As at March 31,<br>2019 (Restated) |
| USD 1 | 75.66                   | 69.15                              |
| EUR1  | 82.84                   | 77.64                              |

#### Sensitivity analysis

A reasonably possible strengthening / (weakening) of the Indian Rupee against the foreign currencies at March 31 would have affected the measurement of financial instruments denominated in foreign currencies and affected equity and 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.

Amount ₹ in Crore

| Particulars       | As at March 31, 2020        |           | As at March 31, 2019<br>(Restated) |           |
|-------------------|-----------------------------|-----------|------------------------------------|-----------|
|                   | Profit or (loss) and Equity |           | Profit or (loss) and Equity        |           |
|                   | Strengthening               | Weakening | Strengthening                      | Weakening |
| USD - 2% Movement | (1.11)                      | 1.11      |                                    |           |
| USD - 3% Movement |                             |           | (3.74)                             | 3.74      |
| EUR - 2% Movement | 0.05                        | (0.05)    | 0.04                               | (0.04)    |
|                   | (1.05)                      | 1.05      | (3.70)                             | 3.70      |

#### (ii) 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. Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

The Management is responsible for the monitoring of the Company's interest rate position. Various variables are considered by the Management in structuring the Company's borrowings to achieve a reasonable, competitive, cost of funding.

#### Exposure to interest rate risk

Company's interest rate risk arises from borrowings. The interest rate profile of the Company's interest-bearing financial instruments as reported to the Management of the Company is as follows:

Amount ₹ in Crore

| Particulars              | As at<br>March 31, 2020 | As at March 31,<br>2019 (Restated) |
|--------------------------|-------------------------|------------------------------------|
| Fixed rate borrowings    | 2,208.66                | 2,367.82                           |
| Variable rate borrowings | 667.13                  | 827.08                             |
|                          | 2,875.79                | 3,194.90                           |

## Notes to the Standalone Financial Statements

### Note 42 : Financial Risk Management (Continued)

#### Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

#### Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rate would have resulted in variation in the interest expense for the Company by the amounts indicated in the table below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the period.

Amount ₹ in Crore

| Particulars                          | Profit or (loss) and Equity |                 |
|--------------------------------------|-----------------------------|-----------------|
|                                      | 100 bp increase             | 100 bp decrease |
| <b>As at Mar 31, 2020</b>            |                             |                 |
| Variable-rate instruments            | (6.67)                      | 6.67            |
| Interest rate swaps                  | -                           | -               |
| <b>Cash flow sensitivity (net)</b>   | <b>(6.67)</b>               | <b>6.67</b>     |
| <b>As at Mar 31, 2019 (Restated)</b> |                             |                 |
| Variable-rate instruments            | (8.27)                      | 8.27            |
| Interest rate swaps                  | 0.87                        | (0.87)          |
| <b>Cash flow sensitivity (net)</b>   | <b>(7.40)</b>               | <b>7.40</b>     |

#### Forward Contracts

The Company uses forward exchange contracts to hedge its foreign exchange exposure relating to the underlying transactions and firm commitment in accordance with its forex policy as determined by its Forex Committee. The Company does not use foreign exchange forward contracts for trading or speculation purposes. Forward Contracts outstanding as at March 31, 2020:

#### Forward Contracts outstanding as at March 31, 2020:

Amount ₹ in Crore

| Particulars   | As at<br>March 31, 2020 | As at March 31,<br>2019 (Restated) |
|---|-------------------------|------------------------------------|
| Forward Contract to Purchase (USD)<br>[23 contracts (previous year 31 contracts)] | 0.84                    | 1.33                               |
| Forward Contract to Purchase (EUR)<br>[NIL contracts (previous year 2 contracts)] | -                       | 0.10                               |
| Forward Contract FCTL Loan (USD)<br>[NIL contracts (previous year 3 contract)]    | -                       | 0.32                               |
| Forward Contract to Sell (USD)<br>[4 contracts (previous year 9 contracts)]       | 0.15                    | 0.41                               |
| Forward Contract to Sell (EUR)<br>[NIL contracts (previous year 1 contract)]      | -                       | 0.03                               |

## Notes to the Standalone Financial Statements

### Note 43 : Capital Management

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves. The primary objective of the Company's Capital Management is to maximise shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using Adjusted net debt to equity ratio. For this purpose, adjusted net debt is defined as total debt less cash and bank balances.

