Independent Auditors' Report

To the Members of
Godrej Consumer Products Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Godrej Consumer Products Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matters:

The key audit matter	**How the matter was addressed in our audit**
Revenue recognition	Our audit procedures included:
(Refer note 29 to the standalone financial statements) Revenue is measured net of any discounts and rebates. Recognition and measurement of discounts and rebates accruals at year end, involves judgement and estimates. This leads to a risk of revenue being misstated due to inaccurate estimation over discounts and volume rebates.	- Assessing the compliance of revenue recognition accounting policies, including those relating to discounts and rebates, with reference to Ind AS 115 Revenue from contracts with customers (applicable accounting standard);

Revenue is recognised when the control of the products being sold has transferred to the customer. There is a risk of revenue being overstated on account of manipulation in the timing of transfer of control, due to the pressure on the Company to achieve performance targets, at the reporting period end. Accordingly, revenue recognition is considered to be a key audit matter.	- Testing the design, implementation and operating effectiveness of the Company's general IT controls and key IT/manual application controls over the Company's systems, with the assistance of our IT specialists. These IT systems enable recording of revenue (including period end cut-off) and computing discounts and volume rebates in the general ledger accounting system; - Performing substantive cut-off testing by selecting statistical samples of revenue transactions recorded at year-end and agreeing to the underlying documents, which included sales invoices and shipping documents; - Performing a retrospective assessment of discounts and rebate accruals with prior period to evaluate the historical accuracy; - Performing substantive testing by agreeing statistical samples of discounts and rebate accruals to underlying documents; - Assessing manual journals posted to revenue to identify unusual items.
Intangible Assets -impairment assessment (Refer note 4 to the standalone financial statements). The carrying amount of brands (indefinite life intangible assets) represent 11 % of the Company's total assets. The annual impairment testing of these intangible assets by the Company involves significant estimates and judgment due to the inherent uncertainty involved in forecasting and discounting future cash flows. Accordingly, impairment assessment of intangible assets is considered to be a key audit matter.	Our audit procedures included: - Assessing the valuation methodology and challenging the assumptions used, in particular those relating to forecast revenue growth and earnings, weighted average cost of capital and royalty rates, with the assistance of our valuations specialists; - Assessing the reliability of the financial projections prepared by the Company by comparing projections for previous financial years with actual results realized and analysis of significant variances, if any; - Performing sensitivity analysis on the assumptions noted above; and - Evaluating the adequacy of disclosures in respect of impairment evaluation of intangible assets in the standalone financial statements.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.

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

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(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 40 to the standalone financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;

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/W100022

Vijay Mathur
Partner
Membership No. 046476
ICAI UDIN: 20046476AAAABP5606

Mumbai: 13 May 2020

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, certain fixed assets were physically verified by the management during the year and the discrepancies reported on such verification were not material and have been properly dealt with in the books of account. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets.

(c) According to the information and explanations given to us, the title deeds of immovable properties, as disclosed in Note 3 to the standalone financial statements are held in the name of the Company.

(ii) The inventory, except goods-in-transit, has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. In respect of inventory lying with third parties, these have been substantially confirmed by them. The discrepancies noticed on verification between the physical stocks and the book records were not material.

(iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.

(iv) The Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of investments made or guarantees provided to the parties covered under Section 186. The Company has not granted any loans or provided any security to the parties covered under Section 186 of the Act.

(v) The Company has not accepted deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 of the Act, and the rules framed thereunder apply. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under sub section (1) of Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income-tax, duties of customs, goods and service tax, cess and other material statutory dues, as applicable, with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of customs, goods and service tax, cess, and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

Also, refer note 40 (e) to the standalone financial statements.

(b) According to the information and explanations given to us, there are no dues of incometax, sales tax, service tax, duty of customs, duty of excise, value added tax and goods and service tax which have not been deposited with the appropriate authorities on account of any dispute other than those mentioned in the Appendix I to this report.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks and financial institutions. The Company does not have any loans or borrowings from Government, nor has it issued any debentures.

(ix) The Company has not raised any money by way of initial public offer, further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions of paragraph 3(ix) of the Order are not applicable to the Company.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us and based on our examination of the records, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable. The details of such related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W100022

Vijay Mathur
Partner
Membership No. 046476
ICAI UDIN: 20046476AAAABP5606

Mumbai: 13 May 2020

Appendix I

Name of the Statute	Nature of dues	Amount in crores (₹) (net of deposit paid under protest)	Period to which amount relates	Forum where dispute is pending
Central Sales tax Act and Local Sales tax Act	Sales tax (including interest and penalty, if applicable)	27.82	2002 to 2018	Supreme Court
		13.92	1999 to 2016	High court
		26.64	2000 to 2016	Tribunal
		2.53	2007-2010, 2012-13, 2016-17	Joint Commissioner
		1.35	1998-99, 2005-06, 2009-10, 2014-15, 2019-20	Deputy Commissioner
		6.55	1996-97 to 2019-20	Assistant Commissioner
The Central Excise Act	Excise duty (including interest and penalty, if applicable)	38.79	2007-08 to 2013-14	Commissioner of Central Excise
		3.84	2004 to 2011	Commissioner
		59.48	2007 to 2017	Customs, Excise and Service Tax Appellate Tribunal of various states
Income tax Act, 1961	Income tax (including interest and penalty, if applicable)	8.64	2005 to 2010	High court
		5.73	2005 to 2014	Income tax Appellate Tribunal

Annexure B to the Independent Auditors' report on the standalone financial statements

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 1 (A) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Godrej Consumer Products Limited ("the Company") as of 31 March 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.

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/W100022

Vijay Mathur
Partner
Membership No. 046476
ICAI UDIN: 20046476AAAABP5606

Mumbai: 13 May 2020

Standalone Balance Sheet as at March 31, 2020

₹ Crore

	Note No.	As at March 31, 2020	As at March 31, 2019
I. ASSETS			
1. Non-current assets			
(a) Property, plant and equipment	3	**549.35**	526.20
(b) Capital work-in-progress		**35.33**	30.84
(c) Right-of-use assets	3A	**7.45**	-
(d) Goodwill	4	**2.48**	2.48
(e) Other intangible assets	4	**805.99**	814.83
(f) Intangible assets under development		**1.37**	1.16
(g) Financial assets			
(i) Investments in subsidiaries and associates	5	**2,957.78**	2,947.46
(ii) Loans	6	**19.09**	16.99
(iii) Others	7	**15.74**	31.07
(h) Deferred tax assets (net)	8	**404.08**	374.23
(i) Other non-current assets	9	**44.35**	52.10
(j) Non-current Tax assets (Net)	10	**36.22**	22.84
Total Non-current assets		**4,879.23**	**4,820.20**
2. Current assets			
(a) Inventories	11	**657.72**	615.12
(b) Financial assets			
(i) Investments	12	**635.40**	477.34
(ii) Trade receivables	13	**305.52**	353.18
(iii) Cash and cash equivalents	14 A	**63.76**	79.69
(iv) Bank balances other than (iii) above	14 B	**21.92**	17.55
(v) Loans	15	**0.05**	0.14
(vi) Others	16	**160.70**	138.83
(c) Other current assets	17	**216.29**	162.50
Total Current assets		**2,061.36**	**1,844.35**
TOTAL ASSETS		**6,940.59**	**6,664.55**
II. EQUITY AND LIABILITIES			
1. EQUITY			
(a) Equity Share capital	18	**102.23**	102.22
(b) Other Equity	19	**5,025.39**	4,823.94
Total Equity		**5,127.62**	**4,926.16**
2. LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
(i) Lease liabilities	20	**4.94**	-
(b) Provisions	21	**61.86**	56.32
(c) Other non-current liabilities	22	**21.91**	28.09
Total Non current liabilities		**88.71**	**84.41**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	**317.33**	-
(ii) Lease liabilities	24	**3.48**	-
(iii) Trade payables			
(a) Total outstanding dues of Micro and Small Enterprises	25	**27.15**	53.49
(b) Total outstanding dues of creditors other than Micro and Small Enterprises	25	**1,215.99**	1,404.12
(iv) Other financial liabilities	26	**62.67**	116.37
(b) Other current liabilities	27	**50.34**	40.12
(c) Provisions	28	**46.34**	38.92
(d) Current tax liabilities (Net)	8	**0.96**	0.96
Total Current liabilities		**1,724.26**	**1,653.98**
TOTAL EQUITY AND LIABILITIES		**6,940.59**	**6,664.55**

The accompanying notes 1 to 51 are an integral part of the Standalone Financial Statements.

As per our report of even date attached

For and on behalf of the Board of Directors

For B S R & Co. LLP
Chartered Accountants
Firm Regn No. 101248W/W-100022

Nisaba Godrej
Executive Chairperson
DIN: 00591503

Vijay Mathur
Partner
M.No. 046476
Mumbai: May 13, 2020

V Srinivasan
Chief Financial Officer
& Company Secretary

Vivek Gambhir
Managing Director & CEO
DIN: 6527810

Standalone Statement of Profit and Loss for the year ended March 31, 2020

₹ Crore

			Note No.	Year ended March 31, 2020	Year ended March 31, 2019
Revenue					
I	Revenue from Operations		29	**5,474.45**	5,679.31
II	Other Income		30	**91.26**	94.45
III	**Total Income (I + II)**			**5,565.71**	**5,773.76**
IV	**Expenses**				
	Cost of Materials Consumed		31	**2,042.68**	2,030.82
	Purchases of Stock-in-Trade			**280.19**	254.70
	Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress		32	**(76.90)**	27.75
	Employee Benefits Expense		33	**319.22**	351.50
	Finance Costs		34	**57.97**	64.86
	Depreciation and Amortization Expense		35	**81.37**	69.07
	Other Expenses		36	**1,461.55**	1,501.98
	Total Expenses			**4,166.08**	**4,300.68**
V	**Profit before Tax (III-IV)**			**1,399.63**	**1,473.08**
VI	**Tax Expense**				
	(1)	Current Tax (Refer Note 8)		**248.20**	320.66
	(2)	Deferred Tax (Refer Note 8)		**(28.46)**	(602.56)
	Total Tax Expense			**219.74**	**(281.90)**
VII	**Profit for the Year (V-VI)**			**1,179.89**	**1,754.98**
VIII	**Other Comprehensive Income**				
A	**(i)**	**Items that will not be reclassified to profit or loss**			
		Remeasurements of defined benefit plans		**(2.04)**	(0.38)
	(ii)	**Income tax relating to items that will not be reclassified to profit or loss**			
		Remeasurements of defined benefit plans		**1.07**	0.21
	Other Comprehensive Income for the year			**(0.97)**	**(0.17)**
	Total Comprehensive Income for the year (VII+VIII)			**1,178.92**	**1,754.81**
IX	**Earnings per Equity Share** (Face Value ₹ 1)		37		
	(1)	Basic (₹)		**11.54**	17.17
	(2)	Diluted (₹)		**11.54**	17.17

The accompanying notes 1 to 51 are an integral part of the Standalone Financial Statements.

As per our report of even date attached

For and on behalf of the Board of Directors

For B S R & Co. LLP
Chartered Accountants
Firm Regn No. 101248W/W-100022

Nisaba Godrej
Executive Chairperson
DIN: 00591503

Vijay Mathur
Partner
M.No. 046476
Mumbai: May 13, 2020

V Srinivasan
Chief Financial Officer
& Company Secretary

Vivek Gambhir
Managing Director & CEO
DIN: 6527810

Standalone Statement of cash flows for the year ended March 31, 2020

₹ Crore

		Year ended March 31, 2020	Year ended March 31, 2019
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit Before Tax	**1,399.63**	**1,473.08**
	Adjustment for:		
	Non-Cash Items		
	Depreciation and amortisation	**81.37**	69.07
	Unrealised Foreign Exchange (Gain) / Loss	**0.98**	3.08
	Bad Debts Written off	**0.08**	0.95
	Provision / (Write-back) for Doubtful Debts / Advances	**(1.37)**	0.05
	Provision for Non Moving Inventory	**3.97**	(0.63)
	Write off/ (Write back) of Old Balances	**0.79**	(0.21)
	Expenses on Employee Stock Grant Scheme (ESGS)	**9.66**	9.12
	Finance Costs	**57.97**	64.86
	(Profit) / Loss on Fixed Assets Sold / Discarded (Net)	**5.78**	0.43
	(Profit) / Loss on Sale of Investments (Net)	**(4.53)**	(8.03)
	Fair value Gain/ (Loss) on financial assets measured at FVTPL	**-**	(0.01)
	Corporate Guarantee Commission	**(5.12)**	(16.57)
	Interest income	**(58.09)**	(60.20)
	Dividend income	**(0.68)**	-
		90.81	61.91
	Operating Cash Flows Before Working Capital Changes	**1,490.44**	1,534.99
	Adjustments for:		
	(Increase) in inventories	**(46.57)**	(38.24)
	Decrease/ (Increase) in trade receivables	**55.28**	(105.55)
	(Increase) in loans	**(2.01)**	(0.56)
	(Increase) in / Decrease in other financial assets	**(6.54)**	27.61
	(Increase) in other non-financial assets	**(69.07)**	(14.16)
	(Decrease) in trade payable and other financial liabilities	**(258.94)**	(18.22)
	Decrease in non - financial liabilities and provisions	**19.29**	20.26
		(308.56)	(128.86)
	Cash Generated from Operating Activities	**1,181.88**	1,406.13
	Adjustment for:		
	Income taxes paid (Net)	**(261.90)**	(323.97)
	Net Cash Flow from Operating Activities (A)	**919.98**	**1,082.16**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Property, Plant & Equipment and Intangible assets (Net)	**(85.25)**	(81.87)
	Sale of Property, Plant & Equipment and Intangibles	**0.18**	1.31
	Investments in Mutual Funds (Net)	**17.54**	102.66
	(Redemption) / Investments in Deposits with NBFCs (Net)	**(400.10)**	192.44
	Proceeds from sale of non Convertible Debentures with NBFCs (Net)	**249.21**	86.06
	Proceeds from sale of commercial Papers	**-**	97.04
	Investments in Fixed Deposits having maturities greater than 3 months (Net)	**(1.21)**	(5.55)
	Investments in Subsidiaries	**(10.32)**	2.28
	Dividend Received	**0.68**	-
	Interest Received	**37.91**	65.62
	Net Cash Flow from/ (used in) Investing Activities (B)	**(191.36)**	**459.99**

