



**STANDALONE  
FINANCIAL STATEMENTS**

# Independent Auditors' Report

To the Members of  
Godrej Industries Limited

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the standalone financial statements of Godrej Industries Limited (the "Company"), which comprise the standalone balance sheet as at March 31, 2022 and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its loss and other comprehensive loss, 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 *Auditors' Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

### Key Audit Matters

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

#### Description of Key Audit Matter

##### Revenue recognition

##### Refer note 27 to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
<p>Revenue is recognized when the control of the products being sold has been transferred to the customer.</p> <p>We have identified recognition of revenue as a key audit matter as revenue is a key performance indicator. Also, there is a risk of revenue being fraudulently overstated through manipulation on the timing of transfer of control arising from pressure to achieve performance targets and meeting external expectations.</p>	<p>Our audit procedures to assess revenue recognition from sale of goods included the following:</p> <ul style="list-style-type: none"> <li>Assessing the compliance of the revenue recognition accounting policies by comparing with Ind AS 115 - "Revenue from Contracts with Customers".</li> <li>Testing the design, implementation and operating effectiveness of the Company's key manual application controls and general Information Technology (IT) controls and key IT application controls over the Company's systems for revenue recognition, by involving our IT specialists.</li> <li>Performing substantive testing (including period end cut-off testing) by selecting statistical samples of revenue transactions recorded for the year, and agreeing to the underlying documents, which included sales invoices/ contracts and shipping documents.</li> <li>Examining manual journal entries posted to revenue to identify any unusual or irregular items.</li> </ul>

# Independent Auditors' Report

## 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 standalone financial statements and our auditor's 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' Responsibilities for the Standalone Financial Statements

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

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

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

## Auditors' 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.

# Independent Auditors' Report

## Auditor's Responsibilities for the Audit of the Standalone Financial Statements (*Continued*)

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

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

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

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

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to 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 Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

# Independent Auditors' Report

## Report on Other Legal and Regulatory Requirements (Continued)

- a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements - Refer Note 25 to the standalone financial statements.
  - b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2022.
  - c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - d)
    - (i) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 47 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
      - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or
      - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
    - (ii) The management has represented, that, to the best of its knowledge and belief, as disclosed in Note 47 to the standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
      - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or
      - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
    - (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.
  - e) The Company has neither declared nor paid any dividend during the year.
- (C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

**For B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No: 101248W/W-100022

**Vijay Mathur**

*Partner*

Membership No.: 046476

UDIN: 22046476AJRZGK2413

Mumbai  
May 27, 2022

# Independent Auditors' Report

## Annexure A to the Independent Auditors' Report - 31 March 2022

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.  
(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.
- (iii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments in companies and other parties, in respect of which the requisite information is as below. The Company has not made any investments in firms and limited liability partnership.
- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the investments made during the year are, prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans and advances in the nature of loans to any party during the year. Accordingly, provisions of clauses 3(iii)(c) to (f) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 ("the Act"). In respect of the investments made and guarantees provided by the Company, in our

# Independent Auditors' Report

## Annexure A to the Independent Auditors' Report - 31 March 2022 (Continued)

opinion the provisions of Section 186 of the Act have been complied with. The Company has not provided any security to the parties covered under Section 186 of the Act.

- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013 in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues have been subsumed into GST.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Profession Tax, Cess and other statutory dues have been regularly deposited by the Company with the appropriate authorities.
- According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Profession Tax, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Sales tax, Octroi, Stamp duty, Excise duty and Income-Tax which have not been deposited on account of any dispute are as stated in Annexure 1.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us, and based on the examination of books and records of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies as defined under the Act.

## Independent Auditors' Report

### Annexure A to the Independent Auditors' Report - 31 March 2022 (Continued)

- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly or optionally convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, provisions of clauses 3(xii)(a) to 3(xii)(c) of the Order are not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC as part of the Group.
- (xvii) The Company has not incurred cash losses in the current financial year and has incurred cash losses of Rs 32.99 crores in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the



# Independent Auditors' Report

## Annexure A to the Independent Auditors' Report - 31 March 2022 (Continued)

date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

**For B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No: 101248W/W-100022

**Vijay Mathur**

*Partner*

Membership No.: 046476

UDIN: 22046476AJRZGK2413

Mumbai  
May 27, 2022

# Independent Auditors' Report

(Referred to in our report of even date)

## Annexure 1

Name of Statute	Nature of Dues	Amount not deposited on account of demand (₹ In crores)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise duty	0.46	2012-13, 2013-14	Commissioner (Appeals)
Central Excise Act, 1944	Excise duty	0.50	2011-12, 2013-15, 2014-15,	Assistant Commissioner
Central Excise Act, 1944	Excise duty	0.50	2008-11, 2009-13, 2010-11, 2013-16,2020-21	CESTAT
Central Sales Tax Act 1956 and Local Sales Tax Act	Sales Tax	11.12	2002-03, 2003-04	Supreme Court
Octroi	Octroi	0.24	1997-2003	Tribunal
Octroi	Octroi	0.03	1997-98	Deputy Commissioner
Octroi	Octroi	0.02	1998-99, 2000-01	Supreme Court
Maharashtra Stamp Act	Stamp duty	1.82	2000-01	Controlling Revenue Authority
Income-tax Act, 1961	Income tax	42.86	AY 2006-2007, AY 2007-2008, AY 2008 - 2009, AY 2015-2016, AY 2016-2017, AY 2018-2019	Assessing Officer
Income-tax Act, 1961	Income tax	5.86	AY 2009 - 2010 AY 2013-2014 AY 2014-2015	CIT
Income-tax Act, 1961	Income tax	19.96	AY 2010-11 AY 2011-2012 AY 2012-13	ITAT
Income-tax Act, 1961	Income tax	28.65	AY 2009 - 2010 AY 2013-2014 AY 2014-2015	High Court

## Annexure B to the Independent Auditors' report on the standalone financial statements of Godrej Industries Limited for the year ended 31 March 2022

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

(Referred to in paragraph 2 (A) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

#### Opinion

We have audited the internal financial controls with reference to standalone financial statements of Godrej Industries Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

#### Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include

# Independent Auditors' Report

## Annexure B to the Independent Auditors' report on the standalone financial statements (Continued)

### Management's Responsibility for Internal Financial Controls (Continued)

the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

### Meaning of Internal Financial controls with Reference to Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

### Inherent Limitations of Internal Financial controls with Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**For B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No: 101248W/W-100022

**Vijay Mathur**

*Partner*

Membership No.: 046476

UDIN: 22046476AJRZGK2413

Mumbai  
May 27, 2022

# Balance Sheet as at March 31, 2022

Amount ₹ in Crore

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property, Plant and Equipment	3	1,260.22	1,245.99
Capital Work in Progress	3a	38.13	72.83
Right-of-use Assets	38	37.07	47.36
Investment Property	3b	446.45	474.19
Other Intangible Assets	3c	2.57	2.15
<b>Financial Assets</b>			
Investments in Subsidiaries and Associates	4	4,765.97	2,660.62
Other Investments	4a	20.14	21.85
Loans	5	0.87	0.78
Other Financial Assets	6	6.40	8.90
Deferred Tax Assets (Net)	7	0.50	0.50
Other Tax Assets (Net)		68.20	46.89
Other Non Current Assets	8	6.22	0.94
<b>Current Assets</b>			
Inventories	9	632.05	410.54
<b>Financial Assets</b>			
Investments	10	760.69	1,315.73
Trade Receivables	11	400.28	249.72
Cash and cash equivalents	12a	93.05	67.16
Bank balances other than Cash and Cash equivalents	12b	60.85	50.93
Loans	13	0.22	0.24
Other Financial Assets	14	22.84	17.46
Other Current Assets	15	66.57	58.47
<b>TOTAL ASSETS</b>		<b>8,689.29</b>	<b>6,753.25</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	16	33.66	33.66
Other Equity	17	1,449.56	1,492.64
<b>Total Equity</b>		<b>1,483.22</b>	<b>1,526.30</b>
<b>LIABILITIES</b>			
<b>Non Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	18	3,301.78	1,955.58
Lease Liabilities	38	28.74	37.32
Provisions	19	16.41	14.82
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	20	2,858.32	2,440.85
Lease Liabilities	38	11.73	13.59
Trade Payables	21		
Outstanding dues of Micro and Small Enterprises		62.98	27.30
Outstanding dues of Creditors other than Micro and Small Enterprises		682.25	609.90
Other Financial Liabilities	22	202.72	100.65
Other Current Liabilities	23	27.56	14.98
Provisions	24	6.45	4.83
Current Tax Liabilities (Net)		7.13	7.13
<b>Total Liabilities</b>		<b>7,206.07</b>	<b>5,226.95</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>8,689.29</b>	<b>6,753.25</b>
Significant Accounting Policies	2		

The accompanying notes form an integral part of the Standalone financial statements

As per our Report attached

For and on behalf of the Board of Directors of  
**Godrej Industries Limited**  
CIN No.: L24241MH1988PLC097781

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

**N. B. Godrej**  
Chairman and Managing Director  
DIN: 00066195  
Boston, May 27, 2022

**N. S. Nabar**  
Executive Director & President (Chemicals)  
DIN: 06521655

**Vijay Mathur**  
Partner  
M.No.: 046476  
Mumbai, May 27, 2022

**Clement Pinto**  
Chief Financial Officer

**Tejal Jariwala**  
Company Secretary

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

Amount ₹ in Crore

Particulars	Note No.	Year Ended March 31, 2022	Year Ended March 31, 2021
Revenue from Operations	27	3,339.60	1,855.53
Other Income	28	74.61	64.05
<b>Total Income</b>		<b>3,414.21</b>	<b>1,919.58</b>
<b>Expenses</b>			
Cost of Materials Consumed	29	2,357.76	1,362.68
Purchases of Stock in Trade		63.87	0.57
Changes in Inventories of Finished Goods, Stock in Trade and Work in Progress	30	(74.27)	(77.24)
Employee Benefits Expenses	31	168.64	136.00
Finance Costs	32	363.90	237.51
Depreciation and Amortisation Expense	33	74.80	72.18
Other Expenses	34	439.69	296.75
<b>Total Expenses</b>		<b>3,394.39</b>	<b>2,028.45</b>
Profit / (Loss) Before Exceptional Items and Tax		19.82	(108.87)
Exceptional Items (net)	35	(64.01)	1.27
(Loss) Before Tax		(44.19)	(107.60)
Tax Expense			
Current Tax	37	-	-
Deferred Tax		-	(0.06)
Total Tax Expenses		-	(0.06)
<b>(Loss) After Tax for the Year</b>		<b>(44.19)</b>	<b>(107.54)</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to Profit or Loss			
Remeasurements of defined benefit plans		(1.63)	0.76
Income Tax on Items that will not be reclassified to Profit or Loss		-	-
		<b>(1.63)</b>	<b>0.76</b>
<b>Total Comprehensive (Loss) for the Year</b>		<b>(45.82)</b>	<b>(106.78)</b>
Earnings Per Equity Share (Face Value ₹ 1 each)	36		
Basic		(1.31)	(3.20)
Diluted		(1.31)	(3.19)
Significant Accounting Policies	2		

The accompanying notes form an integral part of the Standalone financial statements

As per our Report attached

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**Clement Pinto**  
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For and on behalf of the Board of Directors of  
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CIN No.: L24241MH1988PLC097781

**N. S. Nabar**  
Executive Director & President (Chemicals)  
DIN: 06521655

**Tejal Jariwala**  
Company Secretary

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

### Equity Share Capital (Refer Note 16)

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount ₹ In Crore	No. of Shares	Amount ₹ In Crore
Balance at the beginning of the year	336,525,098	33.66	336,466,016	33.65
Changes in equity share capital during the year*	59,215	0.00	59,082	0.01
Balance at the end of the year	336,584,313	33.66	336,525,098	33.66

\* Amount less than ₹ 0.01 crore.

### Other Equity (Refer Note 17)

Amount ₹ in Crore

Particulars	Other Equity						Items of Other Comprehensive Income	Total
	Retained Earnings	General Reserve	Capital Redemption Reserve	Security Premium Reserve	Capital Reserve	Employee Stock Grant Outstanding		
<b>Balance at April 01, 2020</b>	<b>552.01</b>	<b>52.70</b>	<b>31.46</b>	<b>916.63</b>	<b>46.25</b>	<b>4.31</b>	<b>(6.37)</b>	<b>1,596.99</b>
(Loss) for the year	(107.54)							(107.54)
Other Comprehensive Income (net of tax)							0.76	0.76
Transfer from Employee Stock Option Grant				3.18		(3.18)		-
Exercise of Stock Grant (Net of Deferred Stock Grant Expense)						2.43		2.43
<b>Balance at March 31, 2021</b>	<b>444.47</b>	<b>52.70</b>	<b>31.46</b>	<b>919.81</b>	<b>46.25</b>	<b>3.56</b>	<b>(5.61)</b>	<b>1,492.64</b>
(Loss) for the year	(44.19)							(44.19)
Other Comprehensive Income (net of tax)							(1.63)	(1.63)
Transfer from Employee Stock Option Grant				2.79		(2.79)		-
Exercise of Stock Grant (Net of Deferred Stock Grant Expense)						2.74		2.74
<b>Balance at March 31, 2022</b>	<b>400.28</b>	<b>52.70</b>	<b>31.46</b>	<b>922.60</b>	<b>46.25</b>	<b>3.51</b>	<b>(7.24)</b>	<b>1,449.56</b>

A description of the purposes of each Reserve within Equity has been disclosed in Note 17

The accompanying notes form an integral part of the Standalone financial statements

As per our Report attached

For and on behalf of the Board of Directors of  
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CIN No.: L24241MH1988PLC097781

#### For B S R & Co. LLP

Chartered Accountants  
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M.No.: 046476  
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Boston, May 27, 2022

#### Clement Pinto

Chief Financial Officer

#### N. S. Nabar

Executive Director & President (Chemicals)  
DIN: 06521655

#### Tejal Jariwala

Company Secretary

## Cash Flow Statement for the year ended March 31, 2022

Particulars	Amount ₹ in Crore	
	Year ended March 31, 2022	Year ended March 31, 2021
<b>1 Cash Flow From Operating Activities:</b>		
<b>(Loss) Before Tax</b>	(44.19)	(107.60)
Adjustments for:		
Depreciation and Amortisation	74.80	72.18
Write down of Property, Plant and Equipment	66.57	-
Unrealised Foreign Exchange (gain) / Loss	4.68	(8.64)
(Profit) on Sale of Investments	(26.84)	(4.77)
Loss on Sale of Property, Plant & Equipment (Net)	0.35	0.24
Write Off of Property, Plant & Equipment	1.01	-
Profit on Investments measured at Fair Value through Profit and Loss	(10.20)	(25.44)
(Profit) on sale of subsidiary	(2.56)	(1.27)
Interest Income	(4.08)	(2.80)
Interest & Finance Charges	363.90	237.51
Employee Share based Payments	2.68	2.43
Provision for Loss Allowance and Sundry Balances (net)	0.85	0.69
<b>Operating Profit Before Working Capital Changes</b>	<b>426.97</b>	<b>162.53</b>
Adjustments for :		
Increase in Non-financial Liabilities	14.16	7.88
Increase in Financial Liabilities	134.44	233.08
(Increase) in Inventories	(221.51)	(156.70)
(Increase) in Non-financial Assets	(7.85)	(23.04)
(Increase) in Financial Assets	(166.27)	(74.13)
Cash Generated from Operations	179.94	149.62
Direct Taxes Paid	(21.31)	(11.12)
<b>Net Cash Generated from Operating Activities</b>	<b>158.63</b>	<b>138.50</b>
<b>2 Cash Flow from Investing Activities:</b>		
Purchase of Property, Plant & equipment, Investment Property & Intangibles (net)	(85.44)	(361.43)
Proceeds from Sale of Property, Plant & equipment	0.29	0.24
Purchase of Investments	(5,466.62)	(3,240.20)
Purchase of Investments in Subsidiaries	(2,105.35)	(61.06)
Proceeds from Sale of Subsidiary	5.73	1.27
Proceeds from Sale of Investments	6,059.89	1,946.72
Interest Received	4.05	1.93
<b>Net Cash (used in) Investing Activities</b>	<b>(1,587.45)</b>	<b>(1,712.53)</b>
<b>3 Cash Flow from Financing Activities:</b>		
Proceeds from issue of Equity shares	-	0.59
Proceeds from Non Current Borrowings	1,500.00	1,500.00
Net Proceeds / (Repayment) from Current Borrowings	364.58	89.10
(Repayment) of Lease Liabilities	(14.24)	(13.91)
(Repayment) of Non Current Borrowings	(100.96)	(62.50)
Interest & Finance Charges Paid	(294.67)	(189.80)
<b>Net Cash Generated from Financing Activities</b>	<b>1,454.71</b>	<b>1,323.48</b>
<b>Net (Decrease) / Increase in Cash and Cash Equivalents</b>	<b>25.89</b>	<b>(250.55)</b>
Cash and Cash Equivalents (Opening Balance)	67.16	317.71
Cash and Cash Equivalents (Closing Balance)	93.05	67.16

## Cash Flow Statement for the year ended March 31, 2022

Notes :

Amount ₹ in Crore

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>1 Cash and Cash Equivalents</b>		
Balances with Banks		
(a) Current Accounts	17.27	16.31
(b) Deposits having maturity less than 3 months	75.25	50.40
Cash on hand	0.53	0.45
<b>Cash and Cash Equivalents</b>	<b>93.05</b>	<b>67.16</b>

### 2 Reconciliation of Liabilities arising from Financing activities

Amount ₹ in Crore

Particulars	As at March 31, 2021	Cash Flow	Non Cash Changes	As at March 31, 2022
Non Current Borrowings	1,955.58	1,346.15	0.05	3,301.78
Current Maturities of Long Term Debts (included under Current Borrowings)	100.96	52.89	-	153.85
Current Borrowings	2,339.89	364.58	-	2,704.47
<b>Total Borrowings</b>	<b>4,396.43</b>	<b>1,763.62</b>	<b>0.05</b>	<b>6,160.10</b>

3 The Cash Flow Statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) Statement of Cash Flows.

4 The accompanying notes form an integral part of the Standalone financial statements.

As per our Report attached

For and on behalf of the Board of Directors of  
**Godrej Industries Limited**  
CIN No.: L24241MH1988PLC097781

**For B S R & Co. LLP**  
Chartered Accountants  
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**Vijay Mathur**  
Partner  
M.No.: 046476  
Mumbai, May 27, 2022

**Clement Pinto**  
Chief Financial Officer

**Tejal Jariwala**  
Company Secretary



# Notes to the Standalone Financial Statements

## Note 1 : General Information

### 1 Corporate Information

Godrej Industries Limited ("the Company") was incorporated under the Companies Act, 1956 on March 7, 1988 under the name of Gujarat-Godrej Innovative Chemicals Limited. The business and undertaking of the erstwhile Godrej Soaps Limited was transferred to the Company under a Scheme of Amalgamation with effect from April 1, 1994 and the Company's name was changed to Godrej Soaps Limited. Subsequently, under a Scheme of Arrangement the Consumer Products division of the Company was demerged with effect from April 1, 2001 into a separate company, Godrej Consumer Products Limited (GCPL).

The Company's name was changed to Godrej Industries Limited on April 2, 2001. The Vegetable Oils and Processed Foods Manufacturing business of Godrej Foods Limited was transferred to the Company with effect from June 30, 2001. The Foods division (except Wadala factory) was then sold to Godrej Hershey Limited, on March 31, 2006. Swadeshi Detergents Limited, 100% subsidiary of the Company, was amalgamated with the Company effective from April 01, 2013. Wadala Commodities Limited was amalgamated with the Company effective from April 01, 2014. Vora Soaps Limited was amalgamated with the Company effective from December 14, 2017.

The Company is domiciled in India and is listed on BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE). The Company's registered office is at Godrej One, Pirojshanagar, Eastern Express Highway, Vikhroli (east), Mumbai – 400 079. The Company is engaged in the businesses of manufacture and marketing of oleo-chemicals, their precursors and derivatives, bulk edible oils & seeds, estate management and investment activities.

### 2 (a) Basis of preparation

These standalone financial statements have been prepared on accrual basis to comply in all material aspects with the Indian Accounting Standards (hereinafter referred to as the "Ind As") as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and other generally accepted accounting principles in India.