| Particulars                        | Amount ₹ in Crore       |                                    |
|------------------------------------|-------------------------|------------------------------------|
|                                    | As at<br>March 31, 2020 | As at March 31,<br>2019 (Restated) |
| Non-Current Borrowings             | 562.50                  | 625.00                             |
| Current Borrowings                 | 2,250.79                | 2,286.58                           |
| Current maturity of long term debt | 62.50                   | 283.32                             |
| <b>Gross Debt</b>                  | <b>2,875.79</b>         | <b>3,194.90</b>                    |
| Less - Cash and Cash Equivalents   | (317.71)                | (512.73)                           |
| Less - Other Bank Balances         | (25.87)                 | (2.11)                             |
| Less - Current Investments         | -                       | -                                  |
| <b>Adjusted Net debt</b>           | <b>2,532.21</b>         | <b>2,680.06</b>                    |
| Total Equity                       | 1,630.64                | 1,642.98                           |
| Adjusted Net Debt to Equity ratio  | 1.55                    | 1.63                               |

### Note 44 : Master netting or similar agreements

The following table presents the recognised financial instruments that are offset, or subject to enforceable master netting arrangements and other similar agreements but not offset, as at Balance Sheet Dates:

| As at March 31, 2020    | Effects of offsetting on the balance sheet |  |  | Related amounts not offset                     |                                 |             |
|-------------------------|--|--|--|--|---------------------------------|-------------|
|                         | Gross Amounts                              | Gross amounts set off in the balance sheet | Net amounts presented in the balance sheet | Amounts subject to master netting arrangements | Financial instrument collateral | Net amount  |
| <b>Financial assets</b> |  |  |  |  |                                 |             |
| <b>Current</b>          |  |  |  |  |                                 |             |
| Derivative asset        | 0.28                                       | 0.17                                       | 0.11                                       | -  | -                               | 0.11        |
| <b>Total</b>            | <b>0.28</b>                                | <b>0.17</b>                                | <b>0.11</b>                                | <b>-</b>                                       | <b>-</b>                        | <b>0.11</b> |

Amount ₹ in Crore

| As at March 31, 2019<br>(Restated) | Effects of offsetting on the balance sheet |  |  | Related amounts not offset                     |                                 |             |
|------------------------------------|--|--|--|--|---------------------------------|-------------|
|                                    | Gross Amounts                              | Gross amounts set off in the balance sheet | Net amounts presented in the balance sheet | Amounts subject to master netting arrangements | Financial instrument collateral | Net amount  |
| <b>Financial assets</b>            |  |  |  |  |                                 |             |
| <b>Current</b>                     |  |  |  |  |                                 |             |
| Derivative asset                   | 0.06                                       | -  | 0.06                                       | -  | -                               | 0.06        |
| <b>Total</b>                       | <b>0.06</b>                                | <b>-</b>                                   | <b>0.06</b>                                | <b>-</b>                                       | <b>-</b>                        | <b>0.06</b> |

## Notes to the Standalone Financial Statements

### Note 44 : Master netting or similar agreements (Continued)

#### Offsetting arrangements

#### Derivatives

The Company enters into derivative contracts for hedging foreign exchange exposures. In general, under such agreements, the amounts owed by each counterparty on a single day in respect of all the transactions outstanding in the same currency are aggregated into a single net amount that is payable by one party to the other.

### Note 45 : Dividend On Equity Shares

Amount ₹ in Crore

| Particulars   | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019<br>(Restated) |
|---|------------------------------|--|
| (a) <b>Proposed Dividend *</b><br>(Previous Year ₹ 1.15 per Share (115%)) | -                            | 38.69                                      |
|   | -                            | 38.69                                      |

(\*) Proposed Dividend is subject to Shareholders' approval in the ensuing Annual General Meeting and has not been recognised as a liability as at Balance Sheet date.

As on March 31, 2020, the tax liability with respect to the dividends proposed is NIL (March 31, 2019 : ₹ 7.95 crore).

### Note 46 : Merger of Investment division of Ensemble Holdings and Finance Limited (100% subsidiary of the company)

The National Company Law Tribunal ("NCLT"), Mumbai bench vide its Order dated April 22, 2020 has approved the Scheme of Arrangement (Demerger) between Ensemble Holdings and Finance Limited (EHFL) and the Company. Consequent to the said Order and filing of the final certified Order with the Registrar of Companies, Maharashtra on May 14, 2020, the Scheme has become effective from the Appointed Date i.e. October 1, 2019.