Standalone Statement of cash flows for the year ended March 31, 2020

₹ Crore

	Year ended March 31, 2020	Year ended March 31, 2019
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Allotment of Equity Shares under ESGS*	**0.01**	0.00
Expenses on issue of bonus shares	**-**	(0.74)
Proceeds/ (Repayments) from Commercial Paper	**247.33**	-
Proceeds from Short-term loans	**95.00**	50.00
Repayment of Short-term loans	**(25.00)**	(50.00)
Finance costs paid	**(63.81)**	(69.13)
Dividend Paid	**(817.82)**	(1,226.52)
Dividend Distribution Tax Paid	**(168.11)**	(252.11)
Principal payment of Lease liabilities	**(10.98)**	-
Finance cost paid towards Lease liabilities	**(1.17)**	-
Net Cash Flow used in Financing Activities (C)	**(744.55)**	**(1,548.50)**
NET (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**(15.93)**	**(6.35)**
CASH AND CASH EQUIVALENTS:		
As at the beginning of the year (Refer Note 14 A)	**79.69**	86.11
Unrealised Foreign Exchange Restatement in Cash and Cash Equivalents *	**-**	(0.07)
As at the end of the year (Refer Note 14 A)	**63.76**	**79.69**

* amounts less than ₹ 0.01 crore

Movement of borrowings:	Year ended March 31, 2020	Year ended March 31, 2019
Opening balance	**-**	-
Cashflows (net)	**317.33**	-
Closing balance	**317.33**	**-**

Notes:

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

2. The accompanying notes 1 to 51 are an integral part of the standalone financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Regn No. 101248W/W-100022

Vijay Mathur
Partner
M.No. 046476
Mumbai: May 13, 2020

V Srinivasan
Chief Financial Officer
& Company Secretary

For and on behalf of the Board of Directors

Nisaba Godrej
Executive Chairperson
DIN: 00591503

Vivek Gambhir
Managing Director & CEO
DIN: 6527810

Statement of Changes in Equity for the year ended March 31, 2020

(a) Equity share capital

₹ Crore

	Note No.	
As at April 1, 2018		**68.13**
Changes in equity share capital during the year		34.09
As at March 31, 2019		**102.22**
Changes in equity share capital during the year	18	0.01
As at March 31, 2020		**102.23**

(b) Other equity (Refer Note 19)

₹ Crore

	Reserves & Surplus				Other Comprehensive Income	Total
	Securities Premium	**General Reserve**	**Others**	**Retained Earnings**	**Effective portion of Cash Flow Hedges**	
Balance at April 1, 2019	**1,398.03**	**154.05**	**13.97**	**3,258.64**	**(0.75)**	**4,823.94**
Transition Impact of Lease as per IND AS 116 (net of tax) (Refer note 3A)	-	-	-	(1.20)	-	(1.20)
Restated balance at April 1, 2019	**1,398.03**	**154.05**	**13.97**	**3,257.44**	**(0.75)**	**4,822.74**
Profit for the year	-	-	-	1,179.89	-	1,179.89
Remeasurements of defined benefit plans (net of tax)	-	-	-	(0.97)	-	(0.97)
Total comprehensive income for the year	**-**	**-**	**-**	**1,178.92**	**-**	**1,178.92**
Dividends	-	-	-	(817.82)	-	(817.82)
Dividend Distribution Tax (DDT)	-	-	-	(168.11)	-	(168.11)
Premium Received on Allotment of Shares / Exercise of Share options	9.33	-	(9.33)	-	-	-
Deferred employee compensation expense	-	-	9.66	-	-	9.66
Balance at March 31, 2020	**1,407.36**	**154.05**	**14.30**	**3,450.43**	**(0.75)**	**5,025.39**

	Reserves & Surplus				Other Comprehensive Income	Total
	Securities Premium	**General Reserve**	**Others**	**Retained Earnings**	**Effective portion of Cash Flow Hedges**	
Balance at April 1, 2018	**1,424.51**	**154.05**	**13.19**	**2,982.46**	**(0.75)**	**4,573.46**
Profit for the year	-	-	-	1,754.98	-	1,754.98
Remeasurements of defined benefit plans (net of tax)	-	-	-	(0.17)	-	(0.17)
Total comprehensive income for the year	**-**	**-**	**-**	**1,754.81**	**-**	**1,754.81**
Dividends	-	-	-	(1,226.52)	-	(1,226.52)
Dividend Distribution Tax (DDT)	-	-	-	(252.11)	-	(252.11)
Premium Received on Allotment of Shares / Exercise of Share options	8.34	-	(8.34)	-	-	-
Deferred employee compensation expense	-	-	9.12	-	-	9.12
Issue of Bonus Shares	(34.07)	-	-	-	-	(34.07)
Expenses on Issue of Bonus Shares	(0.75)	-	-	-	-	(0.75)
Balance at March 31, 2019	**1,398.03**	**154.05**	**13.97**	**3,258.64**	**(0.75)**	**4,823.94**

The accompanying notes 1 to 51 are an integral part of the Standalone Financial Statements.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Regn No. 101248W/W-100022

Vijay Mathur
Partner
M.No. 046476

Mumbai: May 13, 2020

V Srinivasan
Chief Financial Officer
& Company Secretary

For and on behalf of the Board of Directors

Nisaba Godrej
Executive Chairperson
DIN: 00591503

Vivek Gambhir
Managing Director & CEO
DIN: 6527810

1. Corporate Information

Godrej Consumer Products Limited (the Company) was incorporated on November 29, 2000, to take over the consumer products business of Godrej Soaps Limited (subsequently renamed as Godrej Industries Limited), pursuant to a Scheme of Arrangement as approved by the High Court, Mumbai. The Company is a fast moving consumer goods Company, manufacturing and marketing Household and Personal Care products. The Company is a public Company limited by shares, incorporated and domiciled in India and is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The Company's registered office is at 4th Floor, Godrej One, Pirojshanagar, Eastern Express Highway, Vikhroli (east), Mumbai – 400 079.

2. Basis of preparation, Measurement and Significant Accounting Policies

2.1 Basis of Preparation and measurement

a. Basis of Preparation

The Standalone financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements.

Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time taken between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of the classification of assets and liabilities into current and non-current.

The 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 13, 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 regarding financial instruments -2.4.f),

Defined benefit plans – plan assets/(liability) and share-based payments measured at fair value (Note 43 & 44)

2.2 Key judgements, estimates and assumptions

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The areas involving critical estimates or judgements are:

i. Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalized; (Note 2.4 (a))

ii. Determination of the estimated useful lives of intangible assets and determining intangible assets having an indefinite useful life; (Note 2.4 (b))

iii. Recognition and measurement of defined benefit obligations, key actuarial assumptions; (Note 43)

iv. Recognition and measurement of provisions and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources; (Note 2.4 (j))

v. Fair valuation of employee share options, Key assumptions made with respect to expected volatility; (Note 2.4 (l)(ii))

vi. Fair values of financial instruments (Note 2.3)

vii. Impairment of financial and Non- Financial assets (Note 2.4.(d) and (f))

viii. Recognition of deferred tax assets – availability of future taxable profits against which deferred tax assets (e.g. MAT) can be used (Note 8)

ix. Measurement of lease liabilities and Right-of-use assets (Note 2.4 (m))

2.3 Measurement of fair values

The Company's accounting policies and disclosures require financial instruments to be measured at fair values.

The Company has an established control framework with respect to the measurement of fair values. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair value is included in the Note 2.4.(f).

2.4 Significant Accounting Policies

a. Property, Plant and Equipment

Recognition and measurement

Items of property, plant and equipment, other than Freehold Land, are measured at cost less accumulated depreciation and any accumulated impairment losses. Freehold land is carried at cost and is not depreciated.

The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable costs of bringing the asset to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the item and restoring the site on which it is located. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on derecognition of an item of property, plant and equipment is included in the statement of profit and loss when the item is derecognised.

Subsequent expenditure

Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate only if it is probable that the future economic benefits associated with the item will flow to the Company and that the cost of the item can be reliably measured. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred.

Depreciation

Depreciation is provided, under the Straight Line Method, pro rata to the period of use, based on useful lives specified in Schedule II to the Companies Act, 2013 except for the following items where useful lives estimated by the management based on internal technical assessment, past trends and expected operational lives differ from those provided in Schedule II of the Companies Act 2013:

- Leasehold land is amortised equally over the lease period.
- Leasehold Improvements are depreciated over the shorter of the unexpired period of the lease and the estimated useful life of the assets.
- Office Equipments are depreciated over 5 to 10 years.
- Tools (Die sets) are depreciated over a period of 9 years, and moulds over 3 years.
- Vehicles are depreciated over a period ranging from 5 years to 8 years depending on the use of vehicles.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

b. Goodwill and other Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any amortisation and accumulated impairment losses. Internally generated intangibles, excluding eligible development costs are not capitalized and the related expenditure is reflected in the statement of profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Goodwill

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that the asset may be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Other intangible assets

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization method and period are reviewed at least at the end of each reporting period. Changes in the expected useful life or expected pattern of consumption of future economic benefits embodied in the assets are considered to modify amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is recognised in Statement of profit and loss.

The estimated useful lives for current and comparative periods are as follows:

Software licences	6 year
Trademarks	10 years
Technical knowhow	10 years

Goodknight and Hit (Brands) are assessed as intangibles having indefinite useful life and are not amortised in the financial statements.

Residual value, is estimated to be immaterial by management and hence has been considered at ₹ 1.

c. Borrowing Costs

Interest and other borrowing costs attributable to qualifying assets are capitalized. Other interest and borrowing costs are charged to revenue.

d. Impairment of non-financial assets

An impairment loss is recognised whenever the carrying value of an asset or a cash-generating unit exceeds its recoverable amount. Recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. An impairment loss, if any, is recognised in the Statement of Profit and Loss in the period in which the impairment takes place. The impairment loss is allocated first to reduce the carrying amount of any goodwill (if any) allocated to the cash generating unit and then to the other assets of the unit, pro rata based on the carrying amount of each asset in the unit.

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events and changes in circumstances indicate the carrying amount may not be recoverable.

e. Assets held for sale

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' if it is highly probable that they will be recovered primarily through sales rather than through continuing use.

Subsequently, such non-current assets and disposal groups classified as held for sale are measured at lower of its carrying value and fair value less costs to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in profit and loss. Non-current assets held for sale are not depreciated or amortised.

f. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts, futures and currency options.

(i) Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost,
- Financial assets at fair value through other comprehensive income (FVTOCI)
- Financial assets at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

On the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Financial assets at amortised cost

- A financial asset is measured at the amortised cost if both the following conditions are met: The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables. For more information on receivables, refer to Note 47 (B).

Financial assets at fair value through profit or loss (FVTPL)

Any financial asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may, at initial recognition, irrevocably designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity investments

All equity investments within the scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the Other Comprehensive Income (OCI). There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Investments in Subsidiaries and Associates:

Investments in subsidiaries and associates are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and associates, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The contractual rights to receive cash flows from the financial asset have expired, or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company assesses on a forward looking basis the Expected Credit Losses (ECL) associated with its financial assets that are debt instruments and are carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Company applies a simplified approach. It recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits, security deposit collected etc. and expectations about future cash flows.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortised cost. A financial liability is classified at FVTPL if it is classified as held for trading or as derivatives designated as hedging instruments in an effective hedge, as appropriate. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value and net gains and losses including any interest expenses are recognised in the statement of profit or loss.

In the case of loans and borrowings and payables, these are measured at amortised cost and recorded, net of directly attributable and incremental transaction cost. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require specified payments to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

Where guarantees to subsidiaries in relation to loans or other payables are provided for, at no compensation, the fair values are accounted for as contributions and recognised as fees receivable under "other financial assets" or as a part of the cost of the investment, depending on the contractual terms.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to to realise the assets and settle the liabilities simultaneously.

g) Derivative financial instruments and hedge accounting

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Any changes therein are generally recognised in the statement of profit and loss account. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking the hedge, the hedging economic relationship between the hedged item or transaction and the nature of the risk being hedged, hedge rationale and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they are designated.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the statement of profit and loss.

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for a cash flow hedge is discontinued, the amount that has been accumulated in other equity remains there until it is reclassified to the statement of profit and loss account in the same period or periods as the hedged expected future cash flows affect the statement of profit and loss. If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately re-classified to the statement of profit and loss.

h) Inventories

Inventories are valued at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Costs are computed on the weighted average basis and are net of GST credits.

Raw materials, packing materials and stores: Costs includes cost of purchase and other costs incurred in bringing each product to its present location and condition.

Finished goods and work in progress: In the case of manufactured inventories and work in progress, cost includes all costs of purchases, an appropriate share of production overheads based on normal operating capacity and other costs incurred in bringing each product to its present location and condition

Provision is made for cost of obsolescence and other anticipated losses, whenever considered necessary.

If payment for inventory is deferred beyond normal credit terms, then the cost is determined by discounting the future cash flows at an interest rate determined with reference to market rates. The difference between the total cost and the deemed cost is recognised as interest expense over the period of financing under the effective interest method.

i) Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet includes cash at bank and on hand, deposits held at call with financial institutions, other short term highly liquid investments, with original maturities less than three months which are readily convertible into cash and which are subject to insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents as defined above is net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

j) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the enterprise has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent Assets are not recognised till the realization of the income is virtually certain. However the same are disclosed in the financial statements where an inflow of economic benefits is probable.

k. Revenue Recognition

Revenue is recognized upon transfer of control of promised goods to customers for an amount that reflects the consideration expected to be received in exchange for those goods. Revenue excludes taxes or duties collected on behalf of the government.

Sale of goods

Revenue from sale of goods is recognized when control of goods are transferred to the buyer which is generally on delivery for domestic sales and on dispatch/delivery for export sales

The Company recognizes revenues on the sale of products, net of returns, discounts (sales incentives/ rebates), amounts collected on behalf of third parties (such as GST) and payments or other consideration given to the customer that has impacted the pricing of the transaction.

Accumulated experience is used to estimate and accrue for the discounts (using the most likely method) and returns considering the terms of the underlying schemes and agreements with the customers. No element of financing is deemed present as the sales are made with normal credit days consistent with market practice. A liability is recognised where payments are received from customers before transferring control of the goods being sold.

Royalty & Technical Fees

Royalty and Technical fees are recognized on accrual basis in accordance with the substance of their relevant agreements.

Interest income

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate which exactly discounts the estimated future cash receipts over the expected life of the financial instrument to the gross carrying amount of the financial asset. When calculating the

EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayments, extensions, call and similar options). The expected credit losses are considered if the credit risk on that financial instrument has increased significantly since initial recognition.