The financial statements have been prepared on a going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and services and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The standalone financial statements of the Company for the year ended March 31, 2022 were approved for issue in accordance with the resolution of the Board of Directors on May 27, 2022.

### (b) Basis of measurement

These financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:-

- Certain financial assets and liabilities (including derivative instruments) measured at fair value (refer accounting policy 9 regarding financial assets and 10 regarding financial liabilities)
- Defined benefit plans – plan assets/(liability) and share-based payments measured at fair value (Refer Note 39 and 40)

### 3 Functional and presentation currency

The standalone financial statements are presented in Indian rupees, which is the Company's functional currency. All amounts have been rounded to the nearest crore, unless otherwise indicated.

### 4 Key estimates, Judgements and assumptions

The preparation of financial statements requires Management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual

# Notes to the Standalone Financial Statements

results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable.

Information about critical judgments in applying accounting policies that have the most significant effect on the carrying amounts of assets and liabilities and in respect of assumptions and estimates on uncertainties are as follows:-

- Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalized. (refer accounting policy 1 regarding Property, plant and equipment)
- Impairment of Property, Plant and Equipments, Investments and Investment Property (Refer Note 3 and 4 )
- Recognition and measurement of defined benefit obligations (Refer Note 19, 24 and 39)
- Recognition of deferred tax assets (Refer Note 7 and 37)
- Fair value of financial instruments (Refer Note 42)
- Provisions and Contingent Liabilities (Refer Note 19, 24 and 25)
- Leases (Refer Note 38)

## 5 Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1<sup>st</sup>, 2022, Key amendments are as below:

### Ind AS 16 - Property Plant and equipment-

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

### Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets -

The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that related directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

None of the amendments notified by MCA, which are applicable from April 1, 2022, are expected to have any material impact on the financial statements of the Company.

## 6 Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values for financial instruments.

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

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- 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).

# Notes to the Standalone Financial Statements

## Note 1 : General Information (Continued)

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

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

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

## Note 2 : Significant Accounting Policies

### 1 Property, Plant and Equipment

#### (i) Recognition and measurement

Property, plant and equipment (PPE) are measured at Original cost net of tax / duty credit availed less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Advances paid towards the acquisition of PPE outstanding at each reporting date are classified as capital advances under Other Non-Current Assets and Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Capital expenditure on tangible assets for Research and Development is classified under Property, Plant and Equipment and is depreciated on the same basis as other property, plant and equipment.

Property, Plant and equipment are derecognised from financial statement on disposal and gains or losses arising from disposal are recognised in the Statement of Profit and Loss in the year of occurrence.

#### (ii) Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred.

When significant parts of Property, Plant and Equipments are required to be replaced, the Company derecognises the replaced part and recognises the new part with it's own associated useful life and it is depreciated accordingly.

#### (iii) Depreciation

Depreciation is provided, under the Straight Line Method, pro rata to the period of use, based on useful lives specified in Schedule II to the Companies Act, 2013 except where the Company, based on technical evaluation, the condition of the plants, regular maintenance schedule, material of construction and past experience, has considered useful life of the following items of PPE different from that prescribed in Schedule II to the Act.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The range of useful lives of the property, plant and equipment are as follows:

- a) Plant and Machinery - 7 - 30 years
- b) Furniture and fixtures - 7- 10 years
- c) Office Equipments - 2 - 5 years
- d) Factory Building - 10- 30 years
- e) Non Factory Building - 10- 60 years

# Notes to the Standalone Financial Statements

## Note 2 : Significant Accounting Policies (Continued)

- f) Vehicles - 3- 8 years
- g) Leasehold land - Lower of useful life & Lease Period.
- h) Assets costing less than INR 5,000 are depreciated at 100% in the year of acquisition.

## 2 Investment Property

### (i) Recognition and measurement

Investment Property comprises of Freehold Land and Buildings.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Statement of Profit and Loss in the period of derecognition.

### (ii) Depreciation

Depreciation on Building classified as Investment Property is provided, under the Straight Line Method, pro rata to the period of use, based on useful lives specified in Schedule II to the Companies Act, 2013.

## 3 Intangible Assets

### (i) Recognition and measurement

Intangible assets are recognised when it is probable that future economic benefits that are attributable to concerned assets will flow to the Company and the cost of the assets can be measured reliably.

Intangible assets are initially measured at cost and are subsequently measured at cost less accumulated amortization (other than goodwill and indefinite life intangibles) and any accumulated impairment losses.

Gain or loss arising from derecognition of an intangible asset is recognised in the Statement of Profit and Loss.

### (ii) Amortisation

Intangible Assets are amortised over the estimated useful life on Straight Line Method (SLM).

The useful lives of Intangible assets are assessed as either finite or indefinite. The amortisation period and the amortisation method for an intangible asset with finite useful life are reviewed at the end of each reporting period. Changes in the expected useful life or expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. Indefinite life intangibles are not amortised but are tested for impairment annually and whenever there is an indication that the intangible asset may be impaired.

Computer Software is amortised in a Straight Line basis over a period of 3 years

## 4 Impairment of non-financial assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, impairment is recognized for such excess amount. The impairment loss is recognized as an expense in the Statement of Profit and Loss, unless the asset is carried

# Notes to the Standalone Financial Statements

## Note 2 : Significant Accounting Policies (Continued)

at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

When there is indication that an impairment loss recognised for an asset in earlier accounting periods which no longer exists or may have decreased, such impairment loss is reversed in the Statement of Profit and Loss only, to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

## 5 Investments in Subsidiaries 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, associate and jointly controlled entities, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

## 6 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is determined using the weighted average method. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

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

Slow and non-moving material, obsolescence, defective inventories are duly provided for and valued at lower of cost and net realizable value. Goods and materials in transit are valued at actual cost incurred upto the date of balance sheet. Materials and supplies held for use in the production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.

## 7 Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash on hand, bank balances and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the Statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

## 8 Assets held for Sale

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all of the following criteria's are met: (i) decision has been made to sell. (ii) the assets are available for immediate sale in its present condition. (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as held for sale are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

## 9 Financial Assets

### (i) Initial recognition and measurement

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value, in case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost is recognised in the Statement of Profit and Loss. In other cases, the transaction cost is attributed to the acquisition value of the financial asset.

# Notes to the Standalone Financial Statements

## Note 2 : Significant Accounting Policies (Continued)

### (ii) Classification and Subsequent measurement

Financial assets are subsequently classified and measured at

- amortised cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

### (iii) Trade Receivables and Loans:

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instruments

### (iv) Debt Instruments

Debt instruments are initially measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') till derecognition on the basis of (i) the Company's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset.

- (a) Measured at amortised cost: Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.
- (b) Measured at fair value through other comprehensive income: Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'Other Income' in the Statement of Profit and Loss.
- (c) Measured at fair value through profit or loss: A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'Other Income' in the Statement of Profit and Loss.

### (v) Equity Instruments

All investments in equity instruments classified under financial assets are initially measured at fair value and the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognized in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'Other Income' in the Statement of Profit and Loss.

### (vi) Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

# Notes to the Standalone Financial Statements

## Note 2 : Significant Accounting Policies (Continued)

### (vii) Impairment of Financial Asset

Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financial assets in FVTPL category.

For financial assets other than trade receivables, as per Ind AS 109, the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. The Company's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall.

The impairment losses and reversals are recognised in Statement of Profit and Loss.

## 10 Financial Liabilities

### (i) Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

### (ii) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR (Effective Interest Rate) method or are measured at fair value through profit and loss with changes in fair value being recognised in the Statement of Profit and Loss.

### (iii) Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires. Financial Liability is also derecognised on modification of terms of contract and when cashflows under modified terms are substantially different.

## 11 Offsetting of financial instruments

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

## 12 Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks respectively. The Company also uses commodity futures contracts to hedge the exposure to oil price risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. The subsequent changes in fair value are recorded in Statement of Profit and Loss.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The Company does not follow hedge accounting.

## 13 Provisions and Contingent Liabilities

Provisions are recognized when the Company has a present obligation as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. The expenses relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

# Notes to the Standalone Financial Statements

## Note 2 : Significant Accounting Policies (Continued)

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

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is probable.

Capital Commitments includes the amount of purchase orders (net of advance) issued to parties for acquisition of assets.

Provisions, contingent assets, contingent liabilities and commitments are reviewed at each balance sheet date.

## 14 Revenue Recognition

### Revenue from contracts with customers

Sales are recognised when goods are supplied and control over the Goods sold is transferred to the buyer which is on despatch / delivery as per the terms of contracts and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods. Sales are net of returns, trade discounts, rebates and sales taxes / Goods and Service Tax (GST).

Income from processing operations is recognised on completion of production / dispatch of the goods, as per the terms of contract.

### Other Operating Revenue

Dividend income is recognised when the right to receive the same is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of dividend can be measured reliably.

Export Incentives are accrued when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with such incentives.

### Other Income

Income on assets given on operating lease is recognised on a straight line basis over the lease term in the Statement of Profit and Loss.

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that discounts the estimated future cash payments or receipts through the expected life of the financial instruments or a shorter period, where appropriate, to the net carrying amount of the financial assets. Interest income is included in other income in the Statement of Profit and Loss.

## 15 Employee Benefits

### (i) Short-Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, performance incentives, etc., are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the employee renders the related service.

The Company has a scheme of Performance Linked Variable Remuneration (PLVR) which rewards its employees based on Economic Value Added (EVA) or Profit Before Tax (PBT) and Cashflow. The PLVR amount is related to actual improvement made in EVA or PBT and Cashflow over the previous year when compared with expected improvements.



# Notes to the Standalone Financial Statements

## Note 2 : Significant Accounting Policies (Continued)

### (ii) Post Employment Benefits

#### (a) Defined Contribution Plans

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

#### (b) Defined Benefit Plans

##### Gratuity Fund

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, after discounting the same. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses are recognized immediately in Other Comprehensive Income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in Statement of Profit and Loss. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in Statement of Profit and Loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

##### Provident Fund

Provident Fund Contributions other than those made to the Regional Provident Fund Office of the Government which are made to the Trust administered by the Company are considered as Defined Benefit Plans. The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any which is determined on the basis of an actuarial valuation, shall be made good by the Company. 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.

##### Pension

Pension plan for eligible employees are considered as defined benefit obligations and are provided for on the basis of an actuarial valuation, using the Projected Unit Credit Method, as at the date of the Balance Sheet.

### (iii) Other Long-Term Employee Benefits

The Company's net obligation in respect of other long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods and are provided for on the basis of an actuarial valuation, using the Projected Unit Credit Method, as at the date of the Balance Sheet. Remeasurement of net obligation are recognised immediately in the Statement of Profit and Loss.

### (iv) Termination Benefits

All terminal benefits are recognized as an expense in the period in which they are incurred.

## 16 Share-Based Payments

Employees of the Company also receive remuneration in the form of share based payments in consideration of the services rendered.

Under the equity settled share based payment, the fair value on the grant date of the awards given to employees is recognised as 'employee benefit expenses' with a corresponding increase in equity over the vesting period. The fair value of the options at the grant date is calculated on the basis of the Black Scholes model. At the end of each reporting period,

# Notes to the Standalone Financial Statements

## Note 2 : Significant Accounting Policies (Continued)

apart from the non market vesting condition, the expense is reviewed and adjusted to reflect changes to the level of options expected to vest. When the options are exercised, the Company issues fresh equity shares.

When the terms of an equity-settled award are modified, an additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

## 17 Leases

Effective 1<sup>st</sup> April, 2019, the company adopted IND AS 116 - Leases.

At the inception it is assessed, whether a contract is a lease or contains a lease. A contract is a lease or contains a lease if it conveys the right to control the use of an identified asset, for a period of time, in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, company assesses whether the contract involves the use of an identified asset. Use may be specified explicitly or implicitly.

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

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

### As a Lessee:

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

#### Right-of-use asset (ROU):

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

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

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

#### Lease liability:

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

Lease payments included in the measurement of the lease liability comprises of fixed payments (including in substance fixed payments), variable lease payments that depends on an index or a rate, initially measured using the index or rate at

# Notes to the Standalone Financial Statements

## Note 2 : Significant Accounting Policies (Continued)

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, the 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.

## 18 Research and Development Expenditure

Revenue expenditure on Research & Development is charged to the Statement of Profit and Loss of the year in which it is incurred. Capital expenditure incurred during the year on Research & Development is included under additions to Property, plant and equipments (PPE).

## 19 Borrowing Costs

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate applicable to the respective borrowing. Borrowing costs that are directly attributable to the acquisition of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is put to use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

## 20 Foreign Exchange Transactions

- (i) The standalone financial statements of the Company are presented in Indian Rupee (INR), which is the Company's functional and presentation currency.
- (ii) Transactions in foreign currency are recorded at exchange rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currency, remaining unsettled at the period end are translated at closing rates. The difference in translation of monetary assets and liabilities and realised gains and losses on foreign currency transactions are recognised in the Statement of Profit and Loss. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.
- (iii) Realised gains or losses on cancellation of forward exchange contracts are recognised in the Standalone Statement of Profit and Loss of the period in which they are cancelled.

## Notes to the Standalone Financial Statements

### Note 2 : Significant Accounting Policies (Continued)

#### 21 Taxes on Income

Income tax expense comprises current and deferred tax and is recognized in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity or in OCI.

##### (i) Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

##### (ii) Minimum Alternate Tax (MAT)

MAT credit is recognised as a deferred tax assets only when and to the extent there is convincing evidence that the Company will pay normal tax during specified period. MAT credit is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

##### (iii) Deferred Tax

Deferred income tax is recognised using the balance sheet approach in respect of temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

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

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

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

Deferred Tax assets and liabilities are offset only if:

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

#### 22 Earnings Per Share

Basic Earnings per share is calculated by dividing the profit / (loss) for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the profit / (loss) for the period attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

# Notes to the Standalone Financial Statements

## Note 3 : Property, Plant and Equipment

Particulars	Amount ₹ in Crore										
	Freehold Land	Leasehold Land	Leasehold Improvements	Buildings	Plant & Machinery	Furniture & Fixtures	Vehicles - Own	Computer Hardware	Office Equipments	Research Centre	Total
<b>Gross Carrying Amount</b>											
Balance as at April 01, 2020	3.45	23.07	4.99	724.41	706.31	21.48	33.91	17.66	21.85	0.97	1,558.10
Additions	0.26	-	3.05	1.20	16.17	0.45	0.62	1.22	2.85	0.16	25.98
Disposals	-	-	-	(35.19)	-	-	(1.00)	(0.03)	-	-	(36.22)
<b>Balance as at March 31, 2021</b>	<b>3.71</b>	<b>23.07</b>	<b>8.04</b>	<b>690.42</b>	<b>722.48</b>	<b>21.93</b>	<b>33.53</b>	<b>18.85</b>	<b>24.70</b>	<b>1.13</b>	<b>1,547.86</b>
Additions	9.71	-	-	-	95.22	0.84	1.34	6.31	0.21	0.01	113.64
Disposals / Adjustments (refer note 3b)	-	-	-	20.56	(1.60)	(0.01)	(1.54)	(0.07)	(0.01)	-	17.33
<b>Balance as at March 31, 2022</b>	<b>13.42</b>	<b>23.07</b>	<b>8.04</b>	<b>710.98</b>	<b>816.10</b>	<b>22.76</b>	<b>33.33</b>	<b>25.09</b>	<b>24.90</b>	<b>1.14</b>	<b>1,678.83</b>
<b>Accumulated Depreciation</b>											
Balance as at March 31, 2020	-	1.35	0.03	76.17	117.23	9.70	16.89	13.79	17.44	0.45	253.05
Charge for the year	-	0.27	1.34	16.58	24.96	2.07	4.18	1.65	1.44	0.14	52.63
Disposals	-	-	-	(3.25)	-	-	(0.51)	(0.03)	(0.01)	-	(3.80)
<b>Balance as at March 31, 2021</b>	<b>-</b>	<b>1.62</b>	<b>1.37</b>	<b>89.50</b>	<b>142.19</b>	<b>11.77</b>	<b>20.56</b>	<b>15.41</b>	<b>18.87</b>	<b>0.59</b>	<b>301.88</b>
Charge for the year (refer note 4 below)	-	0.27	1.53	22.04	85.12	2.12	2.74	2.05	1.40	0.15	117.42
Disposals / Adjustments (refer note 3 b)	-	-	-	0.90	(0.69)	(0.01)	(0.81)	(0.07)	-	-	(0.68)
<b>Balance as at March 31, 2022</b>	<b>-</b>	<b>1.89</b>	<b>2.90</b>	<b>112.44</b>	<b>226.62</b>	<b>13.88</b>	<b>22.49</b>	<b>17.39</b>	<b>20.27</b>	<b>0.74</b>	<b>418.62</b>
<b>Net Carrying Amount</b>											
Balance as at March 31, 2021	3.71	21.45	6.67	600.92	580.29	10.16	12.97	3.44	5.83	0.54	1,245.99
Balance as at March 31, 2022	13.42	21.18	5.14	598.54	589.48	8.88	10.84	7.70	4.63	0.40	1,260.22

Notes :

1. Refer Note No 26 for disclosure of contractual commitments for the acquisition of Property, Plant and Equipment.
2. No Property, Plant and Equipment is pledged as security by the Company.
3. Additions to Property, Plant and Equipments includes ₹ 3.75 crore (previous year ₹ NIL) on account of Capitalisation of borrowing cost on eligible project.
4. The Company has reassessed the future economic benefits from certain Plant and Machinery and considering expected usage and market conditions, it has recorded an exceptional expense of ₹ 66.57 crore to write down the Property, Plant & Equipment to estimated recoverable amount. (Refer Note 35)

# Notes to the Standalone Financial Statements

## Note 3a : Capital Work in Progress

₹ in Crore

Particulars	Property, Plant and Equipment	Investment Property	Total
<b>Balance as at April 01, 2020</b>	<b>17.95</b>	-	<b>17.95</b>
Additions during the year	77.95	0.16	78.11
Capitalised during the year	(23.07)	(0.16)	(23.23)
<b>Balance as at March 31, 2021</b>	<b>72.83</b>	-	<b>72.83</b>
Additions during the year	76.61	-	76.61
Capitalised during the year	(111.31)	-	(111.31)
<b>Balance as at March 31, 2022</b>	<b>38.13</b>	-	<b>38.13</b>

### Note

- Additions to Capital Work in Progress includes ₹ 2.69 crore (previous year ₹ 1.05 crore) on account of Capitalisation of borrowing cost on eligible project.
- Capital Work in Progress ageing schedule

₹ in Crore

Particulars	Projects in progress	Projects temporarily suspended	Total
<b>Balance as at March 31, 2021</b>			
Less than 1 year	62.64	-	62.64
1-2 years	9.50	-	9.50
2-3 years	0.69	-	0.69
More than 3 years	-	-	-
<b>Total</b>	<b>72.83</b>	-	<b>72.83</b>
<b>Balance as at March 31, 2022</b>			
Less than 1 year	37.52	-	37.52
1-2 years	0.43	-	0.43
2-3 years	0.18	-	0.18
More than 3 years	-	-	-
<b>Total</b>	<b>38.13</b>	-	<b>38.13</b>

- Projects Overdue as compared to Original timeline

₹ in Crore

Particulars	Project at Ambernath Factory	Projects at Valia Factory
To be Completed in		
Less than 1 year	0.47	8.09
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-

# Notes to the Standalone Financial Statements

## Note 3b : Investment Property

₹ in Crore

Particulars	Freehold Land	Buildings	Total
<b>Gross Carrying Amount</b>			
Balance as at April 01, 2020	0.38	179.12	179.50
Additions	-	315.71	315.71
Disposals	-	-	-
<b>Balance as at March 31, 2021</b>	<b>0.38</b>	<b>494.83</b>	<b>495.21</b>
Additions / Adjustments	-	0.26	0.26
Disposals / Adjustments (refer note 3)	-	(20.56)	(20.56)
<b>Balance as at March 31, 2022</b>	<b>0.38</b>	<b>474.53</b>	<b>474.91</b>
<b>Accumulated Depreciation</b>			
Balance as at April 01, 2020	-	13.12	13.12
Charge for the year	-	4.63	4.63
Disposals	-	3.27	3.27
<b>Balance as at March 31, 2021</b>	<b>-</b>	<b>21.02</b>	<b>21.02</b>
Charge for the year	-	8.34	8.34
Disposals / Adjustments	-	(0.90)	(0.90)
<b>Balance as at March 31, 2022</b>	<b>-</b>	<b>28.46</b>	<b>28.46</b>
<b>Net Carrying Amount</b>			
Balance as at March 31, 2021	0.38	473.81	474.19
Balance as at March 31, 2022	0.38	446.07	446.45
<b>Fair Value</b>			
As at March 31, 2021	4.15	512.60	516.75
As at March 31, 2022	10.88	519.87	530.75

Notes :

- Information regarding income and expenditure of Investment Property

₹ in Crore

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Rental income derived from investment properties	28.99	11.54
Direct operating expenses	7.11	3.91
Gains arising from investment properties before depreciation	21.88	7.63
Less - Depreciation	8.34	4.63
Gains arising from investment properties	13.54	3.00

- The Company's investment properties consist of 16 properties in India. The Management has determined that the investment property consists of two classes of assets - Land and Building - based on the nature, characteristics and risks of each property.