The Company has given effect of the Scheme in its Financial statements for the year ended March 31, 2020 as per guidance set out in Ind AS Transition Facilitation Group (ITFG) Clarification Bulletin 14 (Issue 4), being a common control transaction. The Financial Statements for the previous year ended March 31, 2019 have been restated as per Appendix C of Ind AS 103, Business Combinations, as if the business combination had occurred from the beginning of the preceding period. The effect of the restatement on the Profit/ (Loss) after Tax, Other Comprehensive Income/ (Loss) and Total Comprehensive Income/ (Loss) and Equity have been given in the table below:-

Amount ₹ in Crore

| Particulars   | Year ended<br>March 31, 2019 |
|---|------------------------------|
| <b>Profit / (Loss) After Tax as previously reported</b>                 | <b>(90.73)</b>               |
| Change on account of Scheme of Arrangement between EHFL and the Company | <b>(10.64)</b>               |
| <b>Profit / (Loss) After Tax (Restated)</b>                             | <b>(101.37)</b>              |
| <b>Other Comprehensive income / (loss) as previously reported</b>       | <b>(0.60)</b>                |
| Change on account of Scheme of Arrangement between EHFL and the Company | -                            |
| <b>Other Comprehensive Income / (Loss) (Restated)</b>                   | <b>(0.60)</b>                |
| <b>Total Comprehensive Income / (Loss) as previously reported</b>       | <b>(91.33)</b>               |
| Change on account of Scheme of Arrangement between EHFL and the Company | <b>(10.64)</b>               |
| <b>Total Comprehensive Income / (Loss) (Restated)</b>                   | <b>(101.97)</b>              |

## Notes to the Standalone Financial Statements

### Note 46 : Merger of Investment division of Ensemble Holdings and Finance Limited (100% subsidiary of the company) (Continued)

Amount ₹ in Crore

| Particulars  | As at<br>March 31, 2019 |
|--|-------------------------|
| Equity as previously reported  | 1,631.69                |
| Change on account of Scheme of Arrangement between EHFL and the Company* | 11.29                   |
| <b>Equity (Restated)</b>   | <b>1,642.98</b>         |

\*comprises of capital reserve ₹ 21.93 crore pursuant to the Scheme and loss of EHFL ₹ 10.64 crore for the year ended 31 March 2019.

#### Note : 47

The Company has presented segment information in the consolidated financial statements which are presented in the same financial report. Accordingly, in terms of Ind AS 108 'Operating Segments', no disclosures related to segments are presented in these standalone financial statements.

#### Note : 48

Corporate Social Responsibility contribution required to be made as per provisions of Section 135 of the Companies Act, 2013 is NIL for the current year and previous year.

#### Note : 49

In view of the lockdown across the country due to the outbreak of COVID pandemic, operations of the Company's (manufacturing, offices, etc.) are scaled down or shut down from second half of March 2020. The duration of this lockdown is uncertain at this point in time and resumption of full-fledged operations will depend upon directives issued by the Government authorities. The Company continues to closely monitor the situation and take appropriate action, as necessary to scale up operations, in due compliance with the applicable regulations. As per our current assessment, no significant impact on carrying amounts of inventories, intangible assets, trade receivables, investments and other financial assets is expected, and we continue to monitor changes in future economic conditions. The eventual outcome of the impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements. The operations have resumed for certain locations in compliance with Government directives in April, 2020.

As per our Report attached

For and on behalf of the Board of Directors of  
**Godrej Industries Limited**  
CIN No.: L24241MH1988PLC097781

#### For B S R & Co. LLP

Chartered Accountants  
Firm Regn. No. : 101248W / W-100022

#### Vijay Mathur

Partner  
M.No. : 046476

Mumbai, May 22, 2020

#### A. B. Godrej

Chairman  
DIN : 00065964

#### Clement Pinto

Chief Financial Officer

#### N. S. Nabar

Executive Director &  
President (Chemicals)  
DIN : 06521655

#### Tejal Jariwala

Company Secretary

STATEMENT PURSUANT TO FIRST PROVISION TO SUB-SECTION (3) OF SECTION 129 OF THE COMPANIES ACT 2013, READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014 IN THE PRESCRIBED FORM AOC-1 RELATING TO SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES.