Dividend income

Dividends are recognised in the statement of profit and loss on the date on which the Company's right to receive payment is established

l) Employee Benefits

i) Short-term Employee benefits

Liabilities for wages and salaries including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are classified as short term employee benefits and are recognized as an expense in the Statement of Profit and Loss as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii) Share-based payments

The cost of equity settled transactions is determined by the fair value at the grant date and the fair value of the employee share options is based on the Black Scholes model.

The grant-date fair value of equity-settled share-based payment granted to employees is recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

iii) Post-Employment Benefits

Defined Contribution Plans

Payments made to a defined contribution plan such as Provident Fund maintained with Regional Provident Fund Office and Superannuation Fund are charged as an expense in the Statement of Profit and Loss as they fall due.

Defined Benefit Plans

Gratuity Fund

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. Gratuity is payable to all eligible employees on death or on separation/termination in terms of the provisions of the payment of the Gratuity (Amendment) Act, 1997 or as per the Company's scheme whichever is more beneficial to the employees.

Provident Fund

Provident Fund Contributions which are made to a Trust administered by the Company are considered as Defined Benefit Plans. The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. The Company's liability towards interest shortfall, if any, is actuarially determined at the year end.

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed at each reporting period by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods.

Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in the statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv) Other Long Term Employee Benefits

The liabilities for earned leaves are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by the employees upto the end of the reporting period using the projected unit credit method based on actuarial valuation.

Re-measurements are recognised in the statement of profit and loss in the period in which they arise including actuarial gains and losses.

m) Leases

Effective 1st April, 2019, the company adopted IND AS 116 - Leases. GCPL applied IND AS 116 using modified retrospective approach, under which the cumulative effect of initial application is recognized in retained earnings at 1st April 2019. The comparative information presented is not restated. It is presented as previously reported under IND AS 17.

Accounting policy applicable before 1st 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 1st 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.

- Use should be physically distinct or represent substantially all of the capacity of a physically distinct asset.
- If the supplier has a substantive substitution right, then the asset is not identified.
- Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use
- Company has the right to direct the use of the asset.
- In cases where the usage of the asset is predetermined the right to direct the use of the asset is determined when the company has the right to use the asset or the company designed the asset in a way that predetermines how and for what purpose it will be used.

At the commencement or modification of a contract, that contains a lease component, company allocates the consideration in the contract, to each lease component, on the basis of its relative standalone prices. For leases of property, it is elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

As a Lessee:

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

Right-of-use asset (ROU):

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

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

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

Lease liability:

Lease liability is initially measured at the present value of lease payments that are not paid at the commencement date. Discounting is done using the implicit interest rate in the lease, if that rate cannot be readily determined, then using company's incremental borrowing rate. Incremental borrowing rate is determined based on entity's borrowing rate adjusted for terms of the lease and type of the asset leased.

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

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

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

Right-of-use asset is presented 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.

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.

n) Income Tax

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

Current Tax

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

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

Deferred Tax

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

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

Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be recovered.

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

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

Deferred tax assets and liabilities are offset only if:

i. the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

ii. the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

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

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is a convincing evidence that the Company will pay normal tax during specified period.

o) Foreign Currency Transactions

i) Functional and Presentation currency

The Company's financial statements are prepared in Indian Rupees (INR "₹") which is also the Company's functional currency.

ii) Transactions and balances

Foreign currency transactions are recorded on initial recognition in the functional currency using the exchange rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate at the date the fair value is determined.

Exchange differences arising on the settlement or translation of monetary items are recognized in the statement of profit and loss in the year in which they arise except for the qualifying cash flow hedge, which are recognised in OCI to the extent that the hedges are effective.

p) Government grants

Government grants, including non-monetary grants at fair value are recognised when there is reasonable assurance that the grants will be received and the Company will comply with all the attached conditions.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods necessary to match them with the costs that they are intended to compensate.

Government grants relating to purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to the the statement of profit and loss on a straight line basis over the expected lives of the related assets.

q) Dividend

The Company recognises a liability for any dividend declared but not distributed at the end of the reporting period, when the distribution is authorised and the distribution is no longer at the discretion of the Company on or before the end of the reporting period. As per Corporate laws in India, a distribution in the nature of final dividend is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

r) Earnings Per Share

Basic earnings per share is calculated by dividing the profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- Weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

s) Segment Reporting

As per Ind AS-108 'Operating Segments', if a financial report contains both the consolidated financial statements of a parent that is within the scope of Ind AS-108 as well as the parent's separate financial statements, segment information is required only in the consolidated financial statements. Accordingly, information required to be presented under Ind AS-108 Operating Segments has been given in the consolidated financial statements.

t) Business Combination

Business combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Company. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. The Company recognises any non-controlling interest in the acquired entity on an acquisition-by acquisition basis either at fair value or at the noncontrolling interest's proportionate share of the acquired entity's net identifiable assets. Consideration transferred does not include amounts related to settlement of preexisting relationships. Such amounts are recognised in the Statement of Profit and Loss. Transaction costs are expensed as incurred, other than those incurred in relation to the issue of debt or equity securities. Any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration are recognised in the Statement of Profit and Loss.

2.5 Standards issued but not yet effective

Ministry of Corporate affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020

Notes to the Standalone Financial Statements for the year ended March 31, 2020

NOTE 3 : PROPERTY, PLANT AND EQUIPMENT

₹ Crore

Particulars									Owned Assets	Assets given on lease	Total
	Freehold Land	Leasehold Land	Buildings	Leasehold Improvements	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computers	Building	
Year ended March 31, 2020											
Gross Carrying Amount											
Opening Gross Carrying Amount	0.51	14.42	166.33	30.81	348.65	13.99	11.20	15.74	30.63	90.26	722.54
Additions	-	-	19.22	0.73	60.92	0.29	2.30	1.17	3.12	-	87.75
(Disposals) / Adjustments	-	-	-	-	(1.60)	(0.01)	(1.60)	(0.02)	(3.07)	-	(6.30)
Closing Gross Carrying Amount	**0.51**	**14.42**	**185.55**	**31.54**	**407.97**	**14.27**	**11.90**	**16.89**	**30.68**	**90.26**	**803.99**
Accumulated Depreciation											
Opening Accumulated Depreciation	-	3.47	14.41	12.94	126.36	4.52	4.69	5.70	18.41	5.84	196.34
Depreciation charge during the year	-	0.16	4.97	4.11	40.86	1.38	1.99	2.32	6.09	1.50	63.38
(Disposals) / Adjustments	-	-	0.01	0.01	(1.02)	(0.01)	(0.85)	(0.18)	(3.05)	0.01	(5.08)
Closing Accumulated Depreciation	**-**	**3.63**	**19.39**	**17.06**	**166.20**	**5.89**	**5.83**	**7.84**	**21.45**	**7.35**	**254.64**
Net Carrying Amount	**0.51**	**10.79**	**166.16**	**14.48**	**241.77**	**8.38**	**6.07**	**9.05**	**9.23**	**82.91**	**549.35**
Year ended March 31, 2019											
Gross Carrying Amount											
Opening Gross Carrying Amount	0.51	14.41	140.29	30.53	289.45	12.83	11.25	12.55	28.04	90.26	630.12
Additions	-	0.01	26.04	0.28	59.58	1.17	2.67	3.21	5.00	-	97.96
(Disposals)/ Adjustments	-	-	-	-	(0.38)	(0.01)	(2.72)	(0.02)	(2.41)	-	(5.54)
Closing Gross Carrying Amount	**0.51**	**14.42**	**166.33**	**30.81**	**348.65**	**13.99**	**11.20**	**15.74**	**30.63**	**90.26**	**722.54**
Accumulated Depreciation											
Opening Accumulated Depreciation	-	2.63	8.57	8.77	89.58	3.12	4.22	3.80	14.07	5.68	140.44
Depreciation charge during the year	-	0.84	4.49	4.17	36.53	1.40	2.12	1.92	6.73	1.50	59.70
(Disposals) /Adjustments	-	-	1.35	-	0.25	-	(1.65)	(0.02)	(2.39)	(1.34)	(3.80)
Closing Accumulated Depreciation	**-**	**3.47**	**14.41**	**12.94**	**126.36**	**4.52**	**4.69**	**5.70**	**18.41**	**5.84**	**196.34**
Net Carrying Amount	**0.51**	**10.95**	**151.92**	**17.87**	**222.29**	**9.47**	**6.51**	**10.04**	**12.22**	**84.42**	**526.20**

Note 3A: Leases

Leases in which the company is a Lessee

Office Building

The Company has leasing arrangements for its head office and other office buildings. Non-cancellable period for those lease arrangements vary. The Company pays lease charges as fixed amount as per the respective lease agreements. In respect of Ind AS 116 - Leases, the Company has adopted modified retrospective method under which the cumulative effect of initial application is recognized in retained earnings at 1st April 2019. 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.

Factories, Godowns and office buildings

The Company has leasing arrangements for its various factories, godowns and office buildings (other than mentioned above). Non-cancellable period for those leasing arrangements are less than 12 months and the Company elected to apply the recognition exemption for short term leases to these leases. The lease amount is charged as rent. The Total lease payments accounted for the year ended March 31, 2020 is ₹ 43.25 crore (previous year ₹ 43.36 crore).

Leases in which the company is a Lessor:

The Company has entered into an agreement to give one of its office building on operating lease effective May 2015. The Company has also taken office building on operating lease for similar premises in the same building.

A] As a lessee:

(a) Right of use assets - Buildings

₹ Crore

	As at 31st March 2020
Recognised at 1st April 2019 (transition)	17.54
Additions during the year	-
Depreciation charge for the year	10.09
Balance as at 31 March 2020	7.45

(b) Lease liabilities

₹ Crore

	As at 31st March 2020
Less than one year	4.01
One to three years	5.22
Three years to five years	0.01
More than five years	0.76
Total undiscounted lease liabilities as at 31 March 2020	**10.01**

₹ Crore

Lease liabilities (discounted)	As at 31st March 2020
Non-current	4.94
Current	3.48
TOTAL	**8.42**

(c) Amounts recognized in statement of profit and loss

₹ Crore

Short-term leases	**Year ended March 31, 2020**
Expenses relating to short-term leases	**43.25**
TOTAL	**43.25**

(d) Cash outflow for leases

₹ Crore

	Year ended March 31, 2020
Total cash outflow for leases	**12.15**
TOTAL	**12.15**

B] As a lessor:

(a) Amounts recognized in statement of profit and loss

₹ Crore

	Year ended March 31, 2020
Operating lease income	**9.13**

(b) Undiscounted lease payments to be received after 31st March 2020

	₹ Crore
Less than one year	**1.13**
Total undiscounted lease payments	**1.13**

C] Changes in accounting policy

Transition impact on 1st April 2019

Right-of-use assets – Property, plant and equipment	**₹ Crore**
Right-of-use assets	**17.54**
Deferred tax asset	**0.67**
Lease liabilities	**19.41**
Retained earnings	**1.20**
Incremental borrowing rate	**8.5%**

The Weighted average incremental borrowing rate of 8.5% p.a has been applied for measuring the lease liability at the date of initial application.

Reconciliation:	₹ Crore
Operating lease commitments as at 31st March 2019 as disclosed under IND AS 17	**21.69**
Discounted using the incremental borrowing rate at 1st April 2019	**19.41**
Lease liabilities recognised in the balance sheet at the date of initial application	**19.41**

Disclosures under IND AS 17 (for the year 2018-19)

The future minimum lease payments outstanding under non-cancellable operating leases are as follows:

₹ Crore

	As at 31st March 2019
Not later than one year	**12.15**
Later than one year and not later than five years	**9.54**
Later than five years	**-**
TOTAL	**21.69**

The future minimum lease rental receivable under the non-cancellable operating lease is as follows:

₹ Crore

	As at 31st March 2019
Not later than one year	**9.13**
Later than one year and not later than five years	**1.10**
Later than five years	**-**
TOTAL	**10.23**

Note 4: Intangible Assets

₹ Crore

	Goodwill	Other Intangible assets			
		Trademarks and Brands *	Computer Software	Technical Knowhow	Total Other Intangible assets
Year ended March 31, 2020					
Gross Carrying Amount					
Opening Gross Carrying Amount	2.48	791.56	54.20	0.10	845.86
Additions	-	-	1.42	-	1.42
Disposals	-	-	-	-	-
Closing Gross Carrying Amount	**2.48**	**791.56**	**55.62**	**0.10**	**847.28**
Opening Accumulated Amortisation	-	0.28	30.65	0.10	31.03
Amortisation recognised for the year	-	0.03	7.87	-	7.90
Disposals / Adjustments	-	(0.02)	2.38	-	2.36
Closing Accumulated Amortisation	**-**	**0.29**	**40.90**	**0.10**	**41.29**
Closing Net Carrying Amount	**2.48**	**791.27**	**14.72**	**-**	**805.99**
Year ended March 31, 2019					
Gross Carrying Amount					
Opening Gross Carrying Amount	2.48	791.56	52.08	1.85	845.49
Additions	-	-	3.64	-	3.64
Disposals	-	-	(1.52)	(1.75)	(3.27)
Closing Gross Carrying Amount	**2.48**	**791.56**	**54.20**	**0.10**	**845.86**
Accumulated Amortisation					
Opening Accumulated Amortisation	-	0.21	22.57	0.81	23.59
Amortisation recognised for the year	-	0.07	9.13	0.17	9.37
Disposals	-	-	(1.05)	(0.88)	(1.93)
Closing Accumulated Amortisation	**-**	**0.28**	**30.65**	**0.10**	**31.03**
Closing Net Carrying Amount	**2.48**	**791.28**	**23.55**	**-**	**814.83**

Note:

* Includes brands amounting to ₹ 791.25 crore (31-Mar-19 ₹ 791.25 crore) that have an indefinite life and are tested for impairment at every year end. Based on analysis of all relevant factors (brand establishment, stability, types of obsolescence etc.), there is no foreseeable limit to the period over which the assets are expected to generate net cash inflows for the Company.

The recoverable amount of the brands are based on its value in use. The value in use is estimated using discounted cash flows over a period of 5 years. The measurement using discounted cash flow is level 3 fair value based on inputs to the valuation technique used. Cash flows beyond 5 years is estimated by capitalising the future maintainable cash flows by an appropriate capitalisation rate and then discounted using pre tax discount rate.