The Company has no restriction on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

- The fair valuation is based on current prices in the active market for similar properties. The main inputs used are quantum, area, location, demand, age of building and trend of fair market rent in the location of the property.

The fair value is based on valuation performed by an accredited independent valuer. Fair valuation is based on replacement cost method. The fair value measurement is categorised in level 3 fair value hierarchy.

# Notes to the Standalone Financial Statements

## Note 3b : Investment Property (Continued)

### 4. Reconciliation of Fair Value

₹ in Crore

Particulars	Freehold Land	Buildings	Total
Opening balance as at April 01, 2020	4.15	186.75	190.90
Fair value changes	-	325.85	325.85
Purchases	-	-	-
Opening balance as at April 01, 2021	4.15	512.60	516.75
Fair value changes	6.73	27.57	34.30
Purchases / Transfer from Property, Plant & Equipment CWIP	-	(20.30)	(20.30)
<b>Closing balance as at March 31, 2022</b>	<b>10.88</b>	<b>519.87</b>	<b>530.75</b>

## Note 3c : Other Intangible Assets

₹ in Crore

Particulars	Computer Software
<b>Gross Carrying Amount</b>	
Balance as at April 01, 2020	5.24
Additions	1.12
Disposals	-
<b>Balance as at March 31, 2021</b>	<b>6.36</b>
Additions	1.95
Disposals	(0.01)
<b>Balance as at March 31, 2022</b>	<b>8.30</b>
<b>Accumulated Depreciation</b>	
Balance as at April 01, 2020	2.76
Charge for the year	1.45
Disposals	-
<b>Balance as at March 31, 2021</b>	<b>4.21</b>
Charge for the year	1.52
Disposals	-
<b>Balance as at March 31, 2022</b>	<b>5.73</b>
<b>Net Carrying Amount</b>	
Balance as at March 31, 2021	2.15
Balance as at March 31, 2022	2.57



# Notes to the Standalone Financial Statements

## Note 4 : Investments in Subsidiaries and Associates

₹ in Crore

Particulars	Note	Face Value	As at March 31, 2022		As at March 31, 2021	
			Number	Amount	Number	Amount
Investment in Equity Instruments at cost (Fully Paid up unless stated otherwise)						
<b>(a) Quoted Investments</b>						
(i) Subsidiaries						
Godrej Properties Limited		5	131,452,194	1,761.04	124,409,820	762.36
Godrej Agrovet Limited		10	120,018,596	810.37	115,059,634	512.86
(ii) Associates						
Godrej Consumer Products Limited		1	242,812,860	1,366.20	242,812,860	1,366.20
<b>(b) Unquoted Investments</b>						
(i) Subsidiaries						
Godrej International Limited (Isle of Man)		£1	2,105,000	14.76	2,105,000	14.76
Godrej International Trading & Investments Pte. Limited		\$1	1,000,000	4.43	1,000,000	4.43
Godrej Capital Limited (Formerly known as Pyxis Holdings Ltd)	b	10	129,033	809.17	20,000	0.01
Godrej One Premises Management Private Limited*		10	1,400	0.00	1,400	0.00
Godrej Industries Limited Employee Stock Option Trust *				0.00		0.00
(ii) Associates						
Personalitree Academy Ltd.		10	389,269	1.10	389,269	1.10
Share Application Money **				0.03		0.03
Less: Provision for Diminution in value of Investments				(1.13)		(1.13)
				-		-
				<b>4,765.97</b>		<b>2,660.62</b>
Aggregate Amount of Quoted Investments				3,937.61		2,641.42
Aggregate Amount of Unquoted Investments				829.49		20.33
Aggregate Amount of Impairment in Value of Investments				(1.13)		(1.13)
Market Value of Quoted Investments				45,433.46		41,250.55

\* Amount less than ₹ 0.01 crore.

\*\* Includes ₹ 300,000 paid towards share application money to Personalitree Academy Ltd.(an Associate Company) which is considered Doubtful.

### Notes

- a) The Board of Directors of the Company in the meeting dated 12.02.2021 has decided to transfer holding of EHFL to Pyxis Holdings Limited. Accordingly in the previous year, investment in EHFL has been shown as current investment. An application was made to the Reserve Bank of India (RBI) on April 5, 2021 to seek its approval for change in shareholding and change in Directors of Ensemble Holdings & Finance Limited (a subsidiary of the Company) (renamed as Godrej Finance Limited w.e.f. November 03, 2021) by virtue of proposed transfer of shares from its existing shareholders (i.e. Godrej Industries Limited and its nominees) to Pyxis Holdings Limited (renamed as Godrej Capital Limited w.e.f. October 26, 2021) a subsidiary of the Company. The RBI has approved the said proposal vide its letter dated June 2, 2021. The procedure for the change in the shareholding and directors as per the guidelines of the RBI has been completed. Effective August 24 2021, Godrej Finance Limited has become a direct subsidiary of Godrej Capital Limited.
- b) On March 25, 2021, Company has completed the acquisition of shares of Godrej Capital Limited (Formerly Known as Pyxis Holdings Ltd), consequent to the said acquisition, Godrej Capital Limited has become the subsidiary of the Company with effect from March 25, 2021.

## Notes to the Standalone Financial Statements

### Note 4 : Investments in Subsidiaries and Associates (Continued)

c) Information on Investment made in Subsidiaries during the year

S.No.	Name of the Company	No. Of Shares	Amount ₹ in Crore
1	Godrej Properties Limited	7,042,374	998.68
2	Godrej Agrovet Limited	4,958,962	297.51
3	Godrej Capital Limited (Formerly Known as Pyxis Holdings Ltd)	109,033	809.16

d) Information on Subsidiaries and Associates:-

(i) Information on Subsidiaries

S.No.	Name of the Company	Country of Incorporation	March 31, 2022	March 31, 2021
1	Godrej Properties Limited *	India	47.29%	44.76%
2	Godrej Agrovet Limited	India	62.47%	59.90%
3	Godrej International Limited	Isle of Man	100.00%	100.00%
4	Godrej International Trading & Investments Pte. Ltd.	Singapore	100.00%	100.00%
5	Godrej Capital Limited (Formerly known as Pyxis Holdings Ltd)	India	87.11%	51.16%
6	Godrej One Premises Management Private Limited	India	14.00%	14.00%
7	Godrej Industries Limited Employee Stock Option Trust	India	100.00%	100.00%

\* The management has evaluated that the Company continues to exercise 'de facto' control over Godrej Properties Limited.

(ii) Information on Associates

S.No.	Name of the Company	Country of Incorporation	March 31, 2022	March 31, 2021
1	Godrej Consumer Products Limited	India	23.75%	23.75%

# Notes to the Standalone Financial Statements

## Note 4a : Non Current Financial Assets - Other Investments

₹ in Crore

Particulars	Note	Face Value	As at March 31, 2022		As at March 31, 2021	
			Number	Amount	Number	Amount
<b>1 Investment in Equity Instruments (Fully Paid up unless stated otherwise)</b>						
At Fair Value Through Profit and Loss						
(a) Quoted Investments						
Agro Tech Foods Ltd.*		10	1	0.00	1	0.00
Colgate Palmolive India Ltd.*		1	2	0.00	2	0.00
Dabur India Ltd.*		1	6	0.00	6	0.00
Hindustan Unilever Ltd. *		1	751	0.15	751	0.18
Gillette India Ltd.*		10	1	0.00	1	0.00
Marico Ltd.*		1	80	0.00	80	0.00
Procter & Gamble Hygiene & Health Care Ltd.*		10	1	0.00	1	0.00
Venkys India Ltd.*		10	1	0.00	1	0.00
Advanced Enzyme Technologies Ltd.		2	3,000	0.08	3,000	0.10
Bajaj Finance Ltd. (F.V. change from ₹ 10 to ₹ 2)		2	450	0.33	450	0.23
Cera Sanitaryware Ltd.		5	1,189	0.59	1,189	0.47
DCM Ltd.		10	5,000	0.04	5,000	0.01
DCM NOUVELLE LIMITED Ltd.		10	5,000	0.12	5,000	0.05
HDFC Bank Ltd.		2	444	0.06	444	0.07
Infosys Ltd.		5	610	0.12	610	0.08
Just Dial Ltd		10	82	0.01	82	0.01
KSE Limited		10	65,467	13.88	65,467	15.06
Maruti Suzuki India Ltd.		5	50	0.04	50	0.03
Ruchi Soya Ltd*	a	2	35	0.00	35	0.00
Ujjivan Financial Services Ltd.		10	12,204	0.12	12,204	0.26
Vadilal Industries Ltd.		10	2,000	0.28	2,000	0.18
Whirlpool of India Ltd.		10	500	0.08	500	0.11
Zicom Electronics Sec. System Ltd.		10	173,918	0.00	173,918	0.03
Bharat Petroleum Corporation Limited		10	2,000	0.07	2,000	0.09
Wockhardt Ltd.		5	1,000	0.03	1,000	0.04
				<b>16.00</b>		<b>17.00</b>
(b) Unquoted Investments						
Bharuch Eco-Aqua Infrastructure Ltd.		10	440,000	0.44	440,000	0.44
Less : Provision for Impairment in the Value of Investment				(0.44)		(0.44)
				-		-
Avesthagen Ltd.		7	469,399	12.43	469,399	12.43
Less : Provision for Impairment in the Value of Investment				(12.43)		(12.43)
				-		-
CBay Infotech Ventures Pvt. Ltd.		10	112,579	2.33	112,579	2.33
Less : Provision for Impairment in the Value of Investment				(2.33)		(2.33)
				-		-
Gharda Chemicals Ltd.	b	100	114	0.12	114	0.12
Less : Provision for Impairment in the Value of Investment				(0.12)		(0.12)
				-		-

# Notes to the Standalone Financial Statements

## Note 4a : Non Current Financial Assets - Other Investments (Continued)

₹ in Crore

Particulars	Note	Face Value	As at March 31, 2022		As at March 31, 2021	
			Number	Amount	Number	Amount
HyCa Technologies Pvt. Ltd.		10	12,436	1.24	12,436	1.24
Less : Provision for Impairment in the Value of Investment				(1.24)		(1.24)
				-		-
Tahir Properties Ltd (Partly paid) *	c	100	25	0.00	25	0.00
Boston Analytics Inc.		\$1	1,354,129	6.91	1,354,129	6.91
Less : Provision for Impairment in the Value of Investment				(6.91)		(6.91)
				-		-
The Saraswat Co-op Bank Ltd.		10	1,000	0.02	1,000	0.02
Isprava Vesta Pvt. Ltd. (previously known as Isprava Technologies Ltd.)		10	195,831	0.04	195,831	0.04
Isprava Hospitality Pvt. Ltd.		10	35,434	0.03	35,434	0.04
Clean Max Enviro Energy Solution Pvt Ltd.		10	3,133	1.01	3,133	1.01
Brookings Institution India Centre*		100	125	0.00	125	0.00
<b>2 Investment in Preference Shares (Fully Paid up unless stated otherwise)</b>						
At Fair Value Through Profit and Loss						
(a) Unquoted Investment						
Tahir Properties Ltd (Class - A) (partly paid) *		100	25	0.00	25	0.00
Less: Forfeited*				0.00		0.00
				<b>0.00</b>		<b>0.00</b>
<b>3 Investment in Partnership Firms</b>						
At Fair Value Through Profit and Loss						
View Group LP *	d			0.00		0.00
Less : Provision for Impairment in the Value of Investment				0.00		0.00
				<b>0.00</b>		<b>0.00</b>
<b>4 Investment in Units of Venture Capital Fund</b>						
At Fair Value Through Profit and Loss						
Indian Fund for Sustainable Energy (Infuse Capital)		100	204,024	3.04	299,900	3.74
				<b>20.14</b>		<b>21.85</b>
Aggregate Amount of Quoted Investments				16.00		17.00
Aggregate Amount of Unquoted Investments				27.61		28.32
Aggregate Amount of Impairment in Value of Investments				(23.47)		(23.47)
Market Value of Quoted Investments				16.00		17.00

\* Amount less than ₹ 0.01 crore.

## Notes

- a During the previous year as per the Resolution Plan approved by Hon'ble NCLT, the issued, subscribed and paid-up equity capital of the Ruchi Soya Ltd stand reduced from ₹ 66,82,01,444/- consisting of 33,41,00,722 equity shares of face value of ₹ 2/- each to ₹ 66,82,014/- consisting of 33,41,007 equity shares of ₹ 2/- each thereby reducing the value of issued, subscribed & paid-up equity share capital of the Company by ₹ 66,15,19,430 divided into 33,07,59,715 equity shares of ₹ 2/- each. Accordingly the number of shares Ruchi Soya Ltd held by GIL has been reduced from 3532 to 35 shares.
- b The said shares have been refused for registration by the investee company.
- c Uncalled Liability on partly paid shares  
- Tahir Properties Ltd. - Equity - ₹ 80 per share (Previous year - ₹ 80 per share).
- d View Group LP has been dissolved on December 14, 2012, however, the Company has still not received an approval from RBI for writing-off the investment.

# Notes to the Standalone Financial Statements

## Note 5 : Non Current Financial Assets - Loans

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
1 Other Loans		
(a) Secured and Considered Doubtful (Refer note 2 below)	10.33	10.33
Less : Allowance for Bad and Doubtful Loans	(10.33)	(10.33)
	-	-
(b) Unsecured and Considered Good		
Loans to employees	0.87	0.78
	<b>0.87</b>	<b>0.78</b>

### Notes

- 1 There are no loans which have significant increase in credit risk.
- 2 The Company had advanced an amount of ₹ 10.33 crore to certain individuals who also pledged certain equity shares as security against the said advance. The Company has enforced its security and lodged the shares for transfer in its name. The said transfer application was rejected and Company has preferred an appeal to the Company Law Board (CLB). The CLB rejected the application and advised the parties to approach the High Court. The Company had filed an appeal before the Honorable High Court against the order of the Company Law Board under section 10 F of the Companies Act, which was disposed off with the direction to keep the transfer of shares in abeyance till the arbitration proceedings between the parties are on. The Honorable Bombay High Court passed an interim order dated September 18, 2012, restraining the Company from inter-alia, dealing, selling or creating third party rights, etc. in the pledged shares and referred the matter to arbitration. The Company had filed a Special Leave Petition (SLP) before the Supreme Court against this interim order of the Honorable Bombay High Court which the Supreme Court has dismissed and the matter is presently before the Arbitrator. Single Arbitrator, Justice ((Retired), A.P. Shah on 29<sup>th</sup> June 2019 passed an Award ruling that Godrej Industries Ltd shall return all the pledged shares along with the original loan-cum-pledge agreements and the Power of Attorneys executed by the said individuals in favor of Godrej Industries Ltd to the said individuals upon the said Individuals repaying an amount of ₹10.33 crores to Godrej Industries Ltd.

Godrej Industries Ltd, challenged this Award before the Hon'ble High Court of Bombay by way of Section 34 petition under the Arbitration & Conciliation Act, 1996. Hon'ble Bombay High Court by its Order dated 13/09/2019 has now stayed the operation of the said Award dated 29<sup>th</sup> June 2019 till the said Section 34 Petition is finally disposed off. The matter is now pending before the Bombay High Court.

The Management is confident of recovery of this amount as underlying value of the said shares is substantially greater than the amount of loan and interest thereon. However, on a conservative basis, the Company has provided for the entire amount of ₹ 10.33 crore in the books of account.

- 3 Details of Loans under section 186 (4) of Companies Act, 2013.

₹ in Crore

Particulars	As at March 31, 2022		As at March 31, 2021	
	Maximum Balance During the Year	Amount outstanding	Maximum Balance During the Year	Amount outstanding
1 Loans where there is no repayment schedule				
(i) Federal & Rashmikant	5.83	5.83	5.83	5.83
(ii) M/s Dhruv & Co. (Regd.)	4.18	4.18	4.18	4.18
(iii) D. R. Kavasmeneck & Dr. P. R. Kavasmeneck	0.32	0.32	0.32	0.32
2 Loans to Employees	1.12	0.87	0.79	0.79

# Notes to the Standalone Financial Statements

## Note 6 : Non Current Financial Assets - Others

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
1 Bank Deposit with more than 12 months maturity	1.26	1.19
2 Secured		
(a) Interest Accrued on Loans (Refer Note 1 below)	3.15	3.15
Provision for Doubtful Interest Accrued	(3.15)	(3.15)
	-	-
3 Unsecured		
(a) Interest Accrued on Loans	1.03	1.03
Provision for Doubtful Interest Accrued	(1.03)	(1.03)
	-	-
4 Security Deposits		
(a) Unsecured and Considered Doubtful	0.95	0.95
Less : Allowance for Bad and Doubtful Deposit	(0.95)	(0.95)
	-	-
5 Other Deposits	5.14	7.35
6 Balances with Statutory Authorities	-	0.36
	<b>6.40</b>	<b>8.90</b>

### Note

- 1 Interest on loan referred to in sub note (2) under Note 5 - Non Current Loans, amounting to ₹ 3.15 crore was accrued upto March 31, 2000 and has been fully provided for, no interest is being accrued thereafter.

## Note 7 : Deferred Tax Assets (Net)

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
<b>1 Liabilities</b>		
(a) Written Down Value of Assets	170.53	177.76
(b) Others (Related to EHFL Demerger - Refer Note 4(a))	0.58	0.58
<b>2 Assets</b>		
(a) Provision for Employee Benefits	0.86	1.35
(b) Provision for Loss Allowance for Debts/Advances	4.48	6.26
(c) Other Provisions	12.45	12.30
(d) Unabsorbed Depreciation	152.73	157.84
(e) Investments (Acquisition on account of EHFL - Refer Note 4(a))	0.03	0.03
(f) Indexation benefit on Land	1.06	1.06
<b>Deferred Tax Assets (net) - (Refer note 37)</b>	<b>0.50</b>	<b>0.50</b>

## Note 8 : Other Non Current Assets

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
1 Capital Advances		
Considered Good	5.72	0.25
2 Prepaid Expenses	0.50	0.69
	<b>6.22</b>	<b>0.94</b>

# Notes to the Standalone Financial Statements

## Note 9 : Inventories

₹ in Crore

Particulars	As at	As at
	March 31, 2022	March 31, 2021
1 Raw Materials [includes Goods in transit ₹ 14.45 crore (previous year ₹ 54.38 crore)]	316.87	175.29
2 Packing Material	4.65	4.24
3 Work in Progress	152.25	129.07
4 Finished Goods [includes Goods in transit ₹ 31.39 crore, (previous year ₹ 28.94 crore)]	146.74	95.58
5 Stock in Trade	0.01	0.08
6 Stores and Spares	11.53	6.28
	<b>632.05</b>	<b>410.54</b>

### Notes

- Inventories are valued at lower of cost and net realisable value. Cost is computed on weighted average basis and is net of GST Input Tax Credit.
- Working capital facilities sanctioned by banks under consortium arrangement are secured by hypothecation of stocks. Monthly statements of Stock and Book Debts are filed with the Bank which is in agreement with the books of accounts.