Part "A" : Subsidiaries/ Limited Liability Partnerships

Amount in ₹ Crore

| Sr. No. | Name of Subsidiary Company/Limited Liability Partnership             | Reporting Currency | Exchange Rate | Accounting Period | Capital | Reserves and Surplus | Total Assets | Total Liabilities | Investments | Turnover (Refer Note (a) below) | Profit Provision before taxation | Profit/ (Loss) after taxation | Proposed Dividend | % of Holding | Country     |
|---------|--|--------------------|---------------|-------------------|---------|----------------------|--------------|-------------------|-------------|---------------------------------|----------------------------------|-------------------------------|-------------------|--------------|-------------|
| 1       | Godrej Agrovet Limited   | INR                | 1.00          | 2019-20           | 192.04  | 1,385.69             | 3,249.46     | 1,671.73          | 591.53      | 5,159.60                        | 359.22                           | 293.31                        | 105.62            | 59.28%       | India       |
| 2       | Godvet Agrochem Limited  | INR                | 1.00          | 2019-20           | 9.95    | 2.76                 | 19.45        | 6.74              | -           | 0.82                            | 0.05                             | 0.76                          | -                 | 100%         | India       |
| 3       | Astec Lifesciences Limited   | INR                | 1.00          | 2019-20           | 19.57   | 226.87               | 572.10       | 325.66            | 0.49        | 522.22                          | 61.27                            | 47.47                         | 2.94              | 62.37%       | India       |
| 4       | Astec Europe SpA   | EURO               | 83.05         | 2019-20           | 0.11    | (0.15)               | 0.05         | 0.09              | -           | (0.01)                          | (0.01)                           | (0.01)                        | -                 | 50.10%       | Belgium     |
| 5       | Behram Chemicals Private Limited                                     | INR                | 1.00          | 2019-20           | 0.60    | 0.40                 | 1.03         | 0.03              | -           | -                               | 0.08                             | 0.06                          | -                 | 65.63%       | India       |
| 6       | Comercializadora Agrocola Agrostrachem Cia Ltda                      | GOP                | 0.02          | 2019-20           | 0.01    | (0.09)               | 0.00         | 0.08              | -           | -                               | -                                | -                             | -                 | 100%         | Columbia    |
| 7       | Creamline Dairy Products Limited                                     | INR                | 1.00          | 2019-20           | 11.32   | 191.68               | 453.36       | 250.35            | -           | 1,192.98                        | 3.14                             | 4.72                          | 3.40              | 51.91%       | India       |
| 8       | Godrej Tyson Foods Limited   | INR                | 1.00          | 2019-20           | 0.20    | 134.98               | 321.71       | 186.52            | -           | 515.37                          | (71.18)                          | (50.93)                       | -                 | 51%          | India       |
| 9       | Godrej Maxmilk Private Limited                                       | INR                | 1.00          | 2019-20           | 1.14    | 0.32                 | 35.03        | 33.57             | -           | 7.43                            | (7.80)                           | (7.80)                        | -                 | 74.00%       | India       |
| 10      | Godrej Ore Premises Management Private Limited                       | INR                | 1.00          | 2019-20           | 0.01    | -                    | 6.52         | 6.51              | -           | 33.61                           | -                                | -                             | -                 | 58.00%       | India       |
| 11      | Godrej International Limited   | USD                | 75.66         | 2019-20           | 14.76   | 121.28               | 136.76       | 0.72              | -           | 4.76                            | 2.86                             | 2.86                          | -                 | 100%         | Isle of Man |
| 12      | Godrej International Trading & Investment PTE Limited                | USD                | 75.66         | 2019-20           | 4.43    | 28.05                | 125.22       | 92.74             | -           | 301.13                          | 7.92                             | 6.56                          | -                 | 100%         | Singapore   |
| 13      | Ensemble Holdings & Finance Limited                                  | INR                | 1.00          | 2019-20           | 6.57    | (6.09)               | 4.35         | 3.86              | -           | 0.31                            | 0.21                             | 0.13                          | -                 | 100%         | India       |
| 14      | Godrej Properties Limited*   | INR                | 1.00          | 2019-20           | 126.01  | 4,908.77             | 9,813.61     | 4,778.83          | 3,582.64    | 2,287.68                        | 512.19                           | 312.82                        | -                 | 49.38%       | India       |
| 15      | Godrej Projects Development Limited                                  | INR                | 1.00          | 2019-20           | 0.23    | 0.17                 | 1,606.37     | 1,605.97          | 291.64      | 402.20                          | 61.35                            | (67.86)                       | -                 | 100%         | India       |
| 16      | Godrej Garden City Properties Private Limited                        | INR                | 1.00          | 2019-20           | 0.05    | 8.00                 | 14.86        | 6.81              | 1.05        | 22.74                           | 0.99                             | 0.71                          | -                 | 100%         | India       |
| 17      | Godrej Hillside Properties Private Limited                           | INR                | 1.00          | 2019-20           | 0.41    | (0.97)               | 0.12         | 0.68              | 0.01        | (0.54)                          | (0.57)                           | (0.00)                        | -                 | 100%         | India       |
| 18      | Godrej Home Developers Private Limited                               | INR                | 1.00          | 2019-20           | 0.41    | (0.31)               | 0.13         | 0.03              | 0.00        | 0.01                            | (0.00)                           | (0.01)                        | -                 | 100%         | India       |
| 19      | Godrej Prakriti Facilities Private Limited                           | INR                | 1.00          | 2019-20           | 0.01    | 0.87                 | 5.83         | 4.95              | -           | 5.91                            | 0.43                             | 0.11                          | -                 | 100%         | India       |
| 20      | Praktiplaza Facilities Management Private Limited                    | INR                | 1.00          | 2019-20           | 0.01    | 0.01                 | 0.61         | 0.59              | -           | 0.04                            | 0.01                             | 0.01                          | -                 | 100%         | India       |