Operating margins and growth rates for the five years cash flow projections have been estimated based on past experience and after considering the financial budgets/ forecasts approved by management. Other key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

Following key assumptions were considered while performing Impairment testing:

	As at January 31, 2020	**As at January 31, 2019**
Annual growth rate	**5-10%**	10-14%
Terminal Growth Rate	**5%**	5%
Royalty relief rate	**12%**	12%
Pre- tax discount rate	**11.20%**	14.23%

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

According to Ind AS 36 "Impairment of Assets", the annual impairment test for intangible assets with indefinite useful life may be performed at any time during an annual period, provided the test is performed at the same time every year. From the year ended March 31, 2019, the Company has decided to perform impairment test for goodwill and other intangible assets with indefinite useful life at January 31 and same is being followed for future years.

With regard to the assessment of value in use, no reasonably possible change in any of the above key assumptions would cause the carrying amount of the Brands to exceed their recoverable amount.

No impairment has been charged to the Statement of Profit and Loss account during the financial year 31 March 2020 (31 March 2019: Nil)

Note 5: Investments in Subsidiaries and Associates

₹ Crore

	Face Value	Numbers		Amounts	
		As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Unquoted, fully paid up:					
Carried at cost					
(a) Investments in Equity Instruments					
(i) Subsidiary Companies					
Godrej Netherlands B.V.	EUR 100	**200**	200	**140.93**	140.93
Godrej South Africa (Pty) Ltd.	ZAR 1	**1,80,50,000**	1,80,50,000	**12.67**	12.67
Godrej Consumer Products Holding (Mauritius) Ltd.	USD 1	**18,59,44,409**	18,59,44,409	**982.14**	982.14
Godrej Household Products Lanka (Pvt) Ltd.	LKR 10	**7,02,58,457**	4,39,33,546	**47.65**	37.33
Godrej Consumer Products (Bangladesh) Ltd.	BDT 100	**4,999**	4,999	**0.04**	0.04
Godrej Mauritius Africa Holdings Ltd.	USD 1	**13,62,40,553**	13,62,40,553	**865.50**	865.50
Godrej East Africa Holdings Ltd.	USD 1	**3,54,50,001**	3,54,50,001	**250.80**	250.80
Godrej Tanzania Holdings Ltd.	USD 1	**1,78,50,001**	1,78,50,001	**121.29**	121.29
Godrej SON Holdings INC.	USD 1	**7,76,00,000**	7,76,00,000	**504.72**	504.72
(ii) Associate Company					
Bhabhani Blunt Hairdressing Pvt Ltd.	₹ 10	**4,967**	4,967	**20.04**	20.04
				2,945.78	**2,935.46**
(b) Investments in Compulsorily Convertible Debentures of Associate Company					
Bhabhani Blunt Hairdressing Pvt Ltd.	₹ 10	**3,060**	3,060	**12.00**	12.00
TOTAL				**2,957.78**	**2,947.46**
Aggregate Amount of Unquoted Investments				**2,957.78**	**2,947.46**

Refer note 41 for percentage holding of the Company in subsidiaries and associates

Note:

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

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Godrej Netherlands B.V.	**4.52**	4.52
Godrej Consumer Products Holding (Mauritius) Ltd.	**11.95**	11.95
Godrej Mauritius Africa Holdings Ltd.	**29.02**	29.02
Godrej East Africa Holdings Ltd.	**19.62**	19.62
Godrej Tanzania Holdings Ltd.	**3.07**	3.07
TOTAL	**68.18**	**68.18**

Note 6: Loans (Non-Current)

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Unsecured, Considered Good, Unless Otherwise Stated		
Loans to Employees	**0.05**	0.04
Security Deposits	**19.04**	16.95
TOTAL	**19.09**	**16.99**

Note 7: Other Non-Current Financial Assets

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Share application money for investments in subsidiaries	**-**	10.32
Financial Guarantee Fee Receivables	**15.74**	20.75
TOTAL	**15.74**	**31.07**

Note 8: Tax Reconciliations

Tax expense recognised in the Statement of Profit and Loss

₹ Crore

	Year ended March 31, 2020	Year ended March 31, 2019
Current Tax		
Current tax on profits for the year	**248.20**	320.66
Deferred tax (Net) - Refer note below 8(e) and 8(f)	**(72.31)**	7.31
MAT credit recognised	**-**	(634.58)
MAT credit utilised	**43.85**	24.71
Total income tax expense	**219.74**	**(281.90)**

Deferred tax is in respect of origination and reversal of temporary differences.

Current Tax and Deferred Tax related to items recognised in Other Comprehensive Income during in the year :

₹ Crore

	Year ended March 31, 2020	Year ended March 31, 2019
On remeasurements of defined benefit plans		
Current tax	**0.35**	0.08
Deferred tax	**0.72**	0.13
TOTAL	**1.07**	**0.21**

Reconciliation of tax expense and the accounting profit

The reconciliation between estimated income tax expense at statutory income tax rate to income tax expense reported in Statement of Profit & Loss is given below:

₹ Crore

	Year ended March 31, 2020	Year ended March 31, 2019
Profit before income taxes	**1,399.63**	1,473.08
Indian statutory income tax rate	**34.94%**	34.94%
Expected income tax expense	**489.09**	514.75
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Deduction under Sec 80IC and 80IE	**(205.82)**	(168.12)
Effect of other tax offsets	**3.19**	1.66
Tax impact of income not subject to tax	**-**	0.15
Tax effects of amounts which are not deductible for taxable income	**4.92**	4.24
MAT Credit recognised	**-**	(634.58)
Reversal of DTL due to rate change [refer note (e) below]	**(78.14)**	-
Adjustments for current tax of prior periods (Excess MAT utilised)	**6.50**	-
Total income tax expense	**219.74**	**(281.90)**

The Company benefits from the tax holiday available to units set up under section 80-IC and 80-IE of Income Tax Act, 1961. These tax holidays are available for a period of ten years from the date of commencement of operations.

Deferred Tax (Liabilities):

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Property, Plant and Equipment	**(24.24)**	(34.12)
Intangible assets	**(184.19)**	(248.81)
Total deferred tax liabilities	**(208.43)**	**(282.93)**

Deferred Tax Assets:

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Defined benefit obligations	**20.76**	23.81
Provisions	**24.20**	21.69
Others	**1.53**	1.79
MAT credit	**566.02**	609.87
Total deferred tax assets	**612.51**	**657.16**

Net Deferred tax (Liabilities) / Assets	**404.08**	**374.23**

Movement in Deferred tax Liabilities / Asset

₹ Crore

	Property, plant and equipment	Intangible assets	Defined benefit obligations	Provisions	Other Deferred Tax Asset	Mat Credit (Refer note)	Deferred Tax Liabilities / Asset (Net)
As at 31st March 2018	(32.90)	(239.59)	21.80	20.46	1.77	-	(228.46)
(Charged)/Credited :							
- to profit or loss	(1.22)	(9.22)	1.88	1.23	0.02	609.87	602.56
- to other comprehensive income	-	-	0.13	-	-	-	0.13
At 1st April 2019	**(34.12)**	**(248.81)**	**23.81**	**21.69**	**1.79**	**609.87**	**374.23**
(Charged)/Credited :							
- to profit or loss	9.88	64.62	(4.45)	2.51	(0.26)	(43.85)	28.45
- to other comprehensive income	-	-	0.72	-	-	-	0.72
- to reserves (Ind AS 116 transition impact)			0.68				0.68
As at 31st March 2020	**(24.24)**	**(184.19)**	**20.76**	**24.20**	**1.53**	**566.02**	**404.08**

Liabilities for Current Tax (Net)

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Liabilities for Current Tax (Net)	**0.96**	0.96
[Net of advance tax of ₹ 128.87 crore (31-Mar-19 ₹ 128.87 crore)]		
TOTAL	**0.96**	**0.96**

(a) The Company offsets deferred tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

(b) Significant management judgment is required in determining provision for income tax, deferred income tax assets (including MAT credit) and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered.

(c) As on March 31, 2020 the tax liability with respect to the dividends proposed is Nil (31-Mar-19 : ₹ 42.02 crores)

(d) MAT paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted. During the year, the Company has utilised MAT credit of Rs 43.85 crores (2019 - 24.71 crores). The Company had re-assessed, in the previous year, its utilization of MAT credit considering business projections, benefits available from tax holiday, remaining period for such benefits etc. based on which there is reasonable certainty of utilizing the balance credit of Rs 566.02 crores (2019 - 609.87 crores) in future years against the normal tax expected to be paid in those years.

(e) Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 with effect from fiscal year 2019-20, allows any domestic company to pay availing income tax at the rate of 25.17% subject to condition they will not avail any incentive or exemptions. The Company has plants located in the North-east region eligible for income tax exemption, and the effective rate being lower than 25.17%, decided to not opt for lower rate in FY 2019-20.

(f) Based on internal projections the Company plans to opt for the lower tax rate in FY 2024-25 and remeasured the deferred taxes at the lower tax rate expected to be availed in the future. Accordingly, the Company has reversed deferred tax assets/liabilities recognised in earlier years at the tax rates enacted during those years, to the extent they are likely to reverse after 31st March 2024. The impact of such reversal during the year was Rs. 78.14 crore.

Note 9: Other Non-Current Assets

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Capital Advances (Refer Note below)	**5.83**	29.38
Balances with Government Authorities	**37.70**	21.65
Other non-current assets (includes prepaid expenses, vendor advances)		
Considered Good	**0.82**	1.07
TOTAL	**44.35**	**52.10**

Note:

Capital Advances include ₹ 0.05 crore (31-Mar-2019 ₹ 15.92 crore) paid to Related Parties.

Note 10: Non-Current Tax Assets (Net)

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Advance Tax	**36.22**	22.84
[Net of Provision for taxation - ₹ 1982.69 crore (31-Mar-19 ₹ 1742.56 crore)]		
TOTAL	**36.22**	**22.84**

(Refer Note 8 for tax reconciliations)

Note 11: Inventories

₹ Crore

	As at March 31, 2020	As at March 31, 2019
(Valued at lower of cost and net realizable value)		
Raw Materials (Including Packing Materials)	**279.04**	303.17
Goods-in Transit	**5.93**	16.48
	284.97	319.65
Work-in-Progress	**55.55**	40.20
Finished Goods	**273.06**	210.74
Stock-in-Trade	**33.82**	34.59
Stores and Spares	**10.32**	9.94
TOTAL	**657.72**	**615.12**

During the year ended March 31, 2020 an amount of ₹ 19.41 crore (31-Mar-19 ₹ 13.94 crore) was charged to the statement of Profit and Loss on account of write-down of inventories including damaged and slow moving inventory. The reversal on account of above during the year is Nil (31-Mar-19 Nil)

Note 12: Investments (Current)

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Unquoted, fully paid up		
At Fair Value through Profit or Loss		
Investments in Mutual Funds	**-**	13.01
At amortised cost		
Investments in Deposits with Non-Banking Financial Companies	**555.34**	135.06
Quoted, fully paid up		
At amortised cost		
Investments in Non-convertible Debentures with Non-Banking Financial Companies	**80.06**	329.27
	635.40	**477.34**
Aggregate Amount of Unquoted Investments	**555.34**	148.07
Aggregate Amount of Quoted Investments	**80.06**	329.27
Aggregate Market Value of Quoted Investments	**80.10**	329.94

Note 13: Trade Receivables

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Considered Good - Secured	**0.80**	7.17
Considered Good - Unsecured	**304.72**	346.01
Trade Receivables - credit impaired	**5.49**	6.34
Less: Provision for Doubtful Debts	**(5.49)**	(6.34)
TOTAL	**305.52**	**353.18**

Refer note 47 (B)

Note:

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

Note 14 A: Cash and Cash Equivalents

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Balances with Banks		
- In Current Accounts	**63.52**	78.13
- Deposits with less than 3 months original maturity	**-**	0.08
	63.52	**78.21**
Cheques, Drafts on Hand	**0.04**	-
Cash on Hand	**0.20**	1.48
TOTAL	**63.76**	**79.69**

Note 14 B: Other Bank Balances

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Deposits with maturities more than 3 months but less than 12 months (Refer Note below)	**4.27**	3.07
In Unpaid Dividend Accounts	**17.65**	14.48
TOTAL	**21.92**	**17.55**

Notes:

(a) The fixed deposits include deposits under lien against bank guarantees ₹ 4.24 crore (31-Mar-19 ₹ 2.99 crore).

(b) The disclosures regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2020.

Note 15: Loans (Current)

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Unsecured, Considered Good, Unless Otherwise Stated		
Loans to Employees	**0.05**	0.06
Security Deposits	**-**	0.08
TOTAL	**0.05**	**0.14**

Note 16: Other Current Financial Assets

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Financial guarantee fee receivable	**10.74**	10.27
Refunds/Incentives receivables from Govt. Authorities		
Considered Good	**133.13**	117.37
Considered Doubtful	**15.62**	15.62
Less: Provision for Doubtful Advances	**(15.62)**	(15.62)
	133.13	**117.37**
Derivative assets - forward exchange contracts	**4.79**	-
Others (includes receivables of insurance claims, export incentives)	**12.04**	11.19
TOTAL	**160.70**	**138.83**

Note 17: Other Current Assets

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Balances with Government Authorities	**144.28**	129.96
Contract assets (Right to receive inventory)	**6.71**	3.54
Other Advances (includes prepaid expenses, vendor advances)		
Considered Good	**65.30**	29.00
Considered Doubtful	**0.31**	0.83
Less: Provision for Doubtful Advances	**(0.31)**	(0.83)
TOTAL	**216.29**	**162.50**

Note 18: Equity Share Capital

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Authorised		
1,030,000,000 Equity Shares (31-Mar-19: 1030,000,000) of ₹ 1 each	**103.00**	103.00
10,000,000 Preference Shares (31-Mar-19: 10,000,000) of ₹ 1 each	**1.00**	1.00
Issued		
1,022,347,476 Equity Shares (31-Mar-19: 1,022,197,220) of ₹ 1 each	**102.23**	102.22
Subscribed and Fully Paid up		
1,022,316,352 Equity Shares (31-Mar-19: 1,022,166,096) of ₹ 1 each fully paid up	**102.23**	102.22
TOTAL	**102.23**	**102.22**

Notes:

a) During the year, the Company has issued 1,50,256 equity shares (31-Mar-19: 1,14,546) under the Employee Stock Grant Scheme.

b) 31,124 Rights Issue equity shares (31-Mar-19 31,124 equity shares) are kept in abeyance due to various suits filed in courts / forums by third parties for which final order from courts/claim is awaited.

c) The reconciliation of number of equity shares outstanding and the amount of share capital at the beginning and at the end of the reporting period:

	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	₹ Crore	No. of Shares	₹ Crore
Shares outstanding at the beginning of the year	1,02,21,66,096	102.22	68,13,29,518	68.13
Add : Shares Issued during the year (Bonus Shares)	-	-	34,07,22,032	34.08
Add : Shares Issued on exercise of employee stock grant scheme	1,50,256	0.01	1,14,546	0.01
Shares outstanding at the end of the year	1,02,23,16,352	102.23	1,02,21,66,096	102.22

d) **Terms / rights attached to equity shares**

The Company has issued only one class of equity shares having a par value of ₹ 1 each. Each equity shareholder is entitled to one vote per share.