## Note 10 : Current Financial Assets - Investments

₹ in Crore

Particulars	Note	Face Value	As at March 31, 2022	As at March 31, 2021
<b>1 Investment in Equity Instruments</b>				
(a) Unquoted Investment				
(i) Subsidiaries				
Ensemble Holdings and Finance Limited (Nil Previous year 6,574,597) (Refer Note 4(a))		10	-	0.52
<b>2 Investment in Mutual Funds (quoted)</b>			760.69	1,315.21
<b>3 Other Investment at fair value through Profit and Loss</b>				
(a) Unquoted Investment				
Optionally Convertible Loan Notes/Promissory Notes				
Boston Analytics Inc. (15%)	a	\$ 750,000	3.00	3.00
Less : Provision for Impairment in the Value of Investment			(3.00)	(3.00)
			-	-
Boston Analytics Inc. (20%)	a	\$ 15,50,000	6.73	6.73
Less : Provision for Impairment in the Value of Investment			(6.73)	(6.73)
			-	-
Boston Analytics Inc. (12%)	b	\$ 950,000	4.69	4.69
Less : Provision for Impairment in the Value of Investment			(4.69)	(4.69)
			-	-
			<b>760.69</b>	<b>1,315.73</b>
Aggregate Amount of Quoted Investments			760.69	1,315.21
Aggregate Amount of Unquoted Investments			14.42	14.94
Aggregate Amount of Impairment in Value of Investments			(14.42)	(14.42)
Market Value of Quoted Investments			760.69	1,315.21

### Notes

- The Optionally Convertible Promissory Notes (15%) of Boston Analytics Inc. in respect of which the Company did not exercise the conversion option and Boston Analytics Inc. promissory notes (20%) where there was a partial conversion option which the Company did not exercise, were due for redemption on June 30, 2009 and August 21, 2009, respectively. The said promissory notes have not been redeemed as of the Balance Sheet date and have been fully provided for.
- 12% promissory notes were repayable on or before December 31, 2011, along with interest on maturity. The said promissory notes have not been redeemed as of the Balance Sheet date and have been fully provided for.

# Notes to the Standalone Financial Statements

## Note 11 : Current Financial Assets - Trade Receivables

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
1 Secured and Considered Good (Refer Note 1 below)	17.43	11.39
2 Unsecured and Considered Good	382.85	238.33
3 Unsecured and Credit impaired as per Schedule III	2.56	3.44
Less : Loss Allowance for Credit Impaired	(2.56)	(3.44)
	-	-
	<b>400.28</b>	<b>249.72</b>

### Trade Receivables ageing based on due date

₹ in Crore

Particulars	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
<b>March 2022</b>						
Undisputed Trade receivables						
(i) Considered good	400.16	0.06	0.02	0.04	-	400.28
(ii) Which have significant increase in credit risk	-	-	-	-	-	-
(iii) Credit impaired	-	0.52	0.85	0.09	0.18	1.64
Disputed Trade receivables						
(i) Considered good	-	-	-	-	-	-
(ii) Which have significant increase in credit risk	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	0.92	0.92
Less : Loss Allowance for Credit Impaired	-	(0.52)	(0.85)	(0.09)	(1.10)	(2.56)
<b>Total</b>	<b>400.16</b>	<b>0.06</b>	<b>0.02</b>	<b>0.04</b>	<b>-</b>	<b>400.28</b>
<b>March 2021</b>						
Undisputed Trade receivables						
(i) Considered good	249.13	0.37	0.22	-	-	249.72
(ii) Which have significant increase in credit risk	-	-	-	-	-	-
(iii) Credit impaired	-	0.55	0.12	0.08	-	0.75
Disputed Trade receivables						
(i) Considered good	-	-	-	-	-	-
(ii) Which have significant increase in credit risk	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	2.69	2.69
Less : Loss Allowance for Credit Impaired	-	(0.55)	(0.12)	(0.08)	(2.69)	(3.44)
<b>Total</b>	<b>249.13</b>	<b>0.37</b>	<b>0.22</b>	<b>-</b>	<b>-</b>	<b>249.72</b>

Note

1 Secured by Security Deposits collected from Customers, Letter of Credit or Bank Guarantees held against them.

## Note 12 a : Current Financial Assets - Cash and Cash Equivalents

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
1 Balances with Banks		
(a) Current Accounts	17.27	16.31
(b) Deposits having maturity less than 3 months	75.25	50.40
2 Cash on Hand	0.53	0.45
	<b>93.05</b>	<b>67.16</b>



# Notes to the Standalone Financial Statements

## Note 12 b : Current Financial Assets - Other Bank Balances

₹ in Crore

Particulars	As at	As at
	March 31, 2022	March 31, 2021
1 Deposits with more than 3 months but less than 12 months maturity	60.38	50.36
2 Other Bank Balances (Refer Note 1 below)	0.47	0.57
	<b>60.85</b>	<b>50.93</b>

## Notes

Other Bank Balances include :

- 1 Balance of ₹ 0.36 crore (previous year ₹ 0.44 crore) unclaimed dividends.

## Note 13 : Current Financial Assets - Loans

₹ in Crore

Particulars	As at March 31, 2022		As at March 31, 2021	
	Unsecured Loans			
(a) Inter Corporate Deposit				
Considered Doubtful	-		5.77	
Provision for Doubtful Deposit	-		(5.77)	
		-		-
(b) Current Maturity of Long term Loans				
Considered Good	0.22		0.24	
Considered Doubtful *	0.00		0.00	
Provision for Doubtful Loan *	0.00		0.00	
		<b>0.22</b>		<b>0.24</b>
		<b>0.22</b>		<b>0.24</b>

\* Amount less than ₹ 0.01 crore.

## Note

Details of Loans as per section 186 (4) of Companies Act, 2013.

₹ in Crore

Particulars	As at March 31, 2022		As at March 31, 2021	
	Maximum	Amount	Maximum	Amount
	Balance During	outstanding	Balance During	outstanding
	the Year		the Year	
1 Loans to Employees	0.22	0.22	0.24	0.24
2 Inter Corporate Deposit				
Tricom India Limited	5.77	-	5.77	5.77

## Note 14 : Current Financial Assets - Others

₹ in Crore

Particulars	As at March 31, 2022		As at March 31, 2021	
	1 Other Receivables			
Considered Good		21.38		16.17
Considered Doubtful	0.42		0.42	
Provision for Doubtful Other Receivable	(0.42)		(0.42)	
		-		-
2 Fair Value of Derivative Contracts/ Forward Contracts		-		0.10
3 Interest Accrued on Loans and Deposits		0.90		0.87
4 Export Benefits Receivables		0.56		0.32
		<b>22.84</b>		<b>17.46</b>

# Notes to the Standalone Financial Statements

## Note 15 : Other Current Assets

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
1 Deposits		
(a) Deposits with Statutory Authorities	15.45	11.20
(b) Other Deposits	2.84	2.85
	18.29	14.05
2 Other Advances		
(a) Advance to Suppliers		
Considered Good	24.94	6.07
Considered Doubtful	0.74	0.74
Provision for Doubtful Advances	(0.74)	(0.74)
	24.94	6.07
(b) Employee Advance	0.25	0.01
(c) Prepaid Expenses	18.35	23.38
(d) Other Advances	3.25	12.18
3 Export Benefits Receivables	1.49	2.78
	<b>66.57</b>	<b>58.47</b>

# Notes to the Standalone Financial Statements

## Note 16 : Equity

₹ in Crore

Particulars	As at March 31, 2022		As at March 31, 2021	
	Nos	Amount ₹ in Crore	Nos	Amount ₹ in Crore
1 Authorised Share Capital				
(a) Equity shares of ₹ 1 each	800,000,000	80.00	800,000,000	80.00
(b) Unclassified Shares of ₹ 10 each	100,000,000	100.00	100,000,000	100.00
		<b>180.00</b>		<b>180.00</b>
2 Issued, Subscribed and Paid up Share Capital				
Equity Shares of ₹ 1 each fully paid up	336,584,313	33.66	336,525,098	33.66
Par Value of Equity Share is ₹ 1 each				
Par Value of Unclassified Share is ₹ 10 each				
3 Reconciliation of number of Shares				
Equity Shares				
Number of Shares outstanding at the beginning of the year	336,525,098	33.66	336,466,016	33.65
Issued during the year	59,215	0.00	59,082	0.01
Number of Shares outstanding at the end of the year	<b>336,584,313</b>	<b>33.66</b>	<b>336,525,098</b>	<b>33.66</b>
4 Rights, Preferences And Restrictions attached to Shares				
Equity Shares : The Company has one class of equity shares. Each equity share entitles the holder to one vote. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholding.				
5 Share Holding Information				
(a) Shareholders holding more than 5% of Equity Shares in the Company:				
Rishad Kaikhushru Naoroji (As a Partner of RKN Enterprises)- 12.65% (previous year 12.66%)	42,583,272	4.26	42,583,272	4.26
Godrej Foundation - 13.38% (previous year 13.38%)	45,014,972	4.50	45,014,972	4.50
Jamshyd Naoroji Godrej 9.34% (previous year 0.66%)	31,429,854	3.14	190,838	0.02
Nyrika Holkar 6.73% (previous year 0.00%)	22,636,500	2.26	13	0.00
6 Equity Shares Reserved for Issue Under Employee Stock Grant (Re. 1 each)				
Employee Stock Grant for which vesting date shall be such date as may be decided by the Compensation Committee (*)				
(a) Employee Stock Grant vesting on 31/05/21	-	-	1,246	0.00
(b) Employee Stock Grant vesting on 31/05/21	-	-	2,761	0.00
(c) Employee Stock Grant vesting on 13/05/21	-	-	18,214	0.00
(d) Employee Stock Grant vesting on 31/05/21	-	-	15,514	0.00
(e) Employee Stock Grant vesting on 13/05/22	17,153	0.00	18,214	0.00
(f) Employee Stock Grant vesting on 30/06/21	-	-	20,725	0.00
(g) Employee Stock Grant vesting on 30/09/21	-	-	755	0.00
(h) Employee Stock Grant vesting on 30/06/22	19,454	0.00	21,480	0.00
(i) Employee Stock Grant vesting on 30/06/23	19,454	0.00	21,480	0.00
(j) Employee Stock Grant vesting on 21/05/22	16,318	0.00	-	-
(k) Employee Stock Grant vesting on 21/05/23	16,318	0.00	-	-
(l) Employee Stock Grant vesting on 21/05/24	16,318	0.00	-	-
(m) Employee Stock Grant vesting on 01/06/22	1,018	0.00	-	-
(n) Employee Stock Grant vesting on 01/06/23	1,018	0.00	-	-
(o) Employee Stock Grant vesting on 01/06/24	1,018	0.00	-	-
The exercise period in respect of the stock grants mentioned above is one month.				

# Notes to the Standalone Financial Statements

## Note 16 : Equity (Continued)

7 During the period of five years immediately preceding the date as at which the Balance Sheet is prepared :

Pursuant to the Scheme of Amalgamation of Vora Soaps Limited (VSL) with the Company 19,39,04,681 equity shares allotted as fully paid up to the Equity and Preference Shareholders of VSL.

8 There are no calls unpaid.

9 There are no forfeited shares.

(\*) Amount less than ₹ 0.01 crore.

Details of shares held by promoters

Sr. No.	Entity Type	Promoter Name	As at 31 <sup>st</sup> March 2022			As at 31 <sup>st</sup> March 2021		
			No of Shares	% of Total Shares	% change	No of Shares	% of Total Shares	% change
1	Promoter	Adi Barjorji Godrej	607,692	0.18	0.00	607,692	0.18	0.00
2	Promoter	Nadir Barjorji Godrej	599,008	0.18	0.00	599,008	0.18	0.00
3	Promoter	Jamshyd Naoroji Godrej	31,429,854	9.34	9.28	190,838	0.06	0.00
4	Promoter	Smita Godrej Crishna	607,634	0.18	0.00	607,634	0.18	0.00
5	Promoter	Rishad Kaikhushru Naoroji	50	0.00	0.00	50	0.00	0.00
6	Promoter Group	Tanya Arvind Dubash	741,755	0.22	0.00	741,755	0.22	0.00
7	Promoter Group	Nisaba Godrej	741,753	0.22	0.00	741,753	0.22	0.00
8	Promoter Group	Pirojsha Adi Godrej	741,758	0.22	0.00	741,758	0.22	0.00
9	Promoter Group	Karla Bookman	237,000	0.07	0.00	237,000	0.07	0.00
10	Promoter Group	Sasha Godrej	241,200	0.07	0.00	241,200	0.07	0.00
11	Promoter Group	Lana Godrej	265,000	0.08	0.00	265,000	0.08	0.00
12	Promoter Group	Burjis Nadir Godrej	5,694,975	1.69	0.00	5,694,975	1.69	(0.03)
13	Promoter Group	Sohrab Nadir Godrej	5,282,647	1.57	0.00	5,282,647	1.57	(0.08)
14	Promoter Group	Hormazd Nadir Godrej	1,731,000	0.51	0.00	1,731,000	0.51	0.11
15	Promoter Group	Pheroza Jamshyd Godrej	33	0.00	0.00	33	0.00	0.00
16	Promoter Group	Navroze Jamshyd Godrej	10,157,316	3.02	2.72	997,101	0.30	0.00
17	Promoter Group	Raika Jamshyd Godrej	997,089	0.30	0.30	4	0.00	0.00
18	Promoter Group	Vijay Mohan Crishna	-	0.00	0.00	3,878	0.00	0.00
19	Promoter Group	Nyrika Holkar	22,636,500	6.73	6.73	13	0.00	0.00
20	Promoter Group	Freyan Crishna Bieri	13	0.00	0.00	13	0.00	0.00
21	Promoter Group	Adi Godrej, Tanya Dubash, Nisaba Godrej and Pirojsha Godrej (Trustees of ABG Family Trust)	11,507,016	3.42	0.00	11,507,016	3.42	0.00
22	Promoter Group	Tanya Dubash and Pirojsha Godrej (Trustees of TAD Family Trust)	11,934,517	3.55	0.75	9,414,449	2.80	0.00
23	Promoter Group	Tanya Dubash and Pirojsha Godrej (Trustees of TAD Children Trust)	1	0.00	0.00	1	0.00	0.00
24	Promoter Group	Nisaba Godrej and Pirojsha Godrej (Trustees of NG Family Trust)	11,934,518	3.55	0.75	9,414,449	2.80	0.00

# Notes to the Standalone Financial Statements

## Note 16 : Equity (Continued)

Sr. No.	Entity Type	Promoter Name	As at 31 <sup>st</sup> March 2022			As at 31 <sup>st</sup> March 2021		
			No of Shares	% of Total Shares	% change	No of Shares	% of Total Shares	% change
25	Promoter Group	Nisaba Godrej and Pirojsha Godrej (Trustees of NG Children Trust)	1	0.00	0.00	1	0.00	0.00
26	Promoter Group	Pirojsha Godrej and Nisaba Godrej (Trustees of PG Family Trust)	11,191,318	3.32	0.75	8,671,249	2.58	0.00
27	Promoter Group	Pirojsha Godrej and Nisaba Godrej (Trustees of PG Children Trust)	1	0.00	0.00	1	0.00	0.00
28	Promoter Group	Pirojsha Godrej and Nisaba Godrej (Trustees of PG Lineage Trust)	1	0.00	0.00	1	0.00	0.00
29	Promoter Group	Nadir Godrej, Hormazd Godrej and Rati Godrej (Trustees of NBG Family Trust)	11,507,016	3.42	0.00	11,507,016	3.42	0.00
30	Promoter Group	Nadir Godrej, Hormazd Godrej and Rati Godrej (Trustees of BNG Family Trust)	7,999,103	2.38	0.75	5,479,034	1.63	0.00
31	Promoter Group	Nadir Godrej, Hormazd Godrej and Rati Godrej (Trustees of SNG Family Trust)	8,394,193	2.49	0.75	5,874,125	1.75	0.00
32	Promoter Group	Nadir Godrej, Hormazd Godrej and Rati Godrej (Trustees of HNG Family Trust)	8,935,621	2.65	0.75	6,415,553	1.91	0.00
33	Promoter Group	Nadir Godrej, Hormazd Godrej and Rati Godrej (Trustees of RNG Family Trust)	1	0.00	0.00	1	0.00	0.00
34	Promoter Group	Nadir Godrej, Hormazd Godrej and Rati Godrej (Trustees of BNG Successor Trust)	1	0.00	0.00	1	0.00	0.00
35	Promoter Group	Nadir Godrej, Hormazd Godrej and Burjis Godrej (Trustees of BNG Lineage Trust)	1	0.00	0.00	1	0.00	0.00
36	Promoter Group	Nadir Godrej, Hormazd Godrej and Rati Godrej (Trustees of SNG Successor Trust)	1	0.00	0.00	1	0.00	0.00
37	Promoter Group	Nadir Godrej, Hormazd Godrej and Sohrab Godrej (Trustees of SNG Lineage Trust)	1	0.00	0.00	1	0.00	0.00
38	Promoter Group	Jamshyd Godrej, Pheroza Godrej and Navroze Godrej (Trustees of JNG Family Trust)	-	0.00	(2.72)	9,160,215	2.72	0.00
39	Promoter Group	Jamshyd Godrej, Pheroza Godrej and Navroze Godrej (Trustees of PJG Family Trust)	1	0.00	0.00	1	0.00	0.00

# Notes to the Standalone Financial Statements

## Note 16 : Equity (Continued)

Sr. No.	Entity Type	Promoter Name	As at 31 <sup>st</sup> March 2022			As at 31 <sup>st</sup> March 2021		
			No of Shares	% of Total Shares	% change	No of Shares	% of Total Shares	% change
40	Promoter Group	Jamshyd Godrej, Pheroza Godrej and Navroze Godrej (Trustees of NJG Family Trust)	1	0.00	0.00	1	0.00	0.00
41	Promoter Group	Jamshyd Godrej, Pheroza Godrej and Navroze Godrej (Trustees of RJG Family Trust)	1	0.00	0.00	1	0.00	0.00
42	Promoter Group	Jamshyd Godrej, Pheroza Godrej and Navroze Godrej (Trustees of The Raika Godrej Family Trust)	-	0.00	(0.30)	997,085	0.30	0.00
43	Promoter Group	Jamshyd Godrej, Pheroza Godrej and Navroze Godrej (Trustees of Navroze Lineage Trust)	-	0.00	(4.64)	15,619,983	4.64	0.00
44	Promoter Group	Jamshyd Godrej, Pheroza Godrej and Navroze Godrej (Trustees of Raika Lineage Trust)	-	0.00	(4.64)	15,619,033	4.64	0.00
45	Promoter Group	Smita Godrej Crishna, Vijay Mohan Crishna, Freyan Crishna Bieri and Nyrika Holkar (Trustees of SGC Family Trust)	-	0.00	(2.94)	9,892,463	2.94	0.00
46	Promoter Group	Smita Godrej Crishna, Freyan Crishna Bieri and Nyrika Holkar (Trustees of FVC Family Trust)	12,740,146	3.79	0.00	12,740,146	3.79	0.00
47	Promoter Group	Smita Godrej Crishna, Freyan Crishna Bieri and Nyrika Holkar (Trustees of NVC Family Trust)	-	0.00	(3.79)	12,740,146	3.79	0.00
48	Promoter Group	Smita Godrej Crishna, Vijay Mohan Crishna, Freyan Crishna Bieri and Nyrika Holkar (Trustees of VMC Family Trust)	1	0.00	0.00	1	0.00	0.00
49	Promoter Group	Smita Godrej Crishna, Freyan Crishna Bieri and Nyrika Holkar (Trustees of NVC Children Trust)	1	0.00	0.00	1	0.00	0.00
50	Promoter Group	Smita Godrej Crishna, Freyan Crishna Bieri and Nyrika Holkar (Trustees of FVC Children Trust)	1	0.00	0.00	1	0.00	0.00
51	Promoter Group	Rishad Kaikhushru Naoroji & Others (Partners of RKN Enterprises)	42,583,272	12.65	0.00	42,583,272	12.65	0.00
52	Promoter Group	Anamudi Real Estates LLP	1,916,792	0.57	(1.97)	8,550,344	2.54	1.65
53	Promoter Group	Godrej Seeds & Genetics Limited	-	0.00	(2.52)	8,486,859	2.52	2.52
54	Promoter Group	AREL Enterprise LLP	2,770,983	0.82	0.00	2,770,983	0.82	0.82
		<b>Total Promoter Holding</b>	<b>226,126,787</b>	<b>67.18</b>		<b>226,126,787</b>	<b>67.19</b>	

# Notes to the Standalone Financial Statements

## Note 17 : Other Equity

### A Summary of Other Equity Balances

₹ in Crore

Particulars	As at	As at
	March 31, 2022	March 31, 2021
1 Capital Redemption Reserve	31.46	31.46
2 Securities Premium Account	922.60	919.81
3 Capital Reserve	46.25	46.25
4 Employee Stock Grants Reserve	3.51	3.56
5 General Reserve	52.70	52.70
6 Retained Earnings	393.04	438.86
	<b>1,449.56</b>	<b>1,492.64</b>

Refer Statement of Changes in Equity for detailed movement in Other Equity balances

### B Nature and purpose of reserve

- Capital Redemption Reserve : The Company recognised Capital Redemption Reserve on buyback of equity shares from its retained earnings.
- Securities Premium Account : The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium reserve. This Reserve can be used only for the purposes specified in the Companies Act, 2013.
- Capital Reserve : During amalgamation, the excess of net assets taken over the cost of consideration paid is treated as capital reserve.
- Employee Stock Grants Outstanding : The fair value of the equity-settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to Employee Stock Options Outstanding Account.
- General Reserve : The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.
- Retained Earnings : Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. These are stated net of amount relating to Remeasurement of defined benefit plans.