| 21      | Godrej Highrises Properties Private Limited                          | INR                | 1.00          | 2019-20           | 0.01    | (0.27)               | 158.63       | 158.90            | -           | (0.09)                          | 0.06                             | (0.15)                        | -                 | 100%         | India       |
| 22      | Godrej Genesis Facilities Management Private Limited                 | INR                | 1.00          | 2019-20           | 0.01    | 0.45                 | 2.49         | 2.03              | -           | 4.87                            | 0.05                             | 0.04                          | -                 | 100%         | India       |
| 23      | Chystar InfraProjects Limited  | INR                | 1.00          | 2019-20           | 0.05    | (0.11)               | 0.36         | 0.43              | -           | -                               | (0.04)                           | (0.04)                        | -                 | 100%         | India       |
| 24      | Godrej Residency Private Limited                                     | INR                | 1.00          | 2019-20           | 0.00    | (0.04)               | 0.01         | 0.05              | -           | (0.01)                          | (0.01)                           | (0.01)                        | -                 | 100%         | India       |
| 25      | Wonder Space Properties Private Limited (w.e.f. December 20, 2019)   | INR                | 1.00          | 2019-20           | 0.45    | 81.39                | 348.84       | 267.00            | -           | 338.31                          | 107.92                           | 79.20                         | -                 | 100%         | India       |
| 26      | Cesar Lifespaces Private Limited (w.e.f. March 20, 2020)             | INR                | 1.00          | 2019-20           | 0.01    | (0.07)               | 178.41       | 178.46            | -           | (0.01)                          | (0.01)                           | (0.01)                        | -                 | 100%         | India       |
| 27      | Godrej Highrises Realty LLP  | INR                | 1.00          | 2019-20           | 0.00    | (3.18)               | 1.00         | 4.18              | -           | (2.75)                          | (2.75)                           | (2.75)                        | -                 | 100%         | India       |
| 28      | Godrej Project Developers & Properties LLP                           | INR                | 1.00          | 2019-20           | 0.00    | (0.03)               | 2.15         | 2.18              | -           | (0.01)                          | (0.01)                           | (0.01)                        | -                 | 100%         | India       |
| 29      | Godrej Skyview LLP   | INR                | 1.00          | 2019-20           | 0.00    | (0.02)               | 0.00         | -                 | -           | (0.01)                          | (0.01)                           | (0.01)                        | -                 | 100%         | India       |
| 30      | Godrej Green Properties LLP  | INR                | 1.00          | 2019-20           | 0.00    | (0.02)               | 0.00         | -                 | -           | (0.01)                          | (0.01)                           | (0.01)                        | -                 | 100%         | India       |
| 31      | Godrej Projects (Soma) LLP   | INR                | 1.00          | 2019-20           | 0.00    | (0.02)               | 0.00         | 0.02              | -           | (0.01)                          | (0.01)                           | (0.01)                        | -                 | 100%         | India       |
| 32      | Godrej Projects North LLP  | INR                | 1.00          | 2019-20           | 0.00    | (0.02)               | 0.00         | 0.02              | -           | (0.01)                          | (0.01)                           | (0.01)                        | -                 | 100%         | India       |
| 33      | Godrej Athemmark LLP   | INR                | 1.00          | 2019-20           | 0.00    | (0.06)               | 0.26         | 0.31              | -           | (0.03)                          | (0.03)                           | (0.03)                        | -                 | 100%         | India       |
| 34      | Godrej Vestamark LLP (considered as subsidiary till May 02, 2019)    | INR                | 1.00          | 2019-20           | -       | -                    | -            | -                 | -           | (0.00)                          | (0.00)                           | (0.00)                        | -                 | 100%         | India       |
| 35      | Godrej Landmark Redevelopers Private Limited (w.e.f. March 15, 2019) | INR                | 1.00          | 2019-20           | 0.05    | 108.31               | 193.62       | 85.26             | 62.87       | 187.80                          | 13.65                            | 9.79                          | -                 | 100%         | India       |
| 36      | Godrej City Facilities Management LLP (w.e.f. March 18, 2019)        | INR                | 1.00          | 2019-20           | 0.00    | (0.01)               | 0.00         | 0.01              | -           | (0.01)                          | (0.01)                           | (0.01)                        | -                 | 100%         | India       |
| 37      | Embellish Houses LLP (w.e.f. February 13, 2019)                      | INR                | 1.00          | 2019-20           | 0.04    | (0.05)               | 0.00         | 0.02              | -           | (0.05)                          | (0.05)                           | (0.05)                        | -                 | 100%         | India       |
| 38      | Godrej Olympia LLP (w.e.f. 21 June 2019)                             | INR                | 1.00          | 2019-20           | 0.00    | (0.01)               | 0.00         | 0.01              | -           | (0.01)                          | (0.01)                           | (0.01)                        | -                 | 100%         | India       |
| 39      | Godrej Florentine LLP (w.e.f. 21 June 2019)                          | INR                | 1.00          | 2019-20           | 0.00    | (0.01)               | 0.00         | 0.01              | -           | (0.01)                          | (0.01)                           | (0.01)                        | -                 | 100%         | India       |
| 40      | Ashank Facility Management LLP (w.e.f. 9 July 2019)                  | INR                | 1.00          | 2019-20           | 0.00    | 0.01                 | 2.17         | 2.16              | -           | 1.89                            | 0.01                             | 0.01                          | -                 | 100%         | India       |
| 41      | Ashank Realty Management LLP (w.e.f. 30 May 2019)                    | INR                | 1.00          | 2019-20           | 0.00    | 0.07                 | 0.10         | 0.03              | -           | 0.11                            | 0.10                             | 0.03                          | -                 | 100%         | India       |
| 42      | Godrej Properties Worldwide Inc., USA                                | INR                | 1.00          | 2019-20           | 3.36    | (1.01)               | 2.43         | 0.08              | -           | 0.00                            | (0.94)                           | 0.01                          | (0.95)            | 100%         | USA         |