During the year ended March 31, 2020 the amount of per share dividend recognised as distribution to equity shareholders was ₹ 8 (31-Mar-19 ₹ 15).

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

Name of the Shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	% held	No. of Shares	% held
Godrej & Boyce Manufacturing Co Ltd	**7,50,11,445**	**7.34%**	7,50,11,445	7.34%
Godrej Industries Limited	**24,28,12,860**	**23.75%**	24,28,12,860	23.75%
Godrej Seeds & Genetics Limited	**28,05,00,000**	**27.44%**	28,05,00,000	27.44%

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

The Company has 290,133 (31-Mar-19 year 295,015) equity shares reserved for issue under Employee Stock Grant Scheme as at March 31, 2020. (As detailed in Note 44)

g) Information regarding aggregate number of equity shares issued during the five years immediately preceding the date of Balance Sheet:

During the year 2018-19, pursuant to the approval of Shareholders, Company has allotted 340,722,032 number of fully paid Bonus shares on Sep 17,2018 in the ratio of one equity share of ₹1 each fully paid up for every two existing equity shares of ₹1 each fully paid up.

During the year 2017-18, pursuant to the approval of Shareholders, Company has allotted 340,600,816 number of fully paid Bonus shares on June 27,2017 in the ratio of one equity share of ₹1 each fully paid up for every one existing equity shares of ₹1 each fully paid up.

The Company has not issued shares for consideration other than cash and has not bought back any shares during the past five years other than as reported above.

The Company has not allotted any shares pursuant to contract without payment being received in cash.

h) There are no calls unpaid on equity shares, other than shares kept in abeyance as mentioned in Note (b) above.

i) No equity shares have been forfeited.

j) **Capital Management**

The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios to support its business and maximize shareholder value. The Company makes adjustments to its capital structure based on economic conditions or its business requirements. To maintain / adjust the capital structure the Company may make adjustments to dividend paid to its shareholders or issue new shares.

The Company monitors capital using the metric of Net Debt to Equity. Net Debt is defined as borrowings less cash and cash equivalents, fixed deposits and readily redeemable investments. As on balance sheet date there are no net debt.

Note 19: Other Equity

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Securities Premium	**1,407.36**	1,398.03
General Reserve	**154.05**	154.05
Other Reserves		
Capital Investment Subsidy Reserve	**0.15**	0.15
Capital Redemption Reserve	**1.46**	1.46
Employee Stock Options Outstanding	**12.69**	12.36
	14.30	**13.97**
Retained Earnings	**3,450.43**	3,258.64
Other Comprehensive Income (Effective portion of cash flow hedges)	**(0.75)**	(0.75)
TOTAL	**5,025.39**	**4,823.94**

OTHER RESERVES MOVEMENT

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Capital Investment Subsidy Reserve		
Balance as per last financial statements	**0.15**	0.15
Closing Balance	**0.15**	**0.15**
Capital Redemption Reserve		
Balance as per last financial statements	**1.46**	1.46
Closing Balance	**1.46**	**1.46**
Employee Stock Options Outstanding		
Gross Employee Compensation for Options granted	**12.36**	11.58
(-) Exercise of Share options	**(9.33)**	(8.34)
(+) Deferred Employee Compensation Expense (Refer Note 33)	**9.66**	9.12
Closing Balance	**12.69**	**12.36**
TOTAL	**14.30**	**13.97**

Nature and purpose of reserves

1) **Securities premium**

The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. The reserve is utilised in accordance with the provisions of the Companies Act, 2013

2) **General reserve**

The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.

3) **Capital Investment Subsidy Reserve**

Capital Investment Subsidy Reserve represents subsidy received from the government for commissioning of Malanpur plant in the nature of capital investment.

4) Capital redemption reserve

Capital Redemption reserve represents amount set aside by the company for future redemption of capital.

5) Employee Stock Options Outstanding

The shares option outstanding account is used to recognise the grant date fair value of options issued to employees under the Employee Stock Grant Scheme which are unvested as on the reporting date and is net of the deferred employee compensation expense.

Refer note 44 for details on ESGS Plans.

6) Effective portion of Cash Flow Hedges

The cash flow hedging reserve represents the cumulative portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accummulated under the heading of cash flow reserve will be reclassified to Statement of Profit and Loss only when the hedged transaction affects the profit or loss or included as a basis adjustment to the non financial hedged item.

Note 20: Non-current Financial liabilities

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Lease liabilities (refer note 3A)	4.94	-
TOTAL	**4.94**	**-**

Note 21: Provisions (Non-Current)

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Provision for Employee Benefits		
Gratuity (Refer Note 43)	56.63	51.89
Compensated Absences	5.23	4.43
TOTAL	**61.86**	**56.32**

Note 22: Other Non-Current Liabilities

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Unearned premium on guarantees given to subsidiaries	14.74	23.82
Others (includes deferred grants, sundry deposits)	7.17	4.27
TOTAL	**21.91**	**28.09**

Note 23: Borrowings

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Unsecured, Working Capital Loan Repayable on Maturity		
from Banks (Refer Note (a) below)	**70.00**	-
Unsecured, Other Loans		
Commercial Papers (Refer Note (b) below)	**247.33**	-
TOTAL	**317.33**	**-**

NOTES:

a) Short term working capital loan from Bank carries an average interest rate of 6.6% and are repayable in July 2020.

b) Commercial Paper are listed on the Stock exchange and carries an average interest rate of 5.4% and are repayable at maturity dates in June 2020.

Note 24: Current - Lease Liabilities

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Lease liabilities (refer note 3A)	**3.48**	-
TOTAL	**3.48**	**-**

Note 25: Trade Payables

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Total oustanding dues of micro enterprises and small enterprises	**27.15**	53.49
Total oustanding dues of creditors other than micro enterprises and small enterprises*	**1,215.99**	1,404.12
TOTAL	**1,243.14**	**1,457.61**

* Trade Payables includes invoices discounted by Vendors with banks.

(Refer Note 47C)

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

₹ Crore

		As at March 31, 2020	As at March 31, 2019
I	The principal amount remaining unpaid to any supplier at the end of the accounting year included in trade payables	**27.13**	53.49
II	Interest due thereon	**0.02**	-
	Trade payable dues to Micro and small enterprises	**27.15**	**53.49**
	(a) The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	**-**	-
	(b) The amount of interest due and payable for the period (where the principal has been unpaid but interest under the MSMED Act, 2006 not paid)	**0.02**	-
	(c) The amount of interest accrued and remaining unpaid at the end of the accounting year	**-**	-
	(d) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	**-**	-

Note 26: Other Current Financial Liabilities

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Interest Accrued but not Due on Borrowings	**0.07**	-
Security Deposit Received	**2.60**	2.31
Employee Benefits Payable	**29.89**	67.55
Unclaimed Dividends (Refer Note (a) below)	**17.65**	14.48
Derivative Liability - forward exchange contracts	**-**	8.69
Capital creditors and other payables	**12.46**	23.34
TOTAL	**62.67**	116.37

(Refer Note 47C)

Note:

a) There are no amounts due to be credited to Investor Education and Protection Fund in accordance with Section 125 of the Companies Act, 2013 as at the year end.

Note 27: Other Current Liabilities

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Statutory Dues (TDS, Octroi etc)	**8.60**	6.98
Contract Liabilities (Advance received from Customers)	**20.59**	13.13
Unearned premium on guarantees given to subsidiaries	**12.61**	15.36
Others (includes PF, deferred revenue)	**8.54**	4.65
TOTAL	**50.34**	**40.12**

Note 28: Provisions (Current)

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Provision for Employee Benefits		
Gratuity (Refer Note 43)	**8.76**	8.44
Compensated Absences	**3.15**	3.38
Other provisions		
Provision for Sales Returns	**21.85**	14.33
Provision towards Litigations	**12.58**	**12.77**
TOTAL	**46.34**	**38.92**

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

₹ Crore

	Sales Returns	Provision towards Litigation
As at April 1, 2018	**13.50**	12.71
Provisions made during the year	**0.83**	0.06
Provisions reversed during the year	**-**	-
As at April 1, 2019	**14.33**	12.77
Provisions made during the year	**7.52**	-
Provisions reversed during the year	**-**	(0.19)
As at March 31, 2020	**21.85**	**12.58**

Sales Returns:

When a customer has a right to return the product within a given period, the Company recognises a provision for sales return. This is measured on the basis of average past trend of sales return as a percentage of sales. Revenue is adjusted for the expected value of the returns and cost of sales are adjusted for the value of the corresponding goods to be returned.

Legal Claims:

The provisions for indirect taxes and legal matters comprises numerous separate cases that arise in the ordinary course of business. A provision is recognised for legal cases if the company assesses that it is probable that an outflow of economic resources will be required. These provisions have not been discounted as it is not practicable for the Company to estimate the timing of the provision utilisation and cash outflows, if any, pending resolution.

Note 29: Revenue From Operations

₹ Crore

	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from contracts with customers		
Sale of Products	**5,361.27**	5,556.79
Other Operating Revenues		
a) Royalty & Technical Fees	**18.58**	22.47
b) Miscellaneous Income (includes Refunds/Incentives from Govt. Authorities)	**94.60**	100.05
TOTAL	**5,474.45**	**5,679.31**

b) Revenue Information

₹ Crore

	Year ended March 31, 2020	Year ended March 31, 2019
Revenue by product categories		
Home care	**2,826.92**	2,834.32
Personal care	**1,890.17**	2,042.57
Hair care	**644.18**	679.90
TOTAL	**5,361.27**	**5,556.79**

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

₹ Crore

	Year ended March 31, 2020	Year ended March 31, 2019
Revenue as per contracted price	**5,675.39**	5,862.53
Sales returns	**(7.52)**	(0.83)
Rebates/Discounts	**(306.60)**	(304.91)
Revenue from contract with customers	**5,361.27**	**5,556.79**

d) Contract Balances

₹ Crore

	March 31, 2020	April 1, 2019
Trade receivables (Note 13)	305.52	353.18
Contract assets (Note 17)	6.71	3.54
Contract liabilities (Note 27)	20.59	13.13

Note:

Contract assets represents right to receive the inventory (on estimated sales returns) and contract liabilities represents advances received from customers for sale of goods at the reporting date.

e) Significant changes in contract assets and liabilities during the period

₹ Crore

	Year ended March 31, 2020	Year ended March 31, 2019
Revenue recognised that was included in the contract liability balance at the beginning of the period	**13.13**	23.83

Note 30: Other Income

₹ Crore

	Year ended March 31, 2020	Year ended March 31, 2019
Interest Income on:		
Non-convertible debentures and fixed deposits with Non-Banking Financial Companies at amortised cost	**56.70**	54.27
Deposits with banks	**0.88**	2.54
On Others	**0.51**	3.39
Dividend Income		
From Subsidiaries / Associates	**0.68**	-
Net Gain on Sale of Investments (Mutual Funds)	**4.53**	8.03
Fair Value Gain/(Loss) on financial assets measured at fair value through profit or loss	**-**	0.01
Other Non-Operating Income		
Guarantee Commission income	**15.83**	21.62
Miscellaneous Non-operating Income	**12.13**	4.59
TOTAL	**91.26**	**94.45**

Note 31: Cost Of Materials Consumed

₹ Crore

		Year ended March 31, 2020	Year ended March 31, 2019
Raw material and packing material			
Opening Inventory		**319.65**	253.94
Add : Purchases (Net)		**2,008.00**	2,096.53
		2,327.65	2,350.47
Less: Closing Inventory		**(284.97)**	(319.65)
Cost of Materials Consumed	**TOTAL**	**2,042.68**	**2,030.82**

Note 32: Changes in Inventories of Finished Goods, Stock-In-Trade and Work-in-Progress

₹ Crore

		Year ended March 31, 2020	Year ended March 31, 2019
Opening Inventory			
Finished Goods		**210.74**	250.25
Stock-in-Trade		**34.59**	26.17
Work-in-Progress		**40.20**	36.86
		285.53	**313.28**
Less: Closing Inventory			
Finished Goods		**273.06**	210.74
Stock-in-Trade		**33.82**	34.59
Work-in-Progress		**55.55**	40.20
		362.43	**285.53**
(Increase)/Decrease in Inventories	**TOTAL**	**(76.90)**	**27.75**

Note 33: Employee Benefits Expense

₹ Crore

	Year ended March 31, 2020	Year ended March 31, 2019
Salaries and Wages	**277.72**	314.32
Contribution to Provident and Other Funds (Refer Note 43)	**24.28**	21.10
Share based payments to Employees (Employee Stock Grant Scheme) (Refer Note 44)	**9.66**	9.12
Staff Welfare Expenses	**7.56**	6.96
TOTAL	**319.22**	**351.50**

Note 34: Finance Costs

₹ Crore

	Year ended March 31, 2020	Year ended March 31, 2019
Interest Expense		
Unwinding of interest on liabilities	**7.40**	2.46
Interest on lease liabilities	**1.17**	-
Others (mainly includes interest on Short-term borrowings)	**20.00**	22.65
Bill discounting Charges	**29.40**	39.75
TOTAL	**57.97**	**64.86**

Note 35: Depreciation and Amortisation Expenses

₹ Crore

	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation on property, plant and equipment	**63.38**	59.70
Depreciation on Right of use assets - buildings	**10.09**	-
Amortisation on intangible assets	**7.90**	9.37
TOTAL	**81.37**	**69.07**

Note 36: Other Expenses

₹ Crore

	Year ended March 31, 2020	Year ended March 31, 2019
Consumption of Stores and Spare Parts	**15.28**	15.58
Power and Fuel	**94.18**	94.14
Rent (Net) (Refer Note 3A)	**43.25**	43.36
Repairs and Maintenance		
Plant and Equipment	**6.06**	5.11
Buildings	**5.86**	5.64
Others (Net)	**33.93**	29.00
	45.85	39.75
Insurance	**4.81**	4.51
Rates and Taxes	**7.57**	3.26
Processing and Other Manufacturing Charges	**170.59**	156.67
Travelling and Conveyance	**32.00**	37.64
Auditors' Remuneration		
As Statutory Auditor	**1.70**	1.45
For Other Services	**0.29**	0.07
Reimbursement of Expenses	**0.02**	0.14
	2.01	1.66
Legal and Professional Charges	**30.37**	18.65
Donations	**1.59**	2.24
Sales Promotion	**64.57**	52.15
Advertising and Publicity	**556.59**	641.33
Selling and Distribution Expenses	**79.20**	75.40
Freight	**214.29**	215.17
Net Loss on Sale/ write off of Fixed Assets	**5.78**	0.43
Net Loss on Foreign Currency Transactions and Translations	**7.82**	9.41
Bad Debts Written Off	**0.08**	0.95
Provision for Doubtful Debts / Advances	**-**	0.77
Miscellaneous Expenses (Net) (Refer Note (a) below)	**85.72**	88.91
TOTAL	**1,461.55**	**1,501.98**

Note:

(a) Miscellaneous Expenses include the Company's share of various expenses incurred by group companies for sharing of services and use of common facilities.