## Note 18 : Non Current Financial Liabilities - Borrowings

₹ in Crore

Particulars	As at	As at
	March 31, 2022	March 31, 2021
<b>Unsecured Borrowings</b>		
(a) Bonds and Debentures (Refer Note 2 & 3 below)		
Non Convertible Debentures	2,994.09	1,494.04
(b) Term Loans		
(i) From Banks (Refer Note 1 & 2 below)	307.69	461.54
	<b>3,301.78</b>	<b>1,955.58</b>

Notes:

- Unsecured Loans from Banks

₹ in Crore

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Loan carries interest at 1 year MCLR for an original term upto 72 months and repayable starting March 2022 to March 2025	307.69	461.54

- The Company does not have any default as on the Balance Sheet date in repayment of loan or interest.
- During the year, the Company has issued 15,000 Unsecured Redeemable Non Convertible Debentures (NCD) of face value ₹ 10 lac each. The total value of NCD is ₹ 1500 crore. The NCD is listed on National Stock Exchange. The Company will utilise the proceeds to meet its business purposes, investments in body corporate(s), repayment / prepayment of certain loans and for general corporate purposes.

## Notes to the Standalone Financial Statements

### Note 18 : Non Current Financial Liabilities - Borrowings (Continued)

During the previous year, the Company had issued 15,000 Unsecured Redeemable Non Convertible Debentures (NCD) of face value ₹ 10 lac each. The total value of NCD is ₹ 1500 crore. The NCD is listed on National Stock Exchange. The Company will utilise the proceeds to meet its business purposes, investments in body corporate(s), repayment / prepayment of certain loans and for general corporate purposes.

The particulars of NCDs and the utilisation of proceeds is as under:-

₹ In Crore

Particulars	NCD 6.24%	NCD 6.43%	NCD 6.92%	NCD 7.58%	Total
Amount received from NCD (7500 NCDs of Face value of ₹ 10,00,000 each)	750.00	750.00	750.00	750.00	3,000.00
Repayment Terms	Single principal to be repaid at the end of the term, 14 <sup>th</sup> July, 2023	Single principal to be repaid at the end of the term, 26 <sup>th</sup> Oct, 2024	Single principal to be repaid at the end of the term, 14 <sup>th</sup> May, 2025	Single principal to be repaid at the end of the term, 28 <sup>th</sup> September, 2028	
Utilisation of Funds till 31 <sup>st</sup> March 2021 for business purposes, investments in body corporate(s), repayment / pre-payment of certain loans and for general corporate purposes	480.00	43.45	-	-	523.45
Utilisation of Funds till 31 <sup>st</sup> March 2022 for business purposes, investments in body corporate(s), repayment / pre-payment of certain loans and for general corporate purposes	270.00	706.55	750.00	147.16	1,873.71
Balance unutilised amount temporarily invested in Mutual Fund and Bank Fixed Deposit	-	-	-	602.84	602.84

### Note 19 : Non Current Provisions

₹ in Crore

Particulars	As at	As at
	March 31, 2022	March 31, 2021
<b>Provision for Employee Benefits</b>		
(a) Provision for Gratuity (Refer Note 39)	13.20	9.68
(b) Provision for Compensated absences	2.66	3.40
(c) Provision for Pension (Refer Note 39)	0.22	0.91
(d) Provision for other Benefits	0.33	0.83
	<b>16.41</b>	<b>14.82</b>



# Notes to the Standalone Financial Statements

## Note 20 : Current Financial Liabilities - Borrowings

₹ in Crore

Particulars	As at	As at
	March 31, 2022	March 31, 2021
1 Secured Borrowings		
(a) Loans Repayable on Demand		
(i) From Banks	0.03	0.34
(b) Short Term Loans (Refer Note 1 & 2 below)	15.00	15.00
2 Unsecured Borrowings		
(a) Loans Repayable on Demand		
(i) From Banks (Refer Note 2 below)	49.44	49.55
(b) Short Term Loans		
(i) From Banks (Refer Note 2 below)	1,175.00	1,110.00
(ii) From Other Parties (Refer Note 2 below)	75.00	-
(c) Other Loans		
(i) Commercial Papers (Refer Note 3 below)	1,390.00	1,165.00
3 Current Maturities of Long Term Debts (refer note 4 below)		
Unsecured		
(a) Term Loan from Bank	153.85	100.96
	<b>2,858.32</b>	<b>2,440.85</b>

## Notes:

- Working capital facilities sanctioned by banks under consortium arrangement are secured by hypothecation of stocks and book debts.
- Unsecured Loans from Bank/ Other parties

₹ in Crore

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Loan carries interest rate from 6.95%p.a. to 7.0%p.a. repayable by July 21	-	355.00
Loan carries interest rate from 6.5%p.a. to 6.6%p.a. repayable by Jun 21	-	140.00
Loan carries interest rate from 6.4%p.a. repayable by Jun 21	-	100.00
Loan carries interest rate from 7.1%p.a. repayable by Aug 21	-	100.00
Loan carries interest rate from 7.1%p.a. repayable by Jun 21	-	130.00
Loan carries interest rate from 6.75%p.a to 6.95% p.a. repayable by Sep 21	-	285.00
Loan carries interest at 2.6% to 2.9% repayable within 6 months	-	45.01
Loan carries interest at 7% repayable within 6 months	-	4.54
Loan carries interest rate from 6.8%p.a. repayable by May 21	-	15.00
Loan carries interest rate of 6.9%p.a. repayable by July 22	275.00	-
Loan carries interest rate from 6.1%p.a.to 6.35% repayable by July 22	450.00	-
Loan carries interest rate from 7.1%p.a.to 7.15% repayable by Aug 22	100.00	-
Loan carries interest rate of 6.9% repayable by Jun 22	100.00	-
Loan carries interest rate of 6.6% repayable by Apr 22	50.00	-
Loan carries interest rate from 5.45%p.a.to 5.55% repayable by Jun 22	200.00	-
Loan carries interest at 6.20% repayable within 6 months	4.44	-
Loan carries interest at 5.05% repayable within 6 months	45.00	-
Loan carries interest rate from 6.8%p.a. repayable by May 22	15.00	-
Loan carries interest rate from 6.65%p.a. repayable by June 22	75.00	-

# Notes to the Standalone Financial Statements

## Note 20 : Current Financial Liabilities - Borrowings (Continued)

### 3 Commercial Papers

₹ in Crore

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Commercial Papers carries interest at 3.87% p.a. to 4.23% p.a. repayable during the period April to June 2022.	1,390.00	-
Commercial Papers carries interest at 3.39% p.a. to 3.67% p.a. repayable during the period April to June 2021.	-	1,165.00

### 4 Current Maturities of Long Term Debt

₹ in Crore

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Loan carries interest at 1 year MCLR for an original term upto 72 months and repayable starting March 2022 to March 2025	153.85	100.96

5 The Company does not have any default as on the Balance Sheet date in repayment of loan or interest.

## Note 21 : Current Financial Liabilities - Trade Payables

₹ in Crore

Particulars	As at	As at
	March 31, 2022	March 31, 2021
1 Trade Payables		
(a) Total Outstanding dues of Micro and Small Enterprises (Refer Note 1 below)	62.98	27.30
(b) Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	151.86	186.53
2 Acceptances	530.39	423.37
	<b>745.23</b>	<b>637.20</b>

### Trade Payable ageing Schedule

₹ in Crore

Particulars	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Outstanding for following periods from due date of payment							
<b>As at March 31, 2022</b>							
(i) MSME	-	62.98	-	-	-	-	62.98
(ii) Others	44.95	626.59	3.58	2.43	1.57	3.13	682.25
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
	<b>44.95</b>	<b>689.57</b>	<b>3.58</b>	<b>2.43</b>	<b>1.57</b>	<b>3.13</b>	<b>745.23</b>
<b>As at March 31, 2021</b>							
(i) MSME	-	27.30	-	-	-	-	27.30
(ii) Others	68.38	523.02	12.51	2.45	1.42	2.12	609.90
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
	<b>68.38</b>	<b>550.32</b>	<b>12.51</b>	<b>2.45</b>	<b>1.42</b>	<b>2.12</b>	<b>637.20</b>

### Note

1 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the financial year 2021-22, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.

## Notes to the Standalone Financial Statements

₹ in Crore

S. Particulars No.	As at March 31, 2022	As at March 31, 2021
(i) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per MSME act)		
a. Principal amount due to micro and small enterprise	62.98	27.30
b. Interest due on above *	0.00	0.00
(ii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, alongwith the amount of the payment made to the supplier beyond the appointed day during the period	-	-
(iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

\* Amount less than ₹ 0.01 crore

### Note 22 : Current Financial Liabilities - Others

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
1 Interest Accrued but not Due on Borrowings	129.46	57.59
2 Unclaimed Dividends	0.36	0.44
3 Unclaimed Matured Deposits		
(a) Principal Amount	0.13	0.25
(b) Interest Accrued thereon	-	0.01
	0.13	0.26
4 Others		
(a) Other Creditors	57.57	30.99
(b) Deposits	14.49	11.31
(c) Derivative Contracts Payable	0.68	-
(d) Other Payables	0.03	0.06
	72.77	42.36
	<b>202.72</b>	<b>100.65</b>

#### Note

- 1 There are no amounts due for payments to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end.

# Notes to the Standalone Financial Statements

## Note 23 : Other Current Liabilities

₹ in Crore

Particulars	As at	As at
	March 31, 2022	March 31, 2021
1 Advance received from Customers	12.57	9.59
2 Statutory Liabilities	14.21	4.49
3 Other Liabilities	0.78	0.90
	<b>27.56</b>	<b>14.98</b>

## Note 24 : Current Provisions

₹ in Crore

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Provision for Employee Benefits		
(a) Provision for Gratuity (Refer Note 39)	3.44	3.49
(b) Provision for Compensated absences	2.81	1.17
(c) Provision for Pension (Refer Note 39)	0.12	0.12
(d) Provision for other Benefits	0.08	0.05
	<b>6.45</b>	<b>4.83</b>

## Note 25 : Contingent Liabilities

₹ in Crore

Particulars	As at	As at
	March 31, 2022	March 31, 2021
1 Claims against the Company not acknowledged as debts		
(a) Excise duty / Service Tax demands relating to disputed classification, post manufacturing expenses, assessable values, etc. which the Company has contested and is in appeal at various levels.	1.46	1.46
(b) Sales Tax demands relating to purchase tax on Branch Transfer / disallowance of high seas sales, etc. at various levels.	41.99	40.01
(c) Octroi demand relating to classification issue on import of Palm Stearine and interest thereon.	0.29	0.29
(d) Stamp duties claimed on certain properties which are under appeal by the Company.	1.82	1.82
(e) Income tax demands relating to disallowance against Section 14A in respect of exempt income, Depreciation on Land/ rights in Land of Godrej One etc. against which the Group has preferred appeals.	97.33	97.33
(f) Industrial relations matters under appeal.	0.35	0.38
(g) Others.	4.00	4.00
2 Surety Bonds		
Surety Bonds given by the Company in respect of refund received from excise authority for exempted units of associate company - refer note 1 below.	32.56	40.24

### Notes

- Detail of Guarantee given covered under section 186 (4) of the Companies Act, 2013 :  
The Corporate surety bond of ₹ 32.56 crore ( previous year ₹ 40.24 crore) is in respect of refund received from excise authority for exempted units (North East) of Godrej Consumer Products Limited, an associate company.
- The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

# Notes to the Standalone Financial Statements

## Note 25 : Contingent Liabilities (Continued)

- 3 It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.
- 4 The proposed Social Security Code, 2019, when promulgated, would subsume labour laws including Employees' Provident Funds and Miscellaneous Provisions Act and amend the definition of wages on which the organisation and its employees are to contribute towards Provident Fund. The Company believes that there will be no significant impact on its contributions to Provident Fund due to the proposed amendments. Additionally, there is uncertainty and ambiguity in interpreting and giving effect to the guidelines of Hon. Supreme Court vide its ruling in February 2019, in relation to the scope of compensation on which the organisation and its employees are to contribute towards Provident Fund. The Company will evaluate its position and act, as clarity emerges.

## Note 26 : Commitments

		₹ in Crore	
Particulars		As at	As at
		March 31, 2022	March 31, 2021
1	Estimated amount of contracts remaining to be executed on capital account and not provided for [Net of Advances amounting to ₹ 5.72 crore (previous year ₹ 0.25 crore)]	16.11	3.56
2	Uncalled liability on partly paid shares / debentures (*)	0.00	0.00

\* Amount less than ₹ 0.01 crore

## Note 27 : Revenue From Operations

		₹ in Crore	
Particulars		Year Ended	Year Ended
		March 31, 2022	March 31, 2021
1	Sale of Products (Refer Note 2 and 3 below)	3,180.49	1,754.90
2	Other Operating Revenues		
	(a) Export Incentives	10.65	5.04
	(b) Sale of Scrap	4.31	3.14
	(c) Dividend Income (Refer Note 1 below)	96.59	62.86
	(d) Rental Income	47.56	29.59
		<b>3,339.60</b>	<b>1,855.53</b>

### Notes

- 1 Dividend Income has been disclosed under Revenue from Operations since Finance and Investments is an Operating Business Segment for the Company.
- 2 Disaggregation of revenue from contracts with customers

The Company derives revenue from the sale of products in the following major segments:

		₹ in Crore	
Sale of Products		Year Ended	Year Ended
		March 31, 2022	March 31, 2021
1	Chemicals Segment		
	Domestic Sale	2,141.15	1,197.87
	Export Sale	894.72	451.98
2	Vegoils Segment		
	Domestic Sale	142.94	103.61
3	Other Segment - Wind Energy		
	Domestic Sale	1.68	1.44
		<b>3,180.49</b>	<b>1,754.90</b>

# Notes to the Standalone Financial Statements

## Note 27 : Revenue From Operations (Continued)

3 Reconciliation of revenue from contracts with customer

₹ in Crore

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Revenue from contracts with customer as per the contract price	3,186.09	1,758.41
Adjustments made to contract price on account of :-		
a) Discounts / Rebates / Incentives	(5.81)	(4.78)
b) Sales Returns / Credits / Reversals	(0.01)	(0.22)
c) Any other adjustments	0.22	1.49
Revenue from contracts with customer as per the statement of Profit and Loss	<b>3,180.49</b>	<b>1,754.90</b>

## Note 28 : Other Income

₹ in Crore

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
1 Interest Income	4.08	2.80
2 Gain on Foreign Exchange Translation	-	1.25
3 Profit on Sale of Current Investments	26.84	4.77
4 Write back of Provision for Doubtful Debt	1.15	-
5 Income from Investment measured at FVTPL	10.20	25.44
6 Business Support Service	28.13	27.15
7 Miscellaneous Income	4.21	2.64
	<b>74.61</b>	<b>64.05</b>

## Note 29 : Cost of Materials Consumed

₹ in Crore

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>1 Raw Materials Consumed</b>		
Inventory at the Commencement of the Year	175.29	94.47
Add : Purchases (Net)	2,437.28	1,395.23
	2,612.57	1,489.70
Less : Inventory at the Close of the Year (1)	316.87	175.29
	2,295.70	1,314.41
<b>2 Packing Materials Consumed</b>		
Inventory at the Commencement of the Year	4.24	2.99
Add : Purchases (Net)	62.47	49.52
	66.71	52.51
Less : Inventory at the Close of the Year (2)	4.65	4.24
	62.06	48.27
<b>Total Material Consumed (1+2)</b>	<b>2,357.76</b>	<b>1,362.68</b>

# Notes to the Standalone Financial Statements

## Note 30 : Changes in Inventories of Finished Goods, Stock in Trade and Work in Progress

₹ in Crore

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>1 Inventory at the Commencement of the Year</b>		
Finished Goods	95.58	67.19
Stock in Trade	0.08	0.07
Work in Progress	129.07	80.23
	224.73	147.49
<b>2 Inventory at the End of the Year</b>		
Finished Goods	146.74	95.58
Stock in Trade	0.01	0.08
Work in Progress	152.25	129.07
	299.00	224.73
<b>Changes in Inventories (1-2)</b>	<b>(74.27)</b>	<b>(77.24)</b>

## Note 31 : Employee Benefits Expenses

₹ in Crore

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
1 Salaries and Wages (Net)	148.17	116.21
2 Contribution to Provident and Other Funds (Refer Note 39)	10.15	9.09
3 Employee Share based payments (Refer Note 40) (net)	2.68	2.43
4 Staff Welfare Expense	7.64	8.27
	<b>168.64</b>	<b>136.00</b>

## Note 32 : Finance Costs

₹ in Crore

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>1 Interest Expense</b>		
Gross Interest	346.00	224.72
Less : Capitalised to Capital Work in Progress	(2.69)	(1.05)
Net Interest	343.31	223.67
<b>2 Other Borrowing Costs</b>		
a) Discounting Charges	15.49	9.32
b) Others	5.10	4.52
	<b>363.90</b>	<b>237.51</b>

# Notes to the Standalone Financial Statements

## Note 33 : Depreciation

₹ in Crore

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
1 Depreciation on Property, Plant & Equipment	117.42	52.63
Less : Write down of Property, Plant and Equipment (Refer Note 35)	(66.57)	-
	50.85	52.63
2 Depreciation on Investment Property	8.34	4.63
3 Amortisation of Other Intangible Assets	1.52	1.45
4 Depreciation on Right of Use Assets	14.09	13.47
	<b>74.80</b>	<b>72.18</b>

## Note 34 : Other Expenses

₹ in Crore

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
1 Consumption of Stores and Spares	19.11	13.53
2 Power and Fuel	112.69	89.38
3 Processing Charges	8.10	7.72
4 Rent	0.84	0.87
5 Rates and Taxes	7.81	5.47
6 Repairs and Maintenance		
(a) Machinery	16.84	13.00
(b) Buildings	20.07	8.15
(c) Other Assets	0.62	0.21
7 Insurance	3.67	3.64
8 Freight	111.18	52.60
9 Commission	7.16	4.92
10 Advertisement and Publicity	2.29	1.13
11 Selling and Distribution Expenses	16.67	11.86
12 Provision for Doubtful Debts and Advances	-	0.69
13 Loss on Foreign Exchange Translation	10.38	-
14 Loss on Sale of Fixed Assets	0.35	0.24
15 Research Expense	2.42	1.64
16 Legal and Professional fees	28.13	22.86
17 Auditor's Remuneration (Refer Note 1 below)	0.79	0.89
18 Miscellaneous Expenses	70.57	57.95
	<b>439.69</b>	<b>296.75</b>

Notes :

### 1 Auditor's Remuneration

₹ in Crore

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
(a) Auditors - Limited Review and Statutory Audit Fees	0.73	0.84
(b) For other services - Certification Fees	0.06	0.05
	<b>0.79</b>	<b>0.89</b>



# Notes to the Standalone Financial Statements

## Note 35 : Exceptional Item

₹ in Crore

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
1 Profit on sale of Non Current Investments (Refer Note 1 below)	2.56	1.27
2 Write down of Property Plant and Equipment (Refer note 2 below)	(66.57)	-
	<b>(64.01)</b>	<b>1.27</b>

### Note

- 1 a) An application was made to the Reserve Bank of India (RBI) on April 5, 2021 to seek its approval for change in shareholding and change in Directors of Ensemble Holdings & Finance Limited (a subsidiary of the Company) (renamed as Godrej Finance Limited w.e.f. November 03, 2021) by virtue of proposed transfer of shares from its existing shareholders (i.e. Godrej Industries Limited and its nominees) to Pyxis Holdings Limited (renamed as Godrej Capital Limited w.e.f. October 26, 2021) a subsidiary of the Company. The RBI has approved the said proposal vide its letter dated June 2, 2021. The procedure for the change in the shareholding and directors, as per the guidelines of the RBI, has been completed. Effective August 24<sup>th</sup> 2021, Godrej Finance Limited has become a direct subsidiary of Godrej Capital Limited. Net Gain of ₹ 2.56 crores has been recorded on sale of holding in Godrej Finance Limited to Godrej Capital Limited in standalone financial statements of the Company.
- b) During the previous year, the Company, consequent to the approvals received from the Board of Directors on May 17, 2019 and from the shareholders on June 25, 2019 consummated the sale of Natures Basket Limited (NBL) a wholly owned subsidiary of the Company to Spencer's Retail Limited (SRL) on July 04, 2019 and received a sale consideration of ₹ 174.38 crore. Consequently, considering the provisions of Share Purchase Agreement (SPA) dated May 17, 2019 between the Company, NBL and SRL, exceptional gain of ₹ 1.27 crore was recorded due to recoveries from SRL pursuant to the SPA in the standalone financial statements for the year ended March 31, 2021.
- 2) During the current financial year, the Company has reassessed the future economic benefits from certain plant and machinery and considering expected usage and market conditions it has recorded an exceptional expense of ₹ 66.57 crore to write down the Property, Plant and Equipment to estimated recoverable amount.