Amount in 0.00 are less than Rs 0.01 crore.

Percentage holding in LLPs denotes the Share of Profit in the LLPs

(a) Turnover Includes Revenue from Operations and Other Income

\* The Company Godrej Industries Limited (GIL) has power and de facto control over Godrej Properties Limited (GPL) (even without overall majority of shareholding and voting power). Accordingly, there is no loss of control of GIL over GPL post the QIP and GIL continues to consolidate GPL as a subsidiary.

## STATEMENT PURSUANT TO SUB-SECTION (3) OF SECTION 129 OF THE COMPANIES ACT 2013, READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014 IN THE PRESCRIBED FORM AOC-1 RELATING TO SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES. (CONTINUED)

Part "B" : Associates / Joint Ventures

Amount in ₹ Crore

| Sr. No. | Joint Venture Company/Limited Liability Partnership/Associates Balance Sheet Date | Name of Joint Venture Company/Limited Liability Partnership/Associates            | Shares of Joint Ventures / Associates held by the company on the year end |                     | Description of how there is significant influence                                   | Reason why associate/joint venture is not consolidated | Networth attributable to Shareholding as per latest audited Balance Sheet | Profit/Loss for the year    |                                 |
|---------|---|---|---|---------------------|---|--|---|-----------------------------|---------------------------------|
|         |   |   | No of Share   | Extend of Holding % |   |  |   | Considered in Consolidation | Not Considered in Consolidation |
| 1       | 31.03.2020  | Godrej Consumer Products Limited  | 242812860   | 23.75%              | through % of holding  | NA   | 175.86  | 315.54                      | -                               |
| 2       | 31.03.2020  | ACI Godrej Agrovet Private Limited  | 1880000   | 50.00%              | through % of holding  | NA   | 76.26   | 28.49                       | -                               |
| 3       | 31.03.2019  | Omnivore India Capital Trust  | 2,444,37 Units  | 9.77%               | The Company participates in the key activities jointly with the Investment Manager. | NA   | 32.94   | (16.61)                     | -                               |
| 4       | 31.03.2017  | AI Rahaba International Trading Limited Liability Company                         | 24  | 24.00%              | through % of holding  | NA   | 4.98  | -                           | -                               |
| 5       | 31.03.2020  | Godrej Realty Private Limited   | 884850  | 51.00%              | through % of holding  | NA   | 0.02  | (0.02)                      | -                               |
| 6       | 31.03.2020  | Godrej Redevelopers (Mumbai) Private Limited                                      | 28567   | 4.44                | through % of holding  | NA   | 3.90  | 6.21                        | -                               |
| 7       | 31.03.2020  | Wonder City Builders Private Limited  | 810420  | 1.61                | 25.10%  | through % of holding                                   | (17.37)   | (15.25)                     | -                               |
| 8       | 31.03.2020  | Godrej Home Constructors Private Limited  | 1071770   | 2.18                | 25.10%  | through % of holding                                   | (20.97)   | (13.67)                     | -                               |
| 9       | 31.03.2020  | Godrej Greenview Housing Private Limited  | 1264560   | 1.37                | 20.00%  | through % of holding                                   | (8.81)  | (4.15)                      | -                               |
| 10      | 31.03.2020  | Wonder Projects Development Private Limited                                       | 1070060   | 1.45                | 20.00%  | through % of holding                                   | (3.21)  | (2.19)                      | -                               |
| 11      | 31.03.2020  | Godrej Real View Developers Private Limited                                       | 2140000   | 2.43                | 20.00%  | through % of holding                                   | (3.20)  | (2.65)                      | -                               |
| 12      | 31.03.2020  | Pearlite Real Properties Private Limited  | 3871000   | 4.19                | 49.00%  | through % of holding                                   | 13.35   | 20.12                       | -                               |