Note 37: Earnings Per Share

	Year ended March 31, 2020	Year ended March 31, 2019
Net Profit After Tax (₹ Crore)	**1,179.89**	**1,754.98**
Number of Shares outstanding at the beginning of the year	**1,02,21,66,096**	1,02,19,94,277
Add : Shares Issued during the year	**1,50,256**	1,71,819
Number of Shares outstanding at the end of the year	**1,02,23,16,352**	1,02,21,66,096
Weighted Average Number of Equity Shares		
For calculating Basic EPS	**1,02,22,65,738**	1,02,21,11,340
Effect of dilution:		
Shared based payments	**1,91,505**	2,04,688
For calculating Diluted EPS	**1,02,24,57,243**	1,02,23,16,028
Earnings Per Share		
(Face Value ₹ 1)		
Basic (₹)	**11.54**	17.17
Diluted (₹)	**11.54**	17.17

Note 38: Commitments

Estimated value of contracts remaining to be executed on capital account to the extent not provided for : ₹ 34.99 crore (31-Mar-19 ₹ 28.36 crore), net of advances there against of ₹ 5.83 crore (31-Mar-19 ₹ 29.38 crore)

Note 39: Dividend

During the year 2019-20,the Board has paid four interim dividends. The first dividend was declared on May 3, 2019 at the rate of ₹ 2 per equity share (200% on shares of the face value of ₹ 1 each), the second dividend was declared on August 1, 2019 at the rate of ₹2 per equity share (200% on shares of the face value of ₹ 1 each), the third dividend was declared on November 6, 2019 at the rate of ₹2 per equity share (200% on shares of the face value of ₹ 1 each) and the fourth dividend was declared on January 29, 2020 at the rate of ₹2 per equity share (200% on shares of the face value of ₹ 1 each).

The total of all the four interim dividends paid during the year aggregates to ₹ 8 per equity share (800% on the shares of the face value ₹ 1 each) and amounts to ₹ 817.82 crore. The dividend distribution tax on the said dividends is ₹168.11 crore.

Note 40: Contingent Liabilities

₹ Crore

			As at March 31, 2020	As at March 31, 2019
a)	CLAIMS FOR EXCISE DUTIES, TAXES AND OTHER MATTERS			
	i)	Excise duty and service tax matters	**51.06**	54.69
	ii)	Sales tax and VAT matters	**64.60**	54.73
	iii)	Income-tax matters	**14.37**	14.33
	iv)	Other matters	**3.00**	3.00
b)	GUARANTEES GIVEN ON BEHALF OF SUBSIDIARIES			
	i)	Guarantee amounting to USD 58 million (31-Mar-19 USD 88 million) given by the Company to DBS Bank Ltd (Singapore) & Sumitomo Mitsui Banking Corporation (Singapore) against loan provided to Godrej Consumer Products Holdings Mauritius Ltd.	**441.13**	608.56
	ii)	Guarantee amounting to USD 80 million (31-Mar-19 USD 121 million) given by the Company to Bank of Tokyo Mitsubishi UFJ Ltd (London) against loan provided to Godrej SON Holdings, Inc.	**607.56**	836.78
	iii)	Guarantee amounting to USD 18 million (31-Mar-19 USD 28 million) given by the Company to Hongkong and Shanghai Banking Corporation Limited, Mauritius, against loan provided to Godrej East Africa Holdings Ltd.	**135.25**	190.18
	iv)	Guarantee amounting to USD 28 million (31-Mar-19 USD 28 million) given by the Company to Standard Chartered Bank Mauritius towards SBLC line given to Godrej Tanzania Holdings Limited	**208.08**	190.18
	v)	Guarantee amounting to USD 44 million (31-Mar-19 USD 44 million) given by the Company to CITI US towards loan provided to Godrej Mauritius Africa Holdings Ltd.	**332.93**	304.28
	vi)	Guarantee amounting to USD 2 million (31-Mar-19 USD 2 million) given by the Company to DBS Bank Limited towards IRS taken by Godrej Mauritius Africa Holdings Ltd.	**15.13**	13.83
	vii)	Guarantee amounting to USD 1.20 million (31-Mar-19 USD 1.20 million) given by the Company to DBS Bank Limited towards IRS taken by Godrej Consumer Products Holdings Mauritius Ltd.	**9.08**	8.30
	viii)	Guarantee amounting to USD 64.35 million (31-Mar-19 USD 64.35 million) given by the Company to DBS Bank Ltd (Singapore) & Sumitomo Mitsui Banking Corporation (Singapore) against loan provided to Godrej SON Holding, INC	**486.90**	445.01
	ix)	Guarantee amounting to USD 148.72 million (31-Mar-19 USD 148.72 million) given by the Company to DBS Bank Ltd (Singapore) & Sumitomo Mitsui Banking Corporation (Singapore) against loan provided to Godrej Mauritius Africa Holdings Ltd.	**1,125.29**	1,028.47
	x)	Guarantee amounting to USD 3.5 million (31-Mar-19 Nil) given by the Company to DBS Bank Limited towards IRS taken by Godrej Mauritius Africa Holdings Ltd.	**26.48**	-
	xi)	Guarantee amounting to USD 1.0 million (31-Mar-19 USD Nil) given by the Company to Sumitomo Mitsui Banking Corporation (Singapore) towards IRS taken by Godrej Consumer Products Holdings Mauritius Ltd.	**7.57**	-
	xii)	Guarantee amounting to USD 24 million (31-Mar-19 USD Nil) given by the Company to Sumitomo Mitsui Banking Corporation (Singapore) towards Banking facility taken by Godrej Mauritius Africa Holdings Ltd.	**183.11**	-
			3,578.51	**3,625.59**

₹ Crore

		As at March 31, 2020	As at March 31, 2019
c)	**OTHER GUARANTEES**		
i)	Guarantees issued by banks [secured by bank deposits under lien with the bank ₹ 2.99 crore]	**14.19**	14.36
ii)	Guarantee given by the Company to Yes Bank for credit facilities extended to M/s. Broadcast Audience Research Council	**0.80**	0.80
iii)	Guarantee given by the Company to Kotak Mahindra Bank for credit facilities extended to M/s. Broadcast Audience Research Council	**0.30**	-
		15.29	**15.16**
d)	**CLAIMS AGAINST THE COMPANY NOT ACKNOWLEDGED AS DEBT:**		
i)	Claims by various parties on account of unauthorized, illegal and fraudulent acts by an employee.	**32.22**	32.22
ii)	Others	**0.06**	0.06

e) OTHER MATTERS

The proposed Social Security Code, 2019, when promulgated, would subsume labour laws including Employees' Provident Funds and Miscellaneous Provisions Act and amend the definition of wages on which the organisation and its employees are to contribute towards Provident Fund. The Company believes that there will be no significant impact on its contributions to Provident Fund due to the proposed amendments. Additionally, there is uncertainty and ambiguity in interpreting and giving effect to the guidelines of Hon. Supreme Court vide its ruling in February 2019, in relation to the scope of compensation on which the organisation and its employees are to contribute towards Provident Fund. The Company will evaluate its position and act, as clarity emerges.

f) On 30th March 2019, MCA has issued an amendment regarding the income tax uncertainty over Income tax treatments. As per the Company's assessment, there are no material income tax uncertainties over income tax treatments as at 31 March 2020.

Note 41: Related Party Disclosures

A) Related Parties and their Relationship

a) Holding Company:

None

b) Subsidiaries:

Name of the Subsidiary	Country	% Holding as at March 31, 2020	% Holding as at March 31, 2019
Belaza Mozambique LDA	Mozambique	**100%**	100%
Canon Chemicals Limited	Kenya	**75%**	75%
Charm Industries Limited	Kenya	**100%**	100%
Consell	Argentina	**100%**	100%
Cosmetica National	Chile	**100%**	100%
Darling Trading Company Mauritius Limited	Mauritius	**95%**	90%
Deciral S.A.	Uruguay	**100%**	100%
DGH Phase Two Mauritius	Mauritius	**90%**	90%

Name of the Subsidiary	Country	% Holding as at March 31, 2020	% Holding as at March 31, 2019
DGH Tanzania Limited	Mauritius	**100%**	100%
DGH Uganda	Mauritius	**51%**	51%
Frika Weave (Pty) Ltd	South Africa	**100%**	100%
Godrej (UK) Ltd	UK	**100%**	100%
Godrej Africa Holdings Limited	Mauritius	**100%**	100%
Godrej Consumer Holdings (Netherlands) B.V.	Netherlands	**100%**	100%
Godrej Consumer Investments (Chile) Spa	Chile	**100%**	100%
Godrej Consumer Products (Netherlands) B.V.	Netherlands	**100%**	100%
Godrej Consumer Products (UK) Limited (Divested on Aug 31, 2018)	UK	**0%**	100%
Godrej Consumer Products Bangladesh Limited	Bangladesh	**100%**	100%
Godrej Consumer Products Dutch Cooperatief UA	Netherlands	**100%**	100%
Godrej Consumer Products Holding (Mauritius) Limited	Mauritius	**100%**	100%
Godrej Consumer Products International FZCO	Dubai,UAE	**95%**	90%
Godrej Consumer Products Malaysia Limited (Closed on Oct 7, 2019)	Malaysia	**100%**	100%
Godrej Consumer Products US Holding Limited	Mauritius	**100%**	100%
Godrej CP Malaysia SDN BHD (wef from June 4, 2018)	Malaysia	**100%**	100%
Godrej East Africa Holdings Limited	Mauritius	**100%**	100%
Godrej Global Mideast FZE	Sharjah,UAE	**100%**	100%
Godrej Hair Care Nigeria Limited	Nigeria	**100%**	100%
Godrej Hair Weave Nigeria Ltd	Nigeria	**100%**	100%
Godrej Holdings (Chile) Limitada	Chile	**100%**	100%
Godrej Household Insecticide Nigeria Ltd (Closed on Mar 18, 2020)	Nigeria	**100%**	100%
Godrej Household Products (Bangladesh) Pvt. Ltd.	Bangladesh	**100%**	100%
Godrej Household Products Lanka (Pvt). Ltd.	Sri Lanka	**100%**	100%
Godrej Indonesia IP Holdings Ltd	Mauritius	**100%**	100%
Godrej International Trading Company	Sharjah,UAE	**51%**	51%
Godrej Mauritius Africa Holdings Limited	Mauritius	**100%**	100%
Godrej Mid East Holding Limited	Dubai,UAE	**100%**	100%
Godrej Netherland B.V.	Netherlands	**100%**	100%
Godrej Nigeria Limited	Nigeria	**100%**	100%
Godrej Peru SAC	Peru	**100%**	100%
Godrej SON Holdings Inc.	USA	**100%**	100%
Godrej South Africa Proprietary Limited	South Africa	**100%**	100%
Godrej Tanzania Holdings Limited	Mauritius	**100%**	100%
Godrej West Africa Holdings Limited	Mauritius	**95%**	90%
Hair Credentials Zambia Limited	Zambia	**100%**	100%
Hair Trading (Offshore) S.A.L.	Lebanon	**51%**	51%
Indovest Capital	Labuan	**100%**	100%
Issue Group Brazil LTDA	Brazil	**100%**	100%
Kinky Group (Proprietary) Limited	South Africa	**100%**	100%

Name of the Subsidiary	Country	% Holding as at March 31, 2020	% Holding as at March 31, 2019
Laboratorio Cuenca S.A	Argentina	**100%**	100%
Lorna Nigeria Limited	Nigeria	**100%**	100%
Old Pro International, Inc.	USA	**100%**	100%
Panamar Producciones SA	Argentina	**100%**	100%
PT Ekamas Sarijaya	Indonesia	**100%**	100%
PT Indomas Susemi Jaya	Indonesia	**100%**	100%
PT Intrasari Raya	Indonesia	**100%**	100%
PT Sarico Indah	Indonesia	**100%**	100%
PT Megasari Makmur	Indonesia	**100%**	100%
Sigma Hair Industries Ltd.	Tanzania	**100%**	100%
Strength of Nature LLC	USA	**100%**	100%
Strength of Nature South Africa Proprietary Limited	South Africa	**100%**	100%
Style Industries Ltd	Kenya	**90%**	90%
Style Industries Uganda Limited	Uganda	**51%**	51%
Subinite (Pty) Ltd	South Africa	**95%**	90%
Weave Ghana	Ghana	**100%**	100%
Weave IP Holdings Mauritius Pvt. Ltd.	Mauritius	**95%**	90%
Weave Mozambique Limitada	Mozambique	**95%**	90%
Weave Senegal	Senegal	**100%**	100%
Weave Trading Mauritius Pvt. Ltd.	Mauritius	**51%**	51%

c) Associate Company:

Name of the Associate Company	Country	% Holding as at March 31, 2020	% Holding as at March 31, 2019
Bhabani Blunt Hairdressing Pvt Limited	India	**28%**	28%

d) Investing Entity in which the reporting entity is an Associate

i) Godrej Industries Limited

ii) Godrej Seeds & Genetics Limited

e) Companies under common Control with whom transactions have taken place during the year

i) Godrej & Boyce Mfg. Co. Limited

ii) Godrej Agrovet Limited

iii) Godrej Tyson Foods Limited

iv) Godrej Properties Limited

v) Natures Basket Limited*

vi) Godrej Projects Development Private Limited

vii) Godrej One Premises Management Private Limited

viii) Creamline Dairy Products Limited

* Divested on 4th July 2019

f) Key Management Personnel and Relatives

i)	Mr. Adi Godrej	Chairman Emeritus
ii)	Ms. Nisaba Godrej	Executive Chairperson / Daughter of Mr. Adi Godrej
iii)	Mr. Vivek Gambhir	Managing Director & CEO
iv)	Mr. V. Srinivasan	Chief Financial Officer and Company Secretary
v)	Mr. Pirojsha Godrej	Non-Executive Director / Son of Mr. Adi Godrej
vi)	Mr. Nadir Godrej	Non-Executive Director/ Brother of Mr. Adi Godrej
vii)	Ms. Tanya Dubash	Non-Executive Director/ Daughter of Mr. Adi Godrej
viii)	Mr. Jamshyd Godrej	Non Executive Director
ix)	Mr. D Shivakumar	Independent Director (till 1st November, 2018)
x)	Mr. Aman Mehta	Independent Director
xi)	Mr. Omkar Goswami	Independent Director
xii)	Ms. Ireena Vittal	Independent Director
xiii)	Mr. Bharat Doshi	Independent Director ((till 25th September 2019)
xiv)	Mr. Narendra Ambwani	Independent Director
xv)	Ms. Ndidi Nwuneli	Independent Director
xvi)	Ms. Pippa Armerding	Independent Director
xvii)	Mr. Burjis Godrej	Son of Mr.Nadir Godrej
xviii)	Ms. Rati Godrej	Wife of Mr.Nadir Godrej
xix)	Mr. Sohrab Godrej	Son of Mr.Nadir Godrej
xx)	Mr. Hormazd Godrej	Son of Mr.Nadir Godrej
xxi)	Mr.Navroze Godrej	Son of Mr. Jamshyd Godrej
xxii)	Mr. Arvind Dubash	Husband of Ms. Tanya Dubash
xxiii)	Mr. Azaar Arvind Dubash	Son of Ms. Tanya Dubash

g) Trust where the reporting entity excercises significant influence

i) Godrej Consumer Products Limited Employees' Stock Option Trust

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

i) Godrej Consumer Products Employees' Provident Fund

Notes to the Standalone Financial Statements for the year ended March 31, 2020

B) The Related Party Transactions are as under :

₹ Crore

	Subsidiary Companies		Associate Company		Investing Entity in which the reporting entity is an associate		Companies Under Common Control		Key Management Personnel and Relatives		Post employment benefit trust		Total	
	Year ended March 31, 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, 2019	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, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Sale of Goods	67.92	48.71	0.24	0.40	10.55	12.89	1.62	3.37	-	-	-	-	80.32	65.37
Purchase of Materials and Spares	2.23	6.00	-	0.16	54.85	58.47	0.13	0.29	-	-	-	-	57.21	64.92
Purchase of Fixed Asset including Assets under Construction	-	-	-	-	-	-	-	0.07	-	-	-	-	-	0.07
Advance Paid	-	-	-	-	-	1.51	0.05	0.05	-	-	-	-	0.05	1.56
Royalty and Technical Fees Received	18.58	22.47	-	-	-	-	-	-	-	-	-	-	18.58	22.47
Royalty and Technical Fees Paid	0.18	0.13	0.55	0.62	-	-	-	-	-	-	-	-	0.72	0.75
Establishment & Other Expenses Paid (Including provision for doubtful debts if any)	0.12	0.26	0.33	0.14	27.55	34.38	8.54	8.95	-	-	-	-	36.55	43.73
Expenses Recovered	18.78	20.41	-	-	1.62	0.21	0.06	0.03	-	-	-	-	20.46	20.65
Investments Made	-	10.31	-	-	-	-	-	-	-	-	-	-	-	10.31
Investments Sold / Redeemed	-	-	-	2.28	-	-	-	-	-	-	-	-	-	2.28
Fair Value of Financial Guarantees included in Investments	-	0.13	-	-	-	-	-	-	-	-	-	-	-	0.13
Guarantees Given / (Cancelled)	217.16	1,481.78	-	-	-	-	-	-	-	-	-	-	217.16	1,481.78
Financial Guarantee Fee Received	-	9.13	-	-	-	-	-	-	-	-	-	-	-	9.13
Guarantee Commission Income	15.83	21.62	-	-	-	-	-	-	-	-	-	-	15.83	21.62
Income from Business Support Services	11.69	11.39	-	-	-	-	-	-	-	-	-	-	11.69	11.39
Dividend Paid	-	-	-	-	418.65	627.98	60.01	90.01	23.37	35.43	-	-	502.03	753.42
Dividend Received	-	-	0.68	-	-	-	-	-	-	-	-	-	0.68	-
Commission on Profits and Sitting Fees	-	-	-	-	-	-	-	-	3.51	3.67	-	-	3.51	3.67
Lease Rentals Received	-	-	-	-	10.94	9.25	-	-	-	-	-	-	10.94	9.25
Lease Rentals Paid	-	-	-	-	15.68	14.21	-	-	-	-	-	-	15.68	14.21
Contribution during the year (Including Employees' Share)	-	-	-	-	-	-	-	-	-	-	18.17	16.63	18.17	16.63
Short Term Employment Benefits	-	-	-	-	-	-	-	-	21.52	23.32	-	-	21.52	23.32
Post Employment Benefits	-	-	-	-	-	-	-	-	0.46	0.50	-	-	0.46	0.50
Share Based Payment	-	-	-	-	-	-	-	-	2.92	3.85	-	-	2.92	3.85
TOTAL	**352.49**	**1,632.34**	**1.80**	**3.60**	**539.84**	**758.90**	**70.41**	**102.77**	**51.78**	**66.77**	**18.17**	**16.63**	**1,034.49**	**2,581.01**

₹ Crore

Outstanding Balances	Receivables		Payables		Guarantees Outstanding- Given/ (Taken)		Commitments	
	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, 2019	As at March 31, 2020	As at March 31, 2019
Subsidiary Companies	105.90	79.32	0.99	1.34	3,578.51	3,625.59	-	-
Associate Company	0.05	0.04	-	-	-	-	-	-
Investing Entity in which the reporting entity is an associate	1.88	1.40	7.41	3.63	(26.88)	(26.88)	-	-
Common Control	0.33	2.17	0.40	0.56	(1.21)	(1.21)	0.61	1.59
Key Management Personnel and Relatives	-	-	2.85	5.00	-	-	-	-
TOTAL	**108.16**	**82.93**	**11.65**	**10.53**	**3,550.42**	**3,597.50**	**0.61**	**1.59**

Note: Refer note 5 for investments in subsidiaries and associates and note 40 for Guarantees given on behalf of subsidiaries

Note 42: Forward Contracts

The Company uses forward exchange contracts to hedge its foreign exchange exposure relating to the underlying transactions and firm commitments in accordance with its forex policy as determined by its Forex Committee. The Company does not use foreign exchange forward contracts for trading or speculation purposes.

Forward / Spot Contracts outstanding are as follows:

	As at March 31, 2020	As at March 31, 2019
	In million	**In million**
Forward Contracts to Purchase (USD) - nominal amounts	**US $14.79**	US $29.17
[47 contracts (31-Mar-19: 86 contracts]		

Note 43: Employee Benefits

a) DEFINED CONTRIBUTION PLAN

Provident Fund / Super annuation fund:

The contributions to the Provident Fund of certain employees (including some employees of the erstwhile Godrej Household Products Ltd) are made to a Government administered Provident Fund and there are no further obligations beyond making such contribution. The Superannuation Fund constitutes an insured benefit, which is classified as a defined contribution plan as the Company contributes to an Insurance Company and has no further obligation beyond making payment to the insurance company.

b) DEFINED BENEFIT PLAN

Gratuity:

The Company participates in the Employees' Group Gratuity-cum-Life Assurance Scheme of HDFC Standard Life Insurance Co. Ltd., a funded defined benefit plan for qualifying employees. Gratuity is payable to all eligible employees on death or on separation / termination in terms of the provisions of the Payment of Gratuity (Amendment) Act, 1997, or as per the Company's scheme whichever is more beneficial to the employees.

The Gratuity scheme of the erstwhile Godrej Household Products Ltd., which was obtained pursuant to the Scheme of Amalgamation, is funded through Unit Linked Gratuity Plan with HDFC Standard Life Insurance Company Limited.

The liability for the Defined Benefit Plan is provided on the basis of a valuation, using the Projected Unit Credit Method, as at the Balance Sheet date, carried out by an independent actuary.

The Company has a gratuity trust. However, the Company funds its gratuity payouts from its cash flows. Accordingly, the Company creates adequate provision in its books every year based on actuarial valuation.

These benefit plans expose the Company to actuarial risks, such as longevity risk, interest rate risk and investment risk.

Provident Fund:

The Company manages the Provident Fund plan through a Provident Fund Trust for its employees which is permitted under The Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and is actuarially valued. The plan envisages contribution by the employer and employees and guarantees interest at the rate notified by the Provident Fund authority. The contribution by employer and employee, together with interest, are payable at the time of separation from service or retirement, whichever is earlier.

The Company has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. These administered rates are determined annually predominantly considering the social rather than economic factors and the actual return earned by the Company has been higher in the past years. The actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the below provided assumptions there is no shortfall as at March 31, 2020.

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Plan assets at period end, at fair value	**159.79**	149.31
Provident Fund Corpus	**159.13**	148.00
Valuation assumptions under Deterministic Approach:		
Weighted Average Yield	**8.29%**	8.67%
Weighted Average Yield to Maturity	**8.61%**	9.07%
Guaranteed Rate of Interest	**8.65%**	8.65%

c) **Amounts Recognised as Expense:**

i) **Defined Contribution Plan**

Employer's Contribution to Provident Fund including contribution to Family Pension Fund amounting to ₹ 15.11 crore (previous year ₹ 11.90 crore) has been included in Note 33 under Contribution to Provident and Other Funds.

ii) **Defined Benefit Plan**

Gratuity cost amounting to ₹ 8.52 crore (previous year ₹ 8.30 crore) has been included in Note 33 under Contribution to Provident and Other Funds.

d) The amounts recognised in the Company's financial statements as at year end are as under:

₹ Crore

		As at March 31, 2020	As at March 31, 2019
i)	**Change in Present Value of Obligation**		
	Present value of the obligation at the beginning of the year	**60.93**	56.38
	Current Service Cost	**4.16**	3.99
	Interest Cost	**4.40**	4.40
	Actuarial (Gain) / Loss on Obligation- Due to Change in Demographic Assumptions	**-**	(0.79)
	Actuarial (Gain) / Loss on Obligation- Due to Change in Financial Assumptions	**2.35**	1.51
	Actuarial (Gain) / Loss on Obligation- Due to Experience	**(0.33)**	(0.42)
	Benefits Paid	**(5.60)**	(4.14)
	Present value of the obligation at the end of the year	**65.91**	60.93
ii)	**Change in Plan Assets**		
	Fair value of Plan Assets at the beginning of the year	**0.60**	1.20
	Interest Income	**0.04**	0.09
	Return on plan assets excluding interest income	**(0.02)**	(0.08)
	Contributions by the Employer	**5.50**	3.53
	Benefits Paid	**(5.60)**	(4.14)
	Fair value of Plan Assets at the end of the year	**0.52**	0.60
iii)	**Amounts Recognised in the Balance Sheet:**		
	Present value of Obligation at the end of the year	**65.91**	60.93
	Fair value of Plan Assets at the end of the year	**0.52**	0.60
	Funded status - Deficit	**65.39**	60.33
	Net Liability recognised in the Balance Sheet	**65.39**	60.33
iv)	**Amounts Recognised in the Statement of Profit and Loss:**		
	Current Service Cost	**4.16**	3.99
	Interest Cost/Income on Obligation/ Plan assets (Net)	**4.36**	4.31
	Net Cost Included in Personnel Expenses	**8.52**	8.30
v)	**Recognised in other comprehensive income for the year**		
	Actuarial (Gain) / Loss on Obligation	**2.02**	0.30
	Return on plan assets excluding interest income	**0.02**	0.08
	Recognised in other comprehensive income	**2.04**	0.38
vi)	**Weighted average duration of Present Benefit Obligation**	**6 years**	6 years
vii)	**Estimated contribution to be made in next financial year**	**8.75**	8.44
viii)	**Major categories of Plan Assets as a % of total Plan Assets**		
	Insurer Managed Funds	**100%**	100%
ix)	**Actuarial Assumptions**		
	i) Discount Rate	**6.43% P.A.**	7.22% P.A.
	ii) Salary Escalation Rate	**9.00% P.A.**	9.00% P.A.
	iii) Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	
	The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.		

₹ Crore

		As at March 31, 2020	As at March 31, 2019
x)	**Maturity Analysis of Projected Benefit Obligation: From the Fund**		
	Projected Benefits Payable in Future Years From the Date of Reporting		
	Within the next 12 months	**13.46**	14.49
	2nd Following Year	**6.88**	6.94
	3rd Following Year	**6.63**	6.28
	4th Following Year	**7.80**	5.87
	5th Following Year	**6.08**	6.67
	Sum of Years 6 To 10	**27.08**	23.68

xi) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

₹ Crore

	31-Mar-20		31-Mar-19	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	**(2.95)**	**3.27**	(2.54)	2.82
Future salary growth (1% movement)	**3.16**	**(2.91)**	2.74	(2.53)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Other details	
Methodology Adopted for ALM	Projected Unit Credit Method
Usefulness and Methodology adopted for Sensitivity analysis	Sensitivity analysis is an analysis which will give the movement in liability if the assumptions were not proved to be true on different count. This only signifies the change in the liability if the difference between assumed and the actual is not following the parameters of the sensitivity analysis.
Comment on Quality of Assets	Since investment is with insurance company, Assets are considered to be secured.