## Note 36 : Earnings Per Share

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
1 Calculation of weighted average number of equity shares - Basic		
(a) Number of equity shares at the beginning of the year (in units)	336,525,098	336,466,016
(b) Number of equity shares issued during the year (in units)	59,215	59,082
(c) Number of equity shares outstanding at the end of the year (in units)	336,584,313	336,525,098
(d) Weighted average number of equity shares outstanding during the year (in units)	336,567,373	336,511,573
2 Calculation of weighted average number of equity shares - Diluted		
(a) Number of potential equity shares at the beginning of the year (in units)	336,645,487	336,581,797
(b) Effect of Dilution/ Share based payments	46,895	63,690
(c) Number of potential equity shares at the end of the year (in units)	336,692,382	336,645,487
(d) Weighted average number of potential equity shares outstanding during the year (in units)	336,690,820	336,627,835
3 Profit / (Loss) for the Year after tax (Amount ₹ in Crore)	(44.19)	(107.54)
(a) Basic Earnings Per Share of ₹ 1 each	(1.31)	(3.20)
(b) Diluted Earnings Per Share of ₹ 1 each	(1.31)	(3.19)

# Notes to the Standalone Financial Statements

## Note 37 : Income Tax Expense

### 1 Tax Expense recognised in the Statement of Profit and Loss

₹ in Crore

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Deferred Income Tax Liability / (Asset), net		
Origination and reversal of temporary differences	(3.01)	10.79
Recognition of previously unrecognised tax losses	3.01	(10.85)
Deferred Tax Expense - (credit)	-	<b>(0.06)</b>
Tax Liability of earlier years	-	-
Tax Expense For the Year	-	<b>(0.06)</b>

### 2 Amounts recognised in Other Comprehensive Income

₹ in Crore

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Items that will not be reclassified to Profit or Loss		
Remeasurements of defined benefit liability (asset)	-	-
	-	-

### 3 Reconciliation of effective tax rate

₹ in Crore

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
(Loss) Before Tax	(44.19)	(107.60)
Tax using the Company's statutory tax rate	(11.12)	(27.08)
Tax effect of		
Income not subject to tax	(5.16)	(4.43)
Amounts which are not deductible for taxable income	4.89	1.22
Previously unrecognised tax losses and unabsorbed depreciation now recouped to reduce deferred tax expense	3.01	(10.85)
Deferred tax assets not recognized because realization is not probable	8.38	41.08
	-	(0.06)

The applicable statutory tax rate for the years ended March 31, 2022 is 25.168% (PY 25.168%). The Company has not recognised Deferred tax assets on unused tax losses and unused tax credits (refer note 5 below) as there is no reasonable certainty of availing the same in future years against normal taxes.

In the previous financial year, the Company has opted to adopt the new Concessional tax rate under section 115BAA of the Income Tax Act which was inserted in the Income Tax Act, 1961, by the Government of India on September 20, 2019 vide the Taxation Laws (Amendment) Ordinance 2019 with all the provisions/conditions stated therein.

# Notes to the Standalone Financial Statements

## Note 37 : Income Tax Expense (Continued)

### 4 Movement in deferred tax balances

₹ in Crore

Particulars	Net balance April 1, 2021	Recognised in Statement of Profit and Loss	Net balance March 31, 2022	Deferred tax asset March 31, 2022	Deferred tax liability March 31, 2022
Deferred tax asset					
Property, Plant and Equipment	(177.76)	7.23	(170.53)	-	(170.53)
Indexation benefit on land and shares	1.06	-	1.06	1.06	-
Employee benefits	1.35	(0.49)	0.86	0.86	-
Provision for Doubtful Debts / Advances	6.26	(1.78)	4.48	4.48	-
Unabsorbed Depreciation	157.84	(5.11)	152.73	152.73	-
Other provisions	12.30	0.15	12.45	12.45	-
Others (Related to EHFL Demerger)	(0.58)	-	(0.58)	-	(0.58)
Investments (Acquisition on account of EHFL)	0.03	-	0.03	0.03	-
Tax assets (Liabilities)	0.50	(0.00)	0.50	171.61	(171.11)
Net tax assets	<b>0.50</b>	<b>(0.00)</b>	<b>0.50</b>	<b>171.61</b>	<b>(171.11)</b>

₹ in Crore

Particulars	Net balance April 1, 2020	Recognised in Statement of Profit and Loss	Net balance March 31, 2021	Deferred tax asset March 31, 2021	Deferred tax liability March 31, 2021
Deferred tax asset					
Property, Plant and Equipment	(201.87)	24.11	(177.76)	-	(177.76)
Indexation benefit on land and shares	0.99	0.07	1.06	1.06	-
Employee benefits	1.59	(0.24)	1.35	1.35	-
Provision for Doubtful Debts / Advances	8.46	(2.20)	6.26	6.26	-
Unabsorbed Depreciation	181.24	(23.40)	157.84	157.84	-
Other provisions	10.58	1.72	12.30	12.30	-
Others (Related to EHFL Demerger)	(0.58)	-	(0.58)	-	(0.58)
Investments (Acquisition on account of EHFL)	0.03	-	0.03	0.03	-
Tax assets (Liabilities)	0.44	0.05	0.50	178.84	(178.34)
Net tax assets	<b>0.44</b>	<b>0.05</b>	<b>0.50</b>	<b>178.84</b>	<b>(178.34)</b>

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

Significant Management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Details of unused tax losses is given in note 5 below.

As the Company does not have any intention to dispose off investments in unlisted subsidiaries and associates in the foreseeable future, deferred tax asset on indexation benefit in relation to such investments has not been recognised.

During the year, the Company has not accounted for tax credits in respect of Minimum Alternative Tax (MAT credit) of ₹ NIL crore (previous year ₹ Nil crores). The Company is not reasonably certain of availing the said MAT credit in future years against the normal tax expected to be paid in those years and accordingly has not recognised a deferred tax asset for the same.

# Notes to the Standalone Financial Statements

## Note 37 : Income Tax Expense (Continued)

### 5 Tax losses carried forward

₹ in Crore

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Expiry date		
March 31, 2022	-	4.63
March 31, 2023	153.69	153.69
March 31, 2024	110.09	110.09
March 31, 2025	133.22	133.22
March 31, 2026	119.43	119.43
March 31, 2027	100.02	100.02
March 31, 2028	103.87	102.94
March 31, 2029	69.07	71.21
	789.39	795.23
Unabsorbed Depreciation never expires	930.72	930.75

## Note 38 : Leases

### 1. Cost, Accumulated Depreciation and Carrying Amount

₹ in Crore

Particulars	Land and Buildings	Total
	<b>Cost</b>	
As at April 1, 2020	61.42	61.42
Additions	51.55	51.55
Balance at March 31, 2021	<b>112.97</b>	<b>112.97</b>
Additions	3.80	3.80
Disposals	(75.39)	(75.39)
Balance at March 31, 2022	<b>41.38</b>	<b>41.38</b>
<b>Accumulated depreciation and impairment</b>		
As at April 1, 2020	52.14	52.14
Depreciation	13.47	13.47
Balance at March 31, 2021	<b>65.61</b>	<b>65.61</b>
Depreciation	14.09	14.09
Disposals	(75.39)	(75.39)
Balance at March 31, 2022	<b>4.31</b>	<b>4.31</b>
<b>Carrying amounts</b>		
As at April 1, 2021	47.36	47.36
Balance at March 31, 2022	37.07	37.07

### 2. Breakdown of lease expenses

₹ in Crore

Particulars	Year Ended	Year Ended
	March 31, 2022	March 31, 2021
Short-term lease expense	0.84	0.86
Low value lease expense*	-	0.01
<b>Total lease expense</b>	<b>0.84</b>	<b>0.87</b>

\* Amount less than 0.01 crore

# Notes to the Standalone Financial Statements

## Note 38 : Leases (Continued)

### 3. Cash outflow on leases

₹ in Crore

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Repayment of lease liabilities	14.24	13.91
Interest on lease liabilities	3.87	3.98
Short-term lease expense	0.67	0.70
Low value lease expense	-	0.01
<b>Total cash outflow on leases</b>	<b>18.78</b>	<b>18.59</b>

### 4. Maturity analysis (Undiscounted amounts)

₹ in Crore

Particulars	Total	Less than 1 year	Between 1 and 2 years	2 and 5 years	Over 5 years	Weighted average effective interest rate %
<b>As at March 31, 2022</b>						
Lease liabilities						
Principal Repayment	40.47	11.73	12.82	15.92	-	7.98%
Interest Repayment	5.52	2.80	1.82	0.90	-	7.98%
	<b>45.99</b>	<b>14.53</b>	<b>14.64</b>	<b>16.82</b>	-	
<b>As at March 31, 2021</b>						
Lease liabilities						
Principal Repayment	50.91	13.59	11.03	26.29	-	8.90%
Interest Repayment	8.63	3.61	2.59	2.43	-	8.90%
	<b>59.54</b>	<b>17.20</b>	<b>13.62</b>	<b>28.72</b>		

### 5. Maturity analysis (Discounted amounts)

₹ in Crore

Particulars	Total	Less than 1 year	Between 1 and 2 years	2 and 5 years	Over 5 years	Weighted average effective interest rate %
<b>As at March 31, 2022</b>						
Lease liabilities						
Principal Repayment	40.47	11.73	12.82	15.92	-	7.98%
<b>As at March 31, 2021</b>						
Lease liabilities						
Principal Repayment	50.91	13.59	11.03	26.29	-	8.90%

### 6. As a Lessor

Undiscounted lease payments to be received for operating leases

₹ in Crore

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Year 1	35.05	37.46
More than 1 year and less than 5 years	56.34	95.06
<b>Total</b>	<b>91.39</b>	<b>132.52</b>

# Notes to the Standalone Financial Statements

## Note 39 : Employee Benefits

### 1 DEFINED CONTRIBUTION PLAN

#### Provident Fund :

The contributions to the Provident Fund and Family Pension Fund of certain employees are made to a Government administered Provident Fund and there are no further obligations beyond making such contribution.

### 2 DEFINED BENEFIT PLAN

#### Gratuity :

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

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

#### Provident Fund :

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

The Company has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. These administered rates are determined annually predominantly considering the social rather than economic factors and the actual return earned by the Company has been higher in the past years. The actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the below provided assumptions there is no shortfall as at March 31, 2022.

₹ in Crore

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Plan assets at period end, at fair value	106.45	107.26
Provident Fund Corpus	101.38	102.79

Valuation assumptions under Deterministic Approach:

Weighted Average Yield 8.48%

Guaranteed Rate of Interest 8.50%

#### Pension :

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

### 3 Basis Used to Determine Expected Rate of Return on Assets :

The expected return on plan assets of 6.70% p.a. has been considered based on the current investment pattern in Government securities.

### 4 Amounts Recognised as Expense :

#### i) Defined Contribution Plan

Employer's Contribution to Provident Fund amounting to ₹ 4.41 crore (previous year ₹ 3.56 crore) has been included in Note 31 Employee Benefits Expenses

#### ii) Defined Benefit Plan

Gratuity cost amounting to ₹ 2.48 crore (previous year ₹ 2.29 crore) has been included in Note 31 Employee Benefits Expenses.

# Notes to the Standalone Financial Statements

## Note 39 : Employee Benefits (Continued)

Employer's Contribution to Provident Fund amounting to ₹ 1.46 crore (previous year ₹ 1.14 crore) has been included in Note 31 Employee Benefits Expenses.

Pension cost amounting to ₹ 0.24 crore (previous year ₹ 0.09 crore) has been included in Note 31 Employee Benefits Expenses.

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

₹ in Crore

Particulars	Gratuity		Pension	
	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>1 Change in Present Value of Obligation</b>				
Present value of the obligation at the beginning of the year	34.94	35.49	0.91	0.54
Current Service Cost	1.57	1.48	-	-
Interest Cost	2.42	2.43	-	-
Contribution by Plan Participants		-	-	-
Actuarial (Gain) / Loss on Obligation due to change in financial assumptions	0.24	(0.13)	(0.18)	0.64
Actuarial (Gain) / Loss on Obligation due to experience adjustments	0.22	(0.04)	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	0.61	-	-	-
Benefits Paid	(4.67)	(4.30)	(0.66)	(0.27)
<b>Present value of the obligation at the end of the year</b>	<b>35.33</b>	<b>34.94</b>	<b>0.07</b>	<b>0.91</b>
<b>2 Change in Plan Assets</b>				
Fair value of Plan Assets at the beginning of the year	21.76	23.84	-	-
Expected return on Plan Assets	1.51	1.62	-	-
Actuarial (Gain) / Loss on Plan Assets	0.56	(0.59)	-	-
Contributions by the Employer	0.64	-	-	-
Benefits Paid	(4.67)	(4.30)	-	-
<b>Fair value of Plan Assets at the end of the year</b>	<b>18.68</b>	<b>21.76</b>	-	-
<b>3 Amounts Recognised in the Balance Sheet :</b>				
Present value of Obligation at the end of the year	35.33	34.94	-	-
Fair value of Plan Assets at the end of the year	18.68	21.76	-	-
<b>Net Obligation at the end of the year</b>	<b>16.65</b>	<b>13.18</b>	-	-
<b>4 Amounts Recognised in the statement of Profit and Loss :</b>				
Current Service Cost	1.57	1.48	-	-
Interest cost on Obligation	2.42	2.43	-	-
Expected return on Plan Assets	(1.51)	(1.62)	-	-
<b>Net Cost Included in Personnel Expenses</b>	<b>2.48</b>	<b>2.29</b>	-	-
<b>5 Amounts Recognised in Other Comprehensive Income (OCI):</b>				
Actuarial Loss on Obligation For the Year	1.07	(0.17)	-	-
Return on Plan Assets, Excluding Interest Income	0.56	(0.59)	-	-
<b>Net Expense For the Period Recognised in OCI</b>	<b>1.63</b>	<b>(0.76)</b>	-	-

# Notes to the Standalone Financial Statements

## Note 39 : Employee Benefits (Continued)

₹ in Crore

Particulars	Gratuity		Pension	
	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>6 Actual Return on Plan Assets</b>	0.95	1.02	-	-
<b>7 Estimated Contribution to be made in Next Financial Year</b>	3.44	3.49	-	-
<b>8 Actuarial Assumptions</b>				
i) Discount Rate	6.70% P.A.	6.93% P.A.	6.08% P.A.	6.93% P.A.
ii) Expected Rate of Return on Plan Assets	6.70% P.A.	6.93% P.A.	-	-
iii) Salary Escalation Rate	6.00% P.A.	6.00% P.A.	-	-
iv) Mortality	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2012-14) Urban	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.

### 6 Sensitivity analysis

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

₹ in Crore

Particulars	Year Ended March 31, 2022		Year Ended March 31, 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(1.00)	1.09	(1.75)	1.99
Future salary growth (1% movement)	1.09	(1.03)	1.99	(1.78)
Rate of employee turnover (1% movement)	2.05	(2.30)	0.10	(0.11)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting year.

### 7 Expected future benefit payments of Gratuity

₹ in Crore

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
1 <sup>st</sup> following year	11.16	8.90
2 <sup>nd</sup> following year	5.36	1.88
3 <sup>rd</sup> following year	3.77	4.19
4 <sup>th</sup> following year	3.99	2.03
5 <sup>th</sup> following year	3.35	2.88
Sum of Years 6 to 10	11.76	15.12
Thereafter	5.56	22.34

### 8 Details of Plan Assets

₹ in Crore

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
ICICI Prudential Life Insurance	0.66	0.69
HDFC Standard Life Insurance	6.13	5.97
SBI Life Insurance	11.89	15.10
<b>Total</b>	<b>18.68</b>	<b>21.76</b>



# Notes to the Standalone Financial Statements

## Note 40 : Employee Stock Benefit Plans

### 1 Employee Stock Grant Scheme

- (a) The Company had set up the Employees Stock Grant Scheme 2011 (ESGS) pursuant to the approval by the Shareholders at their Meeting held on January 17, 2011.
- (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 who are in whole time employment of the Company or its Subsidiary Companies. The entitlement of each employee would be decided by the Compensation Committee of the respective Company based on the employee's performance, level, grade, etc.
- (d) The total number of Stock Grants to be awarded under the ESGS Scheme are restricted to 25,00,000 (Twenty Five Lac) fully paid up equity shares of the Company. Not more than 5,00,000 (Five Lac) fully paid up equity shares or 1% of the issued equity share capital at the time of awarding the Stock Grant, whichever is lower, can be awarded to any one employee in any one year.
- (e) The Stock Grants shall vest in the Eligible Employees pursuant to the ESGS Scheme in the proportion of 1/3<sup>rd</sup> at the end of each year from the date on which the Stock Grants are awarded for a period of three consecutive years, or as may be determined by Compensation Committee, subject to the condition that the Eligible Employee continues to be in employment of the Company or the Subsidiary company as the case may be.
- (f) The Eligible Employee shall exercise her / his right to acquire the shares vested in her / him all at one time within 1 month from the date on which the shares vested in her / him or such other period as may be determined by the Compensation Committee.
- (g) The Exercise Price of the shares has been fixed at ₹ 1 per share. The fair value of the employee share options has been measured using the Black-Scholes Option Pricing Model and charged to the Statement of Profit and Loss. The value of the options is treated as a part of employee compensation in the financial statements and is amortised over the vesting period.