| 13      | 31.03.2020  | Godrej Skyline Developers Private Limited   | 260000  | 0.26                | 26.00%  | through % of holding                                   | (2.76)  | (7.14)                      | -                               |
| 14      | 31.03.2020  | Godrej Green Homes Private Limited (formerly known as Godrej Green Homes Limited) | 360813  | 63.18               | 50.00%  | through % of holding                                   | 145.77  | (0.30)                      | -                               |
| 15      | 31.03.2020  | Ashank Macbricks Private Limited (w.e.f. July 31, 2018)                           | 1675000   | 2.30                | 20.00%  | through % of holding                                   | 0.77  | (1.52)                      | -                               |
| 16      | 31.03.2020  | Yuva Developers Private Limited (w.e.f. December 02, 2019)                        | 7241360   | 7.24                | 20.00%  | through % of holding                                   | 13.34   | (0.41)                      | -                               |
| 17      | 31.03.2020  | Vivut Developers Private Limited (w.e.f. February 10, 2020)                       | 700000  | 0.70                | 20.00%  | through % of holding                                   | 0.57  | (0.01)                      | -                               |
| 18      | 31.03.2020  | Munjial Hospitality Private Limited (w.e.f. June 29, 2019)                        | 69961200  | 83.23               | 12.00%  | through % of holding                                   | 83.16   | (0.07)                      | -                               |
| 19      | 31.03.2020  | Medhavan Enterprises Private Limited (w.e.f. January 16, 2020)                    | NA  | NA                  | through participative rights  | NA   | -   | -                           | -                               |
| 20      | 31.03.2020  | Godrej Property Developers LLP  | NA  | -                   | 32.00%  | through % of holding and Voting rights                 | NA  | (0.10)                      | (0.07)                          |
| 21      | 31.03.2020  | Mesiac Landmarks LLP  | NA  | 0.11                | 1.00%   | through % of holding and Voting rights                 | NA  | 10.53                       | 0.01                            |
| 22      | 31.03.2020  | Dream World Landmarks LLP   | NA  | 0.04                | 40.00%  | through % of holding and Voting rights                 | NA  | 9.27                        | 2.41                            |
| 23      | 31.03.2020  | Oxford Realty LLP   | NA  | 0.00                | 35.00%  | through % of holding and Voting rights                 | NA  | 18.75                       | 32.26                           |
| 24      | 31.03.2020  | Godrej SSPDL Green Acres LLP  | NA  | 0.05                | 37.00%  | through % of holding and Voting rights                 | NA  | (2.27)                      | 0.19                            |
| 25      | 31.03.2020  | Oasis Landmarks LLP   | NA  | 0.00                | 38.00%  | through % of holding and Voting rights                 | NA  | (24.62)                     | (1.34)                          |
| 26      | 31.03.2020  | M/S Remaila Ventures LLP  | NA  | 1.01                | 49.50%  | through % of holding and Voting rights                 | NA  | 0.72                        | (0.22)                          |
| 27      | 31.03.2020  | Caro Properties LLP   | NA  | 0.04                | 35.00%  | through % of holding and Voting rights                 | NA  | (9.20)                      | (1.76)                          |
| 28      | 31.03.2020  | Godrej Construction Projects LLP  | NA  | 0.00                | 34.00%  | through % of holding and Voting rights                 | NA  | (2.85)                      | (1.31)                          |
| 29      | 31.03.2020  | Godrej Housing Projects LLP   | NA  | 0.01                | 50.00%  | through % of holding and Voting rights                 | NA  | 1.94                        | (2.53)                          |
| 30      | 31.03.2020  | Godrej Amnis Developers LLP (formerly known as Amnis Developers LLP)              | NA  | 0.05                | 46.00%  | through % of holding and Voting rights                 | NA  | (5.68)                      | (2.98)                          |
| 31      | 31.03.2020  | A R Landcraft LLP   | NA  | 0.05                | 40.00%  | through % of holding and Voting rights                 | NA  | (24.94)                     | (5.36)                          |