Note 44: Employee Stock Benefit Plans

I. EMPLOYEE STOCK GRANT SCHEME

a) The Company set up the Employees Stock Grant Scheme 2011 (ESGS) pursuant to the approval by the Shareholders on March 18, 2011.

b) The ESGS Scheme is effective from April 1, 2011, (the "Effective Date") and shall continue to be in force until (i) its termination by the Board or (ii) the date on which all of the shares to be vested under Employee Stock Grant Scheme 2011 have been vested in the Eligible Employees and all restrictions on such Stock Grants awarded under the terms of ESGS Scheme, if any, have lapsed, whichever is earlier.

c) The Scheme applies to the Eligible Employees of the Company or its Subsidiaries. The entitlement of each employee will be decided by the Compensation Committee of the Company based on the employee's performance, level, grade, etc.

d) The total number of Stock Grants to be awarded under the ESGS Scheme are restricted to 2,500,000 (Twenty Five Lac) fully paid up equity shares of the Company. Not more than 500,000 (Five Lac) fully paid up equity shares or 1% of the issued equity share capital at the time of awarding the Stock Grant, whichever is lower, can be awarded to any one employee in any one year.

e) The Stock Grants shall vest in the Eligible Employees pursuant to the ESGS Scheme in the proportion of 1/3rd at the end of each year or as may be decided by the Compensation Committee from the date on which the Stock Grants are awarded for a period of three consecutive years subject to the condition that the Eligible Employee continues to be in employment of the Company or the Subsidiary company as the case may be.

f) The Eligible Employee shall exercise her / his right to acquire the shares vested in her / him all at one time within 1 month from the date on which the shares vested in her / him or such other period as may be determined by the Compensation Committee.

g) The Exercise Price of the shares has been fixed at ₹ 1 per share. The fair value is treated as Employee Compensation Expenses and charged to the Statement of Profit and Loss. The value of the options is treated as a part of employee compensation in the financial statements and is amortised over the vesting period.

h) The details of the scheme are as below:

Scheme	Grant Date	No. of Options	Vesting Condition	Exercise Price (₹) per share	Weighted average Exercise Price (₹) per share	Exercise period
Employees Stock Grant Scheme 2011	From 2011 to 2019	896,684	Vested in the proportion of 1/3rd at the end of each year	1.00	1.00	within 1 month from the date of vesting

Movement in the number of share options during the year:

	As at March 31, 2020	As at March 31, 2019
Outstanding at the beginning of the year	**295,015**	224,011
Add: Bonus issue during the year	-	102,049
Add: Granted during the year	**162,917**	98,343
Less: Exercised during the year	**150,256**	114,546
Less: Forfeited/ lapsed during the year	**17,543**	14,842
Outstanding at the end of the year	**290,133**	**295,015**

Weighted average remaining contractual life of options as at 31st March, 2020 was ₹ 0.85 years (31-Mar-19 ₹ 0.83 years).

Weighted average equity share price at the date of exercise of options during the year was ₹ 658.45 (previous year ₹ 1213.37).

The fair value of the employee share options has been measured using the Black-Scholes formula. The following assumptions were used for calculation of fair value of grants:

	As at March 31, 2020	Year ended March 31, 2019
Risk-free interest rate (%)	**6.44%**	7.51%
Expected life of options (years)	**2.00**	2.00
Expected volatility (%)	**28.16%**	28.29%
Dividend yield	**2.28%**	1.05%
The price of the underlying share in market at the time of option grant (₹)*	**658.45**	**1139.45**

* March 2019 - Price is before issue of Bonus shares

II. Pursuant to SEBI notification dated January 17, 2013, no further securities of the Company will be purchased from the open market.

Note 45: Corporate Social Responsibility (CSR) Expenditure

Expenditure related to CSR as per section 135 of the Companies Act, 2013 read with Schedule VII thereof, against the mandatory spend of ₹ 25.34 crore (previous year ₹ 21.87 crore):

₹ Crore

	Year ended March 31, 2020	Year ended March 31, 2019
Revenue Expenditure in cash on CSR activities	**19.49**	21.90
TOTAL	**19.49**	**21.90**

Note 46: Financial Instruments

A. Accounting classification and fair values

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

₹ Crore

	Carrying amount / Fair Value				Fair value Hierarchy			
As at March 31, 2020	**FVTPL**	**FVTOCI**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets								
Non Current								
Loans	-	-	19.09	19.09	-	-	-	-
Other non-current financial assets	-	-	15.74	15.74	-	-	-	-
Current								
Investments								
Non-convertible Debentures with Non-Banking Financial Companies	-	-	80.06	80.06	80.10	-	-	80.10
Deposits with Non-Banking Financial Companies			555.34	555.34	-	555.34	-	555.34
Trade receivables	-	-	305.52	305.52	-	-	-	-
Cash and cash equivalents	-	-	63.76	63.76	-	-	-	-
Other bank balances	-	-	21.92	21.92	-	-	-	-

₹ Crore

As at March 31, 2020	Carrying amount / Fair Value				Fair value Hierarchy			
	FVTPL	**FVTOCI**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Loans	-	-	0.05	0.05	-	-	-	-
Refunds/Incentives receivables from government authorities	-	-	133.13	133.13	-	-	-	-
Derivative assets - forward exchange contracts	4.79	-	-	4.79	-	4.79	-	4.79
Other current financial assets	-	-	22.78	22.78	-	-	-	-
TOTAL	**4.79**	**-**	**1,217.39**	**1,222.18**	**80.10**	**560.13**	**-**	**640.23**
Financial liabilities								
Non Current								
Lease liabilities	-	-	4.94	4.94	-	-	-	-
Current								
Borrowings - Commercial papers	-	-	317.33	317.33	-	317.33	-	317.33
Lease liabilities			3.48	3.48		-		
Trade and other payables	-	-	1,243.14	1,243.14	-	-	-	-
Other Current Financial Liabilities	-	-	62.67	62.67	-	-	-	-
TOTAL	**-**	**-**	**1,631.56**	**1,631.56**	**-**	**317.33**	**-**	**317.33**

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

₹ Crore

As at March 31, 2019	Carrying amount / Fair Value				Fair value Hierarchy			
	FVTPL	**FVTOCI**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets								
Non Current								
Loans	-	-	16.99	16.99				-
Other Non-Current Financial Assets	-	-	31.07	31.07				-
Current				-				-
Investments				-				-
Non-convertible Debentures with Non-Banking Financial Companies	-	-	329.27	329.27	329.94	-	-	329.94
Mutual Funds	13.01	-	-	13.01	13.01	-	-	13.01
Deposits with Non-Banking Financial Companies	-	-	135.06	135.06	-	135.06	-	135.06
Trade receivables	-	-	353.18	353.18				-
Cash and cash equivalents	-	-	79.69	79.69				-
Other Bank balances	-	-	17.55	17.55				-
Loans	-	-	0.14	0.14				-
Refunds/Incentives receivables from Govt. Authorities	-	-	117.37	117.37				-
Other Current Financial Assets	-	-	21.46	21.46				-
TOTAL	**13.01**	**-**	**1,101.78**	**1,114.79**	**342.95**	**135.06**	**-**	**478.01**
Financial liabilities								
Current								
Trade and other payables	-	-	1,457.61	1,457.61	-	-	-	-
Derivative liability - forward exchange contracts	8.69	-	-	8.69	-	8.69	-	8.69
Other current financial liabilities	-	-	107.68	107.68	-	-	-	-
TOTAL	**8.69**	**-**	**1,565.29**	**1,573.98**	**-**	**8.69**	**-**	**8.69**

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

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Mutual Fund Investments	NAV quoted by the Mutual Fund	NA	NA
Investments in Non Convertible Debenture/ Commercial papers with Non-Banking Financial Companies	Broker Quote	NA	NA
Deposits with Non-Banking Financial Companies	Present Value of expected cashflows using an appropriate discounting rate	NA	NA
Commercial Paper issued by the Company	Present Value of expected cashflows using an appropriate discounting rate	NA	NA
Derivative Financial Instruments	MTM from Banks	NA	NA

Note 47: Financial Risk Management

The activities of the Company exposes it to a number of financial risks namely market risk, credit risk and liquidity risk. The Company seeks to minimize the potential impact of unpredictability of the financial markets on its financial performance. The Company has constituted a Risk Management Committee and risk management policies which are approved by the Board to identify and analyze the risks faced by the Company and to set and monitor appropriate risk limits and controls for mitigation of the risks.

A. MANAGEMENT OF MARKET RISK:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks: interest rate risk, price risk and currency rate risk. Financial instruments affected by market risk includes borrowings, foreign currency receivables/payables, EEFC bank account balances, investments and derivative financial instruments. The Company has international trade operations and is exposed to a variety of market risks, including currency and interest rate risks.

(i) Management of interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any exposure to interest rate risks since its borrowings and investments are all in fixed rate instruments.

(ii) Management of price risk:

The Company invests its surplus funds in various debt instruments including liquid and short term schemes of debt mutual funds, deposits with banks and financial institutions, commercial papers and non-convertible debentures (NCD's). Investments in mutual funds, deposits and NCD's are susceptible to market price risk, arising from changes in interest rates or market yields which may impact the return and value of the investments. This risk is mitigated by the Company by investing the funds in various tenors depending on the liquidity needs of the Company.

(iii) Management of currency risk:

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has foreign currency trade payables and receivables and is therefore exposed to foreign exchange risk. The Company mitigates the foreign exchange risk by setting appropriate exposure limits, periodic monitoring of the exposures and hedging exposures using derivative financial instruments like foreign exchange forward contracts. The exchange rates have been volatile in the recent years and may continue to be volatile in the future. Hence the operating results and financials of the Company may be impacted due to volatility of the rupee against foreign currencies.

Exposure to currency risk (Exposure in different currencies converted to functional currency i.e. INR)

The currency profile of financial assets and financial liabilities as at March 31, 2020 is as below:

₹ Crore

	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020
	GBP	USD	EURO	AED
Financial assets				
Cash and cash equivalents	-	9.76	-	-
Trade and other receivables	-	90.79	29.28	-
Less: Forward contracts for trade receivables	-	-	-	-
Other Non-Current Financial Assets	-	15.74	-	-
Other Current Financial Assets	-	10.74	-	-
	-	**127.02**	**29.28**	**-**
Financial liabilities				
Trade and other payables	0.64	246.58	-	-
Less: Forward contracts for trade payables	-	(111.94)	-	-
Other Non-current financial liabilities		-	-	-
Other Current Financial Liabilities	-	0.25	1.29	-
	0.64	**134.89**	**1.29**	**-**
Net Exposure	**(0.64)**	**(7.87)**	**27.99**	**-**

Exposure to currency risk (Exposure in different currencies converted to functional currency i.e. INR)

The currency profile of financial assets and financial liabilities as at March 31, 2019 is as below:

₹ Crore

	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019
	GBP	USD	EURO	AED
Financial assets				
Cash and cash equivalents	-	6.39	-	-
Trade and other receivables	2.12	71.92	31.82	-
Less: Forward contracts for trade receivables	-	-	-	-
Other Non-Current Financial Assets	-	20.75	-	-
Other Current Financial Assets	-	10.27	-	-
	2.12	**109.33**	**31.82**	**-**
Financial liabilities				
Trade and other payables	0.42	313.06	0.20	-
Less: Forward contracts for trade payables	-	(201.72)	-	-
Other Non-current financial liabilities	-	-	-	-
Other Current Financial Liabilities	-	0.02	-	-
	0.42	**111.36**	**0.20**	**-**
Net Exposure	**1.70**	**(2.03)**	**31.62**	**-**

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

	Year-end spot rate as at	
INR	**March 31, 2020**	**March 31, 2019**
GBP INR	**93.08**	90.48
USD INR	**75.39**	69.35
EUR INR	**83.05**	77.69
ZAR INR	**4.23**	4.74
AED INR	**20.60**	18.84
JPY INR	**0.70**	**0.63**

Sensitivity analysis

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

₹ Crore

	Profit or loss	
Effect in INR	**Strengthening**	**Weakening**
March 31, 2020		
5% movement		
GBP	-0.03	0.03
USD	(0.39)	0.39
EUR	1.40	(1.40)
	0.97	**(0.97)**

₹ Crore

Effect in INR	Profit or loss	
	Strengthening	Weakening
March 31, 2019		
5% movement		
GBP	0.09	(0.09)
USD	(0.10)	0.10
EUR	1.58	(1.58)
AED	-	-
	1.56	**(1.56)**

B. MANAGEMENT OF CREDIT RISK:

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

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

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

At March 31, 2020, the ageing for the financial assets as mentioned in the note below & that were not impaired (not provided for) was as follows.

₹ Crore

Trade Receivables	As at March 31, 2020	As at March 31, 2019
Neither past due nor impaired	**113.95**	188.62
Past due 1–90 days	**141.92**	125.80
Past due 91–120 days	**12.66**	14.00
Past due 120 days	**36.99**	24.76
	305.52	**353.18**

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

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

₹ Crore

	As at March 31, 2020	As at March 31, 2019
Opening balance	**6.34**	5.62
Impairment loss (released) /recognised during the year	**(0.85)**	0.72
Closing balance	**5.49**	6.34

C. MANAGEMENT OF LIQUIDITY RISK:

Liquidity risk is the risk that the Company may not be able to meet its present and future cash obligations without incurring unacceptable losses. The Company's objective is to maintain at all times, optimum levels of liquidity to meet its obligations. The Company closely monitors its liquidity position and has a robust cash management system. The Company maintains adequate sources of financing including debt and overdraft from domestic and international banks and financial markets at optimized cost.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments.

₹ Crore

	Contractual cash flows			
March 31, 2020	**Total**	**Less than 1 Year**	**1-3 years**	**More than 3 years**
Non-derivative financial liabilities				
Lease liabilities	10.01	4.01	5.22	0.77
Borrowings	317.33	317.33	-	-
Trade payables	1,243.14	1,243.14	-	-
Other Financial Liabilities	62.67	62.67	-	-
Derivative financial liabilities				
Forward exchange contracts				
- Outflow	111.94	111.94	-	-
- Inflow	-	-	-	-

₹ Crore

	Contractual cash flows			
March 31, 2019	**Total**	**Less than 1 Year**	**1-3 years**	**More than 3 years**
Non-derivative financial liabilities				
Trade payables	1,457.61	1,457.61	-	-
Other Financial Liabilities	107.68	107.68	-	-
Derivative financial liabilities				
Forward exchange contracts				
- Outflow	201.72	201.72	-	-
- Inflow	-	-	-	-

Note 48: Disclosure U/S 186 (4) Of The Companies Act, 2013

Details of Investments made are disclosed under Note 5 and details of corporate guarantees given to banks on behalf of other body corporates are disclosed under Note 40.

Note 49: Subsequent Events

There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the balance sheet date.

Note 50: Covid 19 Impact

In view of the lockdown in many of the States/Union Territories across the country due to the outbreak of COVID pandemic, operations in many of our locations (manufacturing, warehouses, offices, etc.) are scaled down or shut down from second half of March 2020 and being operated as per the local guidelines of social distancing and high hygiene standards, wherever permitted. The duration of this lockdown in various geographies is uncertain at this point in time and resumption of full-fledged operations will depend upon directives issued by the respective 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 the operations, in due compliance with the applicable regulations. As per our current assessment, 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.

Note 51: General

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crore as per the requirements of Schedule III, unless otherwise stated.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Regn No. 101248W/W-100022

Vijay Mathur
Partner
M.No. 046476
Mumbai: May 13, 2020

V Srinivasan
Chief Financial Officer
& Company Secretary

For and on behalf of the Board of Directors

Nisaba Godrej
Executive Chairperson
DIN: 00591503

Vivek Gambhir
Managing Director & CEO
DIN: 6527810