Following table lists the average inputs to the model used for the plan for the year ended March 31, 2022:

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021	Description of the Inputs used
Dividend yield %	0.00%	0.32%	Dividend yield of the options is based on recent dividend activity.
Expected volatility %	12%-14%	28%-31%	Expected volatility of the option is based on historical volatility, during a period equivalent to the option life, of the observed market prices of the Company's publicly traded equity shares.
Risk free Interest rate %	4.4% to 5.3%	3.60% to 4.50%	Risk-free interest rates are based on the government securities yield in effect at the time of the grant.
Expected life of share options	1 to 3 years	1 to 3 years	
Weighted Average Market price on date of granting the options (₹)	560.70	393.25	

- (h) The Status of the above plan is as under:

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021	Weighted average Exercise Price (₹)	Weighted average Share Price (₹)
Options Outstanding at the Beginning of the Year	120,389	115,781		
Options Granted	56,466	64,440		
Options Vested	59,215	59,082		
Options Exercised	59,215	59,082	1.00	486.21
Options Lapsed / Forfeited	9,571	750		
<b>Total Options Outstanding at the end of the year</b>	<b>108,069</b>	<b>120,389</b>		

- (i) The weighted average exercise price of the options outstanding as on March 31, 2022 is ₹ 1 (previous year ₹ 1 per share) and the weighted average remaining contractual life of the options outstanding as on March 31, 2022 is 0.84 years (previous year 0.88 years)

# Notes to the Standalone Financial Statements

## Note 41 : Related Party Information

### a) Names of related parties and description of relationship

#### Parties where control exists

#### 1 Godrej Agrovet Limited - Subsidiary Company

- |       |   |
|-------|---|
| 1.1   | Godvet Agrochem Limited   |
| 1.2   | Astec LifeSciences Limited (including its following subsidiaries) |
| 1.2.1 | Behram Chemicals Private Limited                                  |
| 1.2.2 | Astec Europe Sprl (upto September 1, 2020)                        |
| 1.2.3 | Comercializadora Agricola Agrostrachem Cia Ltda                   |
| 1.3   | Creamline Dairy Products Limited                                  |
| 1.4   | Godrej Tyson Foods Limited  |
| 1.5   | Godrej Maxximilk Private Limited                                  |

#### Joint Venture

- |     |  |
|-----|--|
| 1.6 | ACI Godrej Agrovet Private Limited, Bangladesh |
| 1.7 | Omnivore India Capital Trust                   |

#### Associates

- |     |  |
|-----|--|
| 1.8 | Al Rahba International Trading Limited Liability Company, United Arab Emirates (UAE) |
|-----|--|

#### 2 Godrej Properties Limited - Subsidiary Company

- |      |  |
|------|--|
| 2.1  | Oasis Landmarks LLP ( w. e. f March 1, 2022)                       |
| 2.2  | Godrej Garden City Properties Private Limited                      |
| 2.3  | Prakritiplaza Facilities Management Private Limited                |
| 2.4  | Godrej Prakriti Facilities Private Limited                         |
| 2.5  | Godrej Genesis Facilities Management Private Limited               |
| 2.6  | Godrej Hill Side Properties Private Limited                        |
| 2.7  | Godrej Highrises Properties Private Limited                        |
| 2.8  | City Star Infraprojects Limited                                    |
| 2.9  | Godrej Residency Private Limited                                   |
| 2.10 | Godrej Home Developers Private Limited                             |
| 2.11 | Godrej Projects Development Limited                                |
| 2.12 | Godrej Project Developers & Properties LLP                         |
| 2.13 | Godrej Projects (Soma) LLP   |
| 2.14 | Godrej City Facilities Management LLP                              |
| 2.15 | Godrej Construction Projects LLP (upto March 30, 2021)             |
| 2.16 | Godrej Highrises Realty LLP  |
| 2.17 | Godrej Green Properties LLP  |
| 2.18 | Godrej Skyview LLP   |
| 2.19 | Godrej Projects North LLP ( upto December 2, 2021)                 |
| 2.20 | Godrej Athenmark LLP   |
| 2.21 | Ashank Realty Management LLP                                       |
| 2.22 | Godrej Olympia LLP   |
| 2.23 | Ashank Facility Management LLP                                     |
| 2.24 | Godrej Green Woods Private Limited (w.e.f. May 26, 2020)           |
| 2.25 | Godrej Precast Construction Private Limited (w.e.f. July 19, 2020) |

# Notes to the Standalone Financial Statements

## Note 41 : Related Party Information (Continued)

### a) Names of related parties and description of relationship

2.26	Godrej Landmark Redevelopers Private Limited (merged with Godrej Project Development Limited w.e.f April 01, 2020)
2.27	Godrej Properties Worldwide Inc., USA
2.28	Ceeear Lifespaces Private Limited (merged with Godrej Properties Limited w.e.f. April 1, 2020)
2.29	Godrej Realty Private Limited (upto March 30, 2021)
2.30	Godrej Florentine LLP
2.31	Godrej Living Private Limited (w.e.f. February 1, 2022)
2.32	Yerwada Developers Private Limited (w.e.f. December 9, 2021 upto January 30, 2022)

### Joint Ventures

2.33	Godrej Redevelopers (Mumbai) Private Limited
2.34	Godrej Greenview Housing Private Limited
2.35	Wonder City Buildcon Private Limited
2.36	Godrej Home Constructions Private Limited
2.37	Wonder Projects Development Private Limited
2.38	Godrej Real View Developers Private Limited
2.39	Pearlite Real Properties Private Limited
2.40	Godrej Skyline Developers Private Limited
2.41	Godrej Green Homes Private Limited (Formerly Known as Godrej Green Homes Limited)
2.42	Munjal Hospitality Private Limited
2.43	Yujya Developers Private Limited
2.44	Vivrut Developers Private Limited
2.45	Madhuvan Enterprises Private Limited
2.46	Mosiac Landmarks LLP
2.47	Dream World Landmarks LLP
2.48	Oxford Realty LLP
2.49	Godrej SSPDL Green Acres LLP
2.50	Caroa Properties LLP
2.51	M S Ramaiah Ventures LLP
2.52	Oasis Landmarks LLP ( upto February 28, 2022)
2.53	Godrej Amitis Developers LLP ( formerly known as Amitis Developers LLP)
2.54	Godrej Property Developers LLP
2.55	A R Landcraft LLP
2.56	Bavdhan Realty@ Pune 21 LLP ( upto November 24, 2021)
2.57	Prakhhyat Dwellings LLP
2.58	Godrej Highview LLP
2.59	Godrej Projects North Star LLP
2.60	Godrej Developers & Properties LLP
2.61	Godrej Reserve LLP (foremerly known as Sai Srushti Onehub Projects LLP)
2.62	Godrej Irismark LLP
2.63	Roseberry Estate LLP
2.64	Suncity Infrastructures (Mumbai) LLP

# Notes to the Standalone Financial Statements

## Note 41 : Related Party Information (Continued)

### a) Names of related parties and description of relationship

2.65	Maan-Hinje Township Developers LLP (Formerly Known as Godrej Projects (Pune) LLP)
2.66	Godrej Vestamark LLP
2.67	Manyata Industrial Parks LLP
2.68	Godrej Odyssey LLP
2.69	Universal Metro Properties LLP.
2.70	Embellish Houses LLP (w.e.f. May 11, 2020)
2.71	Manjari Housing Projects LLP (Formerly Known as Godrej Avamark LLP)
2.72	Mahalunge Township Developers LLP (Formerly Known as Godrej Land Developers LLP)
2.73	Yerwada Developers Private Limited (w.e.f. January 31, 2022)
2.74	Godrej Projects North LLP (w.e.f. December 3, 2021)
2.75	Godrej Housing Projects LLP
2.76	Vagishwari Land Developers Private Limited (w.e.f. June 10, 2021)
2.77	Godrej Macbricks Private Limited

### 3 Godrej Capital Ltd - Subsidiary Company.(previously known as Pyxis Holdings Limited) (w.e.f March 25, 2021)

3.1	Godrej Finance Limited (Earlier known as Ensemble Holdings & Finance Limited became a subsidiary of Godrej Capital Limited w.e.f August 23, 2021)
3.2	Godrej Housing Finance Limited (w.e.f August 24, 2021)
4	Godrej International Limited - Subsidiary Company.
5	Godrej International Trading & Investments Pte Limited - Subsidiary Company
6	Godrej Finance Limited (Earlier known as Ensemble Holdings & Finance Limited ceased to be a direct subsidiary w.e.f August 23, 2021)
7	Godrej One Premises Management Private Limited - Subsidiary Company
8	Godrej Industries Limited Employee Stock Option Trust - Subsidiary Entity

### Associates

### 9 Godrej Consumer Products Limited and its direct subsidiaries and Associates

9.1	Bhabhani Blunt Hairdressing Private Limited (Associate) (upto March 16, 2022)
9.2	PT Megasari Makmur
9.3	Strength of Nature, LLC
9.4	Subinite Pty Ltd
9.5	Laboratoria Cuenca S.A.
9.6	Godrej Consumer Products International FZCO
9.7	Godrej Nigeria Limited
9.8	Canon Chemicals Limited
9.9	Godrej Global Middle East FZE
9.10	Godrej Household Products Lanka (Private) Limited

### 10 Companies under common ownership

10.1	Godrej & Boyce Manufacturing Company Limited
------	--

### 11 Key Management Personnel

11.1	Mr. A. B. Godrej - Chairman Emeritus (retired w.e.f September 30, 2021)
11.2	Mr. N. B. Godrej - Chairman & Managing Director (effective October 1, 2021)
11.3	Ms. T. A. Dubash - Executive Director & Chief Brand Officer
11.4	Mr. N. S. Nabar - Executive Director & President (Chemicals)
11.5	Mr. C. G. Pinto - Chief Financial Officer
11.6	Ms. Tejal Jariwala - Company Secretary

# Notes to the Standalone Financial Statements

## Note 41 : Related Party Information (Continued)

### a) Names of related parties and description of relationship

#### 12 Non-Executive Directors

12.1	Mr. J.N. Godrej
12.2	Mr. V.M. Crishna (upto November 8, 2021)
12.3	Mr. K.M. Elavia (upto February 11, 2021)
12.4	Mr. K.N. Petigara (upto April 1, 2021)
12.5	Mr. A.D. Cooper (upto October 27, 2020)
12.6	Mr. Mathew Eipe (effective from May 13, 2019 )
12.7	Dr. Ganapati D. Yadav (effective from May 13, 2019 )
12.8	Ms. Rashmi Joshi (upto March 27, 2020 )
12.9	Mr. K.K. Dastur (upto August 08, 2019 )
12.10	Mr. S.A. Ahmadullah (upto August 08, 2019 )
12.11	Mr. A.B. Choudhury (upto August 08, 2019 )
12.12	Ms. Monaz Noble (effective May 1, 2020)
12.13	Ms. Shweta Bhatia (effective October 28, 2020)
12.14	Mr. Sandeep Murthy (effective March 1, 2021)
12.15	Mr. Ajay Kumar Vaghani(effective June 23, 2021)

#### 13 Relatives of Key Management Personnel

13.1	Ms. N. A. Godrej - Daughter of Mr. A. B. Godrej
13.2	Ms. R. N. Godrej - Wife of Mr. N. B. Godrej
13.3	Mr. B. N. Godrej - Son of Mr. N. B. Godrej
13.4	Mr. S. N. Godrej - Son of Mr. N. B. Godrej
13.5	Mr. H. N. Godrej - Son of Mr. N. B. Godrej
13.6	Mr. A. D. Dubash - Husband of Ms. Tanya Dubash
13.7	Master A. A. Dubash - Son of Ms. Tanya Dubash
13.8	Master A. A. Dubash - Son of Ms. Tanya Dubash
13.9	Ms. N. N. Nabar - Wife of Mr. N. S. Nabar

#### 14 Enterprises over which key management personnel exercise significant influence

14.1	Anamudi Real Estates LLP
14.2	Godrej Seeds & Genetics Limited
14.3	Godrej Capital Limited (earlier known as Pyxis Holdings Limited) (became subsidiary w.e.f. March 25, 2021)
14.4	Meghmani Organics Limited

#### 15 Enterprises over which relative of key management personnel exercise significant influence

15.1	Shata Trading & Finance Private Limited
15.2	Shilawati Trading & Finance Private Limited
15.3	NG Family Trust
15.4	PG Family Trust
15.5	BNG Family Trust
15.6	SNG Family Trust
15.7	HNG Family Trust
15.8	Godrej Fund Management and Investment Advisers Private Limited (earlier known as Godrej Investment Advisers Private Limited)
15.9	Karukachal Developers Private Limited
15.10	Eranthus Developers Private Limited
15.11	Praviz Developers Private Limited
15.12	Godrej Holdings Private Limited
15.13	Ceres Developers Private Limited
15.14	Transpolar Logistics (India) Private Limited

#### 16 Post Employment Benefit Trust where reporting entity exercises significant influence

16.1	Godrej Industries Employees Provident Fund
16.2	Godrej Industries Ltd Group Gratuity Trust

# Notes to the Standalone Financial Statements

## Note 41 : Related Party Information (Continued)

### b) Transactions with Related Parties

₹ in Crore

Nature of Transaction	Subsidiary Companies	Associate/ Joint Venture Companies	Companies under common ownership	Key Management Personnel	Relative of Key Management Personnel	Enterprises over which Key Mangement Personnel exercise significant influence	Enterprises over which Relative of Key Mangement Personnel exercise significant influence	Total
Sale of Goods *	6.54	90.19	0.22	-	0.25	74.83	-	172.03
<i>Previous Year *</i>	<i>5.17</i>	<i>68.90</i>	<i>0.21</i>	-	-	-	<i>0.00</i>	<i>74.28</i>
Purchase of goods	-	27.33	-	-	-	65.31	-	92.64
<i>Previous Year</i>	<i>0.45</i>	<i>10.24</i>	-	-	-	-	-	<i>10.69</i>
Purchase of Property, Plants & Equipments & Purchase of Investment Property	-	0.00	0.04	-	-	-	-	0.04
<i>Previous Year</i>	-	-	<i>0.37</i>	-	-	<i>275.00</i>	-	<i>275.37</i>
Commission / Royalty received	-	0.27	-	-	-	-	-	0.27
<i>Previous Year</i>	-	<i>0.29</i>	-	-	-	-	-	<i>0.29</i>
Licence fees / Service charges / Storage Income	14.67	18.58	0.02	-	-	-	0.04	33.31
<i>Previous Year</i>	<i>5.74</i>	<i>18.13</i>	-	-	-	<i>0.92</i>	<i>0.03</i>	<i>24.82</i>
Other Income	0.73	0.19	-	-	0.01	-	-	0.93
<i>Previous Year</i>	<i>0.17</i>	<i>0.03</i>	<i>0.08</i>	-	-	<i>0.03</i>	-	<i>0.31</i>
Recovery of establishment & Other Expenses	21.13	27.43	1.71	-	-	7.70	0.09	58.06
<i>Previous Year</i>	<i>15.47</i>	<i>17.95</i>	<i>5.31</i>	-	-	<i>0.71</i>	<i>0.02</i>	<i>39.46</i>
Rent, Establishment & other exps paid *	8.96	13.29	5.22	-	0.91	-	2.20	30.58
<i>Previous Year</i>	<i>8.76</i>	<i>12.25</i>	<i>4.90</i>	<i>0.00</i>	<i>1.03</i>	<i>0.04</i>	<i>1.93</i>	<i>28.92</i>
Dividend income	96.01	-	-	-	-	-	-	96.01
<i>Previous Year</i>	<i>62.62</i>	-	-	-	-	-	-	<i>62.62</i>
Remuneration to Key Management Personal								
Short term employee benefit	-	-	-	27.76	-	-	-	27.76
Post employment benefit	-	-	-	0.80	-	-	-	0.80
Share based payment	-	-	-	0.85	-	-	-	0.85
<i>Previous Year</i>								
Short term employee benefit	-	-	-	19.61	-	-	-	19.61
Post employment benefit	-	-	-	0.73	-	-	-	0.73

# Notes to the Standalone Financial Statements

## Note 41 : Related Party Information (Continued)

### b) Transactions with Related Parties

								₹ in Crore
Nature of Transaction	Subsidiary Companies	Associate/ Joint Venture Companies	Companies under common ownership	Key Management Personnel	Relative of Key Management Personnel	Enterprises over which Key Management Personnel exercise significant influence	Enterprises over which Relative of Key Management Personnel exercise significant influence	Total
Share based payment	-	-	-	0.74	-	-	-	0.74
Other Deposits accepted	1.60	0.22	-	-	-	-	-	1.82
<i>Previous Year</i>	<i>0.25</i>	-	-	-	-	-	-	<i>0.25</i>
Sale of Investments	5.73	-	-	-	-	-	-	5.73
<i>Previous Year</i>	-	-	-	-	-	-	-	-
Purchase of Investments	809.16	-	-	-	-	-	-	809.16
<i>Previous Year</i>	-	-	-	-	-	-	-	-
Commission paid to Director	-	-	-	0.58	-	-	-	0.58
<i>Previous Year</i>	-	-	-	-	-	-	-	-
Directors Fees	-	-	-	0.71	-	-	-	0.71
<i>Previous Year</i>	-	-	-	0.32	-	-	-	0.32
Balance Outstanding as on March 31, 2022								
Receivables	3.77	19.00	0.24	-	-	7.96	-	30.97
<i>Previous Year</i>	<i>3.50</i>	<i>10.21</i>	<i>4.20</i>	-	-	<i>0.27</i>	-	<i>18.18</i>
Payables	0.04	1.81	0.41	0.01	-	-	0.04	2.31
<i>Previous Year</i>	<i>0.02</i>	<i>0.06</i>	-	-	-	-	<i>0.11</i>	<i>0.19</i>
Guarantees outstanding	-	32.56	-	-	-	-	-	32.56
<i>Previous Year</i>	-	<i>40.24</i>	-	-	-	-	-	<i>40.24</i>

\* Amount less than ₹ 0.01 crores

# Notes to the Standalone Financial Statements

## Note 41 : Related Party Information (Continued)

### c) Significant Related Party Disclosure

₹ in Crore

Nature of Transaction	Company Name	March 2022	March 2021
Sale of Goods	Godrej Consumer Products Limited	69.25	68.90
Sale of Goods	Godrej Seeds & Genetics Limited	74.83	-
Purchase of Goods	Godrej Consumer Products Limited	27.33	10.24
Purchase of Goods	Godrej Seeds & Genetics Limited	65.31	-
Purchase of Property Plant and Equipment	Anamudi Real Estate LLP	-	275.00
Commission / Royalty received	Godrej Consumer Products Limited	0.27	0.29
Licence fees / Service charges / Storage Income	Godrej Consumer Products Limited	18.58	18.13
Recovery of establishment & other Expenses	Godrej Consumer Products Limited	27.43	17.95
Recovery of establishment & other Expenses	Godrej Agrovet Limited	7.73	5.36
Recovery of establishment & other Expenses	Godrej Properties Limited	10.44	7.37
Rent, Establishment & other Expenses paid	Godrej Consumer Products Limited	13.31	12.25
Rent, Establishment & other Expenses paid	Godrej Properties Limited	0.09	0.51
Rent, Establishment & other Expenses paid	Godrej & Boyce Manufacturing Company Limited	5.46	4.90
Dividend income	Godrej Agrovet Limited	96.01	62.62
Sale of Investments	Godrej Capital Limited	5.73	-
Purchase of Investments	Godrej Capital Limited	809.16	-
Other Deposits accepted	Godrej Properties Limited	-	0.12
Other Deposits accepted	Godrej Agrovet Limited	0.11	0.13

## Note 42 : Fair Value Measurement

Refer Note 2 sub note 9 & 10 for accounting policy on Financial Instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

### 1 Accounting classification and fair values

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are as follows.