| 32      | 31.03.2020  | Prakhyat Dwellings LLP  | NA  | 0.01                | 50.00%  | through % of holding and Voting rights                 | NA  | (8.99)                      | (8.64)                          |
| 33      | 31.03.2020  | Bavdhan Realty @ Pune 21 LLP  | NA  | 0.00                | 45.00%  | through % of holding and Voting rights                 | NA  | (0.04)                      | (0.04)                          |
| 34      | 31.03.2020  | Godrej Highview LLP   | NA  | 4.80                | 40.00%  | through % of holding and Voting rights                 | NA  | (10.50)                     | 3.15                            |
| 35      | 31.03.2020  | Godrej Irismark LLP   | NA  | 0.01                | 50.00%  | through % of holding and Voting rights                 | NA  | (6.72)                      | (6.60)                          |
| 36      | 31.03.2020  | Godrej Projects North Star LLP  | NA  | 0.01                | 55.00%  | through % of holding and Voting rights                 | NA  | (3.88)                      | (3.84)                          |
| 37      | 31.03.2020  | Godrej Developers & Properties LLP  | NA  | 0.00                | 37.50%  | through % of holding and Voting rights                 | NA  | (7.54)                      | (4.94)                          |
| 38      | 31.03.2020  | Godrej Reserve LLP (formerly known as Sai Srushti Onehub Projects LLP)            | NA  | 0.01                | 21.70%  | through % of holding and Voting rights                 | NA  | (7.14)                      | (2.65)                          |
| 39      | 31.03.2020  | Roseberry Estate LLP (w.e.f. September 18, 2018)                                  | NA  | 0.00                | 49.00%  | through % of holding and Voting rights                 | NA  | (3.92)                      | (3.90)                          |
| 40      | 31.03.2020  | Maan-Hinge Township Developers LLP (w.e.f. February 01, 2019)                     | NA  | 33.86               | 40.00%  | through % of holding and Voting rights                 | NA  | 93.84                       | (0.02)                          |
| 41      | 31.03.2020  | Sunehri Infrastructures (Mumbai) LLP (w.e.f. October 10, 2018)                    | NA  | 0.01                | 50.00%  | through % of holding and Voting rights                 | NA  | (1.74)                      | (1.74)                          |
| 42      | 31.03.2020  | Mahalinge Township Developers LLP (w.e.f. February 01, 2019)                      | NA  | 206.11              | 40.00%  | through % of holding and Voting rights                 | NA  | 203.39                      | (8.80)                          |
| 43      | 31.03.2020  | Manari Housing Projects LLP (w.e.f. February 01, 2019)                            | NA  | 205.00              | 40.00%  | through % of holding and Voting rights                 | NA  | 205.64                      | (5.48)                          |
| 44      | 31.03.2020  | Mamata Industrial Parks LLP (w.e.f. April 22, 2019)                               | NA  | 0.01                | 1.00%   | through % of holding and Voting rights                 | NA  | (0.08)                      | (0.09)                          |
| 45      | 31.03.2020  | Godrej Obyssay LLP (w.e.f. September 26, 2019)                                    | NA  | 0.00                | 55.00%  | through % of holding and Voting rights                 | NA  | (0.00)                      | (0.00)                          |
| 46      | 31.03.2020  | Universal Metro Properties LLP (w.e.f. December 02, 2019)                         | NA  | 0.00                | 49.00%  | through % of holding and Voting rights                 | NA  | 0.00                        | (0.00)                          |
| 47      | 31.03.2020  | Godrej Vestamark LLP (w.e.f. May 03, 2019)  | NA  | 0.00                | 58.28%  | through % of holding and Voting rights                 | NA  | (33.88)                     | (33.49)                         |

Percentage in 0.00 are less than Rs 0.01 crore.

Amount holding in LLPs denotes the Share of Profit in the LLPs  
(a) Turnover Includes Revenue from Operations and Other Income

For and on behalf of the Board of Directors of

**Godrej Industries Limited**

CIN No.: L24241MH1988PLC097781

**A. B. Godrej**

Chairman

DIN : 00065964

Mumbai, May 22, 2020

**N. S. Nabar**

Executive Director &amp; President (Chemicals)

DIN : 06521655

**Clement Pinto**

Chief Financial Officer

**Tejal Jariwala**

Company Secretary













**Godrej Industries Limited**

[www.godrejindustries.com](http://www.godrejindustries.com)