₹ in Crore

As at March 31, 2022	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
<b>Non-Current</b>								
Investments								
Other Investments*	20.14	-	-	20.14	16.00	-	3.83	19.83
Loans	-	-	-	-	-	-	-	-
Loans to Employees	-	-	0.87	0.87	-	-	-	-
Other financial assets	-	-	6.40	6.40	-	-	-	-
<b>Current</b>								
Current investments	760.69	-	-	760.69	760.69	-	-	760.69



# Notes to the Standalone Financial Statements

## Note 42 : Fair Value Measurement (Continued)

As at March 31, 2022	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Trade receivables	-	-	400.28	400.28	-	-	-	-
Cash and cash equivalents	-	-	93.05	93.05	-	-	-	-
Other bank balances	-	-	60.85	60.85	-	-	-	-
Loans								
Others	-	-	0.22	0.22	-	-	-	-
Derivative asset	-	-	-	-	-	-	-	-
Other Current Financial Assets	-	-	22.84	22.84	-	-	-	-
	<b>780.83</b>	<b>-</b>	<b>584.51</b>	<b>1,365.34</b>	<b>776.69</b>	<b>-</b>	<b>3.83</b>	<b>780.52</b>
<b>Financial liabilities</b>								
<b>Non-Current</b>								
Borrowings - Non Convertible Debentures	-	-	2,994.09	2,994.09	-	3,034.88	-	3,034.88
Borrowings - Term Loans from Banks	-	-	307.69	307.69	-	-	-	-
Lease Liabilities	-	-	28.74	28.74	-	-	-	-
<b>Current</b>								
Borrowings	-	-	2,858.32	2,858.32	-	-	-	-
Lease Liabilities	-	-	11.73	11.73	-	-	-	-
Trade and other payables	-	-	745.23	745.23	-	-	-	-
Derivative liabilities	0.68	-	-	0.68	-	0.68	-	0.68
Other financial liabilities	-	-	202.04	202.04	-	-	-	-
	<b>0.68</b>	<b>-</b>	<b>7,147.84</b>	<b>7,148.52</b>	<b>-</b>	<b>3,035.56</b>	<b>-</b>	<b>-</b>

₹ in Crore

As at March 31, 2021	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
<b>Non-Current</b>								
Investments								
Other Investments*	21.85	-	-	21.85	17.00	-	4.85	21.85
Loans								
Loans to Employees	-	-	0.78	0.78	-	-	-	-
Other financial assets	-	-	8.90	8.90	-	-	-	-
<b>Current</b>								
Current investments	1,315.21	-	0.52	1,315.73	1,315.21	-	-	1,315.21
Trade receivables	-	-	249.72	249.72	-	-	-	-
Cash and cash equivalents	-	-	67.16	67.16	-	-	-	-
Other bank balances	-	-	50.93	50.93	-	-	-	-
Loans								
Others	-	-	0.24	0.24	-	-	-	-
Derivative asset	0.10	-	-	0.10	-	0.10	-	0.10
Other Current Financial Assets	-	-	17.36	17.36	-	-	-	-
	<b>1,337.16</b>	<b>-</b>	<b>395.61</b>	<b>1,732.77</b>	<b>1,332.21</b>	<b>0.10</b>	<b>4.85</b>	<b>1,337.16</b>

# Notes to the Standalone Financial Statements

## Note 42 : Fair Value Measurement (Continued)

₹ in Crore

As at March 31, 2021	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial liabilities</b>								
<b>Non-Current</b>								
Borrowings - Non Convertible Debentures	-	-	1,494.04	1,494.04	-	1,510.65	-	1,510.65
Borrowings - Term Loans from Banks	-	-	461.54	461.54	-	-	-	-
Lease Liabilities	-	-	37.32	37.32	-	-	-	-
<b>Current</b>								
Borrowings	-	-	2,440.85	2,440.85	-	-	-	-
Lease Liabilities	-	-	13.59	13.59	-	-	-	-
Trade and other payables	-	-	637.20	637.20	-	-	-	-
Other financial liabilities	-	-	100.65	100.65	-	-	-	-
	-	-	<b>5,785.47</b>	<b>5,785.47</b>	-	<b>1,510.65</b>	-	<b>1,510.65</b>

\* The fair value in respect of the unquoted equity investments cannot be reliably estimated. The Company has currently measured them at net book value as per the latest audited financial statements available.

The Fair value of cash and cash equivalents, other bank balances, trade receivables, trade payables approximated their carrying value largely due to short term maturities of these instruments.

Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

### 2 Measurement of fair values

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

- The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.
- The Company uses the Discounted Cash Flow valuation technique (in relation to financial assets measured at amortised cost and fair value through profit or loss) which involves determination of present value of expected receipt/ payment discounted using appropriate discounting rates. The fair value so determined for financial asset measured at fair value through profit and loss are classified as Level 2.
- The Company uses the discounted cash flow valuation technique (in relation to financial liabilities measured at amortised cost) which involves determination of the present value of expected payments, discounted using bank rate. The fair value of non-convertible debentures is valued using FIMMDA guidelines.

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

Type	Valuation technique
Forward contracts	The fair value is determined using forward exchange rates at the reporting date.

# Notes to the Standalone Financial Statements

## Note 43 : Financial Risk Management

### 1 Financial Risk Management objectives and policies

The Company's business activities are exposed to a variety of financial risks, namely Credit risk, Liquidity risk, Currency risk, Interest risks and Commodity price risk. The Company's Senior Management has the overall responsibility for establishing and governing the Company's risk management framework. The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The audit committee oversees how Management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

### 2 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans and advances and Bank balances and derivative transactions.

The carrying amount of following financial assets represents the maximum credit exposure:

#### Trade receivables and loans and advances.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer and the geography in which it operates. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The Company has a policy under which each new customer is analysed individually for creditworthiness before offering credit period and delivery terms and conditions. The Company's export sales are backed by letters of credit and insured through Export Credit Guarantee Corporation. The Company bifurcates the Domestic Customers into Large Corporates, Distributors and others for Credit monitoring.

The Company maintains adequate security deposits for sales made to its distributors. For other trade receivables, the Company individually monitors the sanctioned credit limits as against the outstanding balances. Accordingly, the Company makes specific provisions against such trade receivables wherever required and monitors the same at periodic intervals.

The Company monitors individual loans and advances given and makes any specific provision wherever required.

Based on prior experience and an assessment of the current economic environment, Management believes there is no credit risk provision required. Also Company does not have any significant concentration of credit risk.

The ageing analysis of trade receivables is disclosed in Note 11

The movement in Provision for Loss Allowance is as follows:

Particulars	₹ in Crore	
	Year Ended March 31, 2022	Year Ended March 31, 2021
Opening Provision for Loss Allowance	3.86	3.17
Impairment loss recognised	0.89	0.69
Balance written back	-	-
Amounts written off	(1.77)	-
Closing Provision for Loss Allowance	2.98	3.86

#### Bank Balances and derivative transactions

Bank Accounts / derivative transactions are maintained / carried out with Banks having high credit ratings

# Notes to the Standalone Financial Statements

## Note 43 : Financial Risk Management (Continued)

### 3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position on the basis of expected cash flows. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents.

The Company has access to funds from debt markets through loan from banks, commercial papers, fixed deposits from public and other Debt instrument. The Company invests its surplus funds in bank fixed deposits and debt based mutual funds.

#### Maturity profile of financial liabilities

The following are the remaining contractual maturities of financial liabilities as at Balance Sheet Dates:

₹ in Crore

As at March 31, 2022	Contractual cash flows						
	Carrying amount	Total	Less than 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>							
Non Current Borrowings	3,301.78	4,175.46	166.88	59.44	1,126.02	1,959.42	863.70
Non Current Lease Liabilities	28.74	31.46	-	-	14.64	16.82	-
Current Borrowings	2,858.32	5,233.76	2,354.18	2,800.55	79.03	-	-
Current Lease Liabilities	11.73	14.53	7.27	7.27	-	-	-
Trade and other payables	745.23	745.23	745.23	-	-	-	-
Other financial liabilities	202.72	202.72	202.72	-	-	-	-

₹ in Crore

As at March 31, 2021	Contractual cash flows						
	Carrying amount	Total	Less than 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>							
Non Current Borrowings	1,955.58	2,359.84	63.92	65.26	278.61	1,952.05	-
Non Current Lease Liabilities	37.32	42.34	-	-	13.62	28.72	-
Current Borrowings	2,440.85	2,461.21	2,389.15	72.06	-	-	-
Current Lease Liabilities	13.59	17.20	8.60	8.60	-	-	-
Trade and other payables	626.98	626.98	626.98	-	-	-	-
Other financial liabilities	100.65	100.65	100.65	-	-	-	-

### 4 Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The Company's exposure to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of investments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

#### 4(i) Currency risk

The Company is exposed to currency risk on account of its Receivables for Exports and Payables for Imports in foreign currency. The functional currency of the Company is Indian Rupee. The Company manages currency exposures within prescribed limits, through use of forward exchange contracts. Foreign exchange transactions are covered with strict limits placed on the amount of uncovered exposure, if any, at any point in time.

# Notes to the Standalone Financial Statements

## Note 43 : Financial Risk Management (Continued)

**Exposure to currency risk** (Exposure in different currencies converted to functional currency)

The currency profile of financial assets and financial liabilities as at Balance Sheet dates are as below:

₹ in Crore

As at March 31, 2022	USD	EURO
<b>Financial assets</b>		
<b>Current</b>		
Trade Receivables	175.54	10.00
Less : Forward Contracts for Trade Receivables	(3.79)	-
	<b>171.75</b>	<b>10.00</b>
<b>Financial liabilities</b>		
<b>Current</b>		
Trade and other payables	386.57	0.39
Less: Forward contracts for Trade Payables	(173.18)	-
	<b>213.39</b>	<b>0.39</b>

₹ in Crore

As at March 31, 2021	USD	EURO
<b>Financial assets</b>		
<b>Current</b>		
Trade Receivables	109.96	4.18
Less : Forward Contracts for Trade Receivables	(7.31)	-
	<b>102.65</b>	<b>4.18</b>
<b>Financial liabilities</b>		
<b>Current</b>		
Trade and other payables	341.05	0.06
Less: Forward contracts for Trade Payables	(125.24)	-
	<b>215.81</b>	<b>0.06</b>

The following significant exchange rates have been applied as at the Balance Sheet dates:

₹ in Crore

INR	Year-end spot rate	
	As at	As at
	March 31, 2022	March 31, 2021
USD 1	75.79	73.11
EUR1	84.17	85.74

### Sensitivity analysis

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

₹ in Crore

Particulars	As at March 31, 2022		As at March 31, 2021	
	Profit or (loss) and Equity		Profit or (loss) and Equity	
	Strengthening	Weakening	Strengthening	Weakening
USD - 1% Movement	0.42	(0.42)	-	-
USD - 2% Movement	-	-	1.59	(1.59)
EUR - 3% Movement	(0.29)	0.29	-	-
EUR - 2% Movement	-	-	(0.12)	0.12
	<b>(0.13)</b>	<b>0.13</b>	<b>1.47</b>	<b>(1.47)</b>

# Notes to the Standalone Financial Statements

## Note 43 : Financial Risk Management (Continued)

### 4(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

The Management is responsible for the monitoring of the Company's interest rate position. Various variables are considered by the Management in structuring the Company's borrowings to achieve a reasonable, competitive, cost of funding.

#### Exposure to interest rate risk

Company's interest rate risk arises from borrowings. The interest rate profile of the Company's interest-bearing financial instruments as reported to the Management of the Company is as follows:

₹ in Crore

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Fixed rate borrowings	5,598.56	3,793.30
Variable rate borrowings	561.54	603.13
	<b>6,160.10</b>	<b>4,396.43</b>

#### Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

#### Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rate would have resulted in variation in the interest expense for the Company by the amounts indicated in the table below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the period.

₹ in Crore

Particulars	Profit or (loss) and Equity	
	100 bp increase	100 bp decrease
<b>As at March 31, 2022</b>		
Variable-rate instruments	(5.62)	5.62
Interest rate swaps	-	-
<b>Cash flow sensitivity (net)</b>	<b>(5.62)</b>	<b>5.62</b>
<b>As at March 31, 2021</b>		
Variable-rate instruments	(6.03)	6.03
Interest rate swaps	-	-
<b>Cash flow sensitivity (net)</b>	<b>(6.03)</b>	<b>6.03</b>

### 4(iii) Commodity Price risk

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

#### Forward Contracts

The Company uses forward exchange contracts to hedge its foreign exchange exposure relating to the underlying transactions and firm commitment in accordance with its forex policy as determined by its Forex Committee. The Company does not use foreign exchange forward contracts for trading or speculation purposes. Forward Contracts outstanding as at March 31, 2022:

## Notes to the Standalone Financial Statements

### Note 43 : Financial Risk Management (Continued)

Forward Contracts outstanding as at March 31, 2022:

Particulars	USD in Crore	
	As at March 31, 2022	As at March 31, 2021
Forward Contract to Purchase (USD) [50 contracts (previous year 43 contracts)]	2.29	1.71
Forward Contract to Sell (USD) [2 contracts (previous year 1 contract )]	0.05	0.10

### Note 44 : Capital Management

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves. The primary objective of the Company's Capital Management is to maximise shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using Adjusted net debt to equity ratio. For this purpose, adjusted net debt is defined as total debt less cash and bank balances and current investments.

Particulars	₹ in Crore	
	As at March 31, 2022	As at March 31, 2021
Non-Current Borrowings	3,301.78	1,955.58
Current Borrowings	2,858.32	2,440.85
<b>Gross Debt</b>	<b>6,160.10</b>	<b>4,396.43</b>
Less - Cash and Cash Equivalents	(93.05)	(67.16)
Less - Other Bank Balances	(60.85)	(50.93)
Less - Current Investments	(760.69)	(1,315.21)
<b>Adjusted Net debt</b>	<b>5,245.51</b>	<b>2,963.13</b>
<b>Total Equity</b>	<b>1,483.21</b>	<b>1,526.30</b>
Adjusted Net Debt to Equity ratio	3.54	1.94

### Note 45 : Master netting or similar agreements

The following table presents the recognised financial instruments that are offset, or subject to enforceable master netting arrangements and other similar agreements but not offset, as at Balance Sheet Dates:

As at March 31, 2022	Effects of offsetting on the balance sheet			Related amounts not offset		
	Gross Amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subject to master netting arrangements	Financial instrument collateral	Net amount
<b>Financial liabilities</b>						
<b>Current</b>						
Derivative liabilities	0.69	0.01	0.68			0.68
<b>Total</b>	<b>0.69</b>	<b>0.01</b>	<b>0.68</b>	<b>-</b>	<b>-</b>	<b>0.68</b>

₹ in Crore

As at March 31, 2021	Effects of offsetting on the balance sheet			Related amounts not offset		
	Gross Amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subject to master netting arrangements	Financial instrument collateral	Net amount
<b>Financial assets</b>						
<b>Current</b>						
Derivative asset	0.20	0.10	0.10	-	-	0.10
<b>Total</b>	<b>0.20</b>	<b>0.10</b>	<b>0.10</b>	<b>-</b>	<b>-</b>	<b>0.10</b>

# Notes to the Standalone Financial Statements

## Note 45 : Master netting or similar agreements (Continued)

### Offsetting arrangements

#### Derivatives

The Company enters into derivative contracts for hedging foreign exchange exposures. In general, under such agreements, the amounts owed by each counterparty on a single day in respect of all the transactions outstanding in the same currency are aggregated into a single net amount that is payable by one party to the other.

## Note 46 : Ratios

### Ratio analysis and its elements

Particulars	As at March 31, 2022	As at March 31, 2021	Change %	Reason for more than 25% change
Debt Equity Ratio (based on net debt)	3.54	1.94	82%	Company has borrowed long term fund of ₹ 1500 crore at competitive rate. The fund is utilised for strategic investment in subsidiary dealing in Financial Services business
Debt Equity Ratio (based on gross debt)	4.15	2.88	44%	Company has borrowed long term fund of ₹ 1500 crore at competitive rate. The fund is utilised for strategic investment in subsidiary dealing in Financial Services business
Debt Service Coverage Ratio (DSCR)	1.05	0.79	32%	Company has borrowed long term fund of ₹ 1500 crore during the year and ₹ 1500 crore in previous year. The fund is utilised for strategic investment in subsidiary Companies. Interest expense has increased due to incremental borrowing.
Interest Service Coverage Ratio (ISCR)	1.09	0.84	29%	Company has borrowed long term fund of ₹ 1500 crore during the year and ₹ 1500 crore in previous year. The fund is utilised for strategic investment in subsidiary Companies. Interest expense has increased due to incremental borrowing.
Current Ratio	0.53	0.67	(22%)	
Long Term Debt to Working Capital	(1.81)	(1.86)	(3%)	
Bad Debts to Account Receivable Ratio	0.00%	0.00%		
Current Liability Ratio	0.54	0.62	(13%)	
Total Debts to Total Assets	0.71	0.65	9%	
Debtors Turnover (Annualised)	10.28	8.25	24%	
Inventory Turnover (Annualised)	4.50	3.87	16%	
Operating Margin (%)	11.50%	7.37%	56%	Operating Margin of Chemicals Division of the Company has improved significantly due to value added products and favourable market conditions
Return on Equity Ratio	(2.94%)	(6.81%)	(57%)	Increased Operating Margin of Chemicals Division due to value added products and favourable market conditions has improved the profitability of the company
Trade Payable turnover Ratio	3.71	2.83	31%	Purchase value has increased significantly due to increase in commodity prices which resulted in increase in Trade payable turnover
Net Capital Turnover Ratio*	-	-		



# Notes to the Standalone Financial Statements

## Note 46 : Ratios (Continued)

Particulars	As at March 31, 2022	As at March 31, 2021	Change %	Reason for more than 25% change
Net Profit Margin (%)	(1.32%)	(5.80%)	(77%)	Increased Operating Margin of Chemicals Division due to value added products and favourable market conditions has improved the profitability of the company, however, Net profit margin has been impacted due to write down on certain property, plant and equipments and higher finance costs due to incremental borrowings.
Return on capital employed	4.18%	2.19%	91%	Increased Operating Margin of Chemicals Division due to value added products and favourable market conditions has improved the profitability of the company.
Return on investment:				
Fixed Deposits with Banks	3.04%	3.15%	(4%)	
Mutual Funds	3.64%	3.57%	2%	
Investments other than specified above	2.59%	2.37%	9%	
Adjusted EBIDTA (%)	11.50%	7.37%	56%	Operating Margin of Chemicals Division of the Company has improved significantly due to value added products and favourable market conditions

### Formulae used for Calculation of Key Ratios and Financial indicators:

Debt Equity Ratio (Gross) = Total Debt / Equity

(Net) Debt - Equity Ratio = DEBT [Borrowings (excluding Lease Liabilities accounted as per Ind AS 116) - Cash and Bank Balance (includes FD) - Liquid Investments] / Equity

Debt Service Coverage Ratio = EBIDA / [Interest Expense + Repayment of Long Term Borrowings during the period (netted off to the extent of Long term Loans availed during the same period for the repayments)]

Interest Service Coverage Ratio = EBIDA / Interest Expense

EBIDA = Net Profit/(Loss) After Tax + Interest Expense + Depreciation and Amortisation Expenses+Loss/(Profit) (net) on sale of Property, Plant and Equipment

Current Ratio = Current Assets/Current Liabilities

Long term Debt to Working Capital = Non Current Borrowing / (Current assets-Current Liabilities)

Bad Debts to Accounts Receivable Ratio = Bad Debts/Accounts Receivable

Current Liability Ratio = Current Liabilities / Total Liabilities

Total Debt to Total Assets = (Non Current Borrowing+Current Borrowing)/Total Assets

Debtors Turnover = Revenue from Operations / Average Trade Receivable

Inventory Turnover = (Cost of Materials Consumed + Purchases of Stock in Trade + Changes in Inventories of Finished Goods, Stock in Trade and Work in Progress) / Average Inventory

Operating profit ratio = (Earnings before exceptional item, interest, taxes, depreciation, amortization expenses less Other Income) / Revenue from operations

Net Profit Margin = Profit/(Loss) for the period/ Revenue from Operations

Return on Equity Ratio= Net Profits after taxes /Average Shareholder's Equity

Trade payables turnover ratio = Net Credit Purchases / Average Trade Payables

Net capital turnover ratio = Net Sales/Working Capital

Return on capital employed (ROCE) =Earning before interest and taxes/Capital Employed

Capital Employed = Tangible Net worth +Total Debt+Deferred Tax Liabilities

Return on investment= Income generated from invested funds/ Average value of investments

\* as working capital is negative Net Capital Turnover ratio has not been provided

# Notes to the Standalone Financial Statements

## Note 47 : Utilisation of Borrowed Fund and Share Premium

- a) To the best of our knowledge and belief, the Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- b) To the best of our knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

## Note 48 : Struck off Companies

### Relationship with Struck off Companies

₹ in Crore

Sr. No.	Name of struck off company	Nature of transactions	Transactions during the year March 31, 2022	Balance outstanding as at March 31, 2022	Relationship with the Struck off company
1	3H Health And Hygiene Pvt. Ltd	Payables	-	0.02	Vendor
2	MAESTRO Energy Pvt. Ltd	Payables	-	0.01	Vendor

## Note 49 : Dividend On Equity Shares

The Company has not declared or paid any dividend during the year FY 2021-22.

## Note 50

The Company has presented segment information in the consolidated financial statements which are presented in the same financial report. Accordingly, in terms of Ind AS 108 'Operating Segments', no disclosures related to segments are presented in these standalone financial statements.

## Note 51

Corporate Social Responsibility contribution required to be made as per provisions of Section 135 of the Companies Act, 2013 is NIL for the current year and previous year.

## Note 52

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

## Note 53

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

As per our Report attached

For and on behalf of the Board of Directors of  
**Godrej Industries Limited**  
CIN No.: L24241MH1988PLC097781

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

**N. B. Godrej**  
Chairman and Managing Director  
DIN: 00066195  
Boston, May 27, 2022

**N. S. Nabar**  
Executive Director & President (Chemicals)  
DIN: 06521655

**Vijay Mathur**  
Partner  
M.No.: 046476  
Mumbai, May 27, 2022

**Clement Pinto**  
Chief Financial Officer

**Tejal Jariwala**  
Company Secretary