



Godrej & Boyce Manufacturing Company Limited

ANNUAL REPORT
For the year ended 31st March, 2020





GODREJ & BOYCE MANUFACTURING COMPANY LIMITED

Established 1897

(Incorporated with limited liability on 3rd March, 1932 under the Indian Companies Act, 1913)

ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2020

CORPORATE INFORMATION

Board of Directors

JAMSHYD N. GODREJ, Chairman & Managing Director
ADI B. GODREJ
NADIR B. GODREJ
VIJAY M. CRISHNA, Executive Director
KAVAS N. PETIGARA
PRADIP P. SHAH
Mrs. ANITA RAMACHANDRAN
ANIL G. VERMA, Executive Director & President
KEKI M. ELAVIA
Mrs. NYRIKA HOLKAR, Executive Director
NAVROZE J. GODREJ

Company Secretary

PERCY E. FOUZDAR

Chief Financial Officer

PURVEZ K. GANDHI

Auditors

DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Bankers

CENTRAL BANK OF INDIA	ICICI BANK LTD.
UNION BANK OF INDIA	AXIS BANK LTD.
DBS BANK INDIA LTD.	HDFC BANK LTD.
CITIBANK N.A.	KOTAK MAHINDRA BANK LTD.
EXPORT-IMPORT BANK OF INDIA	

Registered Office and Head Office

Pirojshanagar, Vikhroli, Mumbai 400 079
Telephone: (022) 6796 5656, 6796 5959; Fax: (022) 6796 1518
E-mail: info@godrej.com | Website: <http://www.godrejandboyce.com>

Corporate Identity Number (CIN)

U28993MH1932PLC001828



NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Eighty-Ninth Annual General Meeting of the Members of GODREJ & BOYCE MANUFACTURING COMPANY LIMITED ('the Company') will be held on Monday, 28th September, 2020 at 10:00 a.m. (IST) through the medium of Video Conferencing (VC) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone Financial Statements and the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2020 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. N.B. Godrej (DIN: 00066195) who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. A.G. Verma (DIN: 02366334), who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. To ratify the remuneration payable to the Cost Auditors for the financial year 2020-21 and to consider, and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force)-

- (a) Remuneration of Rs. 18,00,000 (excluding all taxes and reimbursement of out-of-pocket expenses) payable to M/s. P. D. Dani & Associates, Cost Accountants, (Firm Registration No. 000593) appointed by the Board of Directors as the Cost Auditors of the Company to conduct the audit of the cost records of the Company in respect of Appliances, Vending Machines and Electric Motors businesses, for the financial year 2020-21, as approved by the Board of Directors, be and is hereby ratified; and
- (b) Remuneration of Rs. 24,00,000 (excluding all taxes and reimbursement of out-of-pocket expenses) payable to Mr. A. N. Raman, Cost Accountant, (Membership No. 5359) appointed by the Board of Directors as the Cost Auditor of the Company to conduct the audit of the cost records of the Company in respect of Construction, Electricals & Electronics, Material Handling Equipment, Aerospace, Process Equipment, Precision Engineering, Toolings, Interio, Security Solutions and Storage Solutions businesses, for the financial year 2020-21, as approved by the Board of Directors, be and is hereby ratified.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

NOTES:

- a) The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the Act), in respect of the business mentioned under Item No. 4 as set out in the Notice is annexed hereto.
- b) In view of the continuing restrictions on the movement of people at several places in the country, due to outbreak of COVID-19, the Ministry of Corporate Affairs (MCA) has, vide its General Circular No. 20/2020 dated 5th May, 2020 read with General Circular No. 14/2020 dated 8th April, 2020, allowed companies to conduct the Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio Visual Means (OAVM) during the calendar year 2020. In accordance with the said circulars of the MCA and applicable provisions of the Act, the 89th AGM of the Company shall be conducted through VC.
- c) Since this AGM is being held pursuant to the MCA Circulars through VC, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.
- d) In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote at the AGM.
- e) Attendance of the Members through the medium of VC will be counted for the purpose of Quorum under Section 103 of the Act.

- f) Shareholders are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone / mobile numbers, bank details including change in bank account number, IFSC Code, MICR Code, name of bank and branch details, to their respective Depository Participant(s) (DPs) in case the shares are held by them in electronic form and to Mr. P.E. Fouzdar, Executive Vice President (Corporate Affairs) & Company Secretary at pef@godrej.com, in case the shares are held by them in physical form.
- g) Manner of Voting during the AGM shall be through show of hands, unless a poll is demanded.
- h) If a poll is demanded by any Member, all the Members shall cast their votes on the Resolutions by sending an email to agm2020@godrej.com only from their email addresses registered with the Company. If it is envisaged that the process of counting votes will take longer than expected, the Meeting may be adjourned and called later to declare the result of the Poll.
- i) **Video Conferencing via Microsoft Teams :**
- The VC facility to join the AGM shall open 15 minutes prior to the time scheduled for the Meeting.
 - Please follow the steps mentioned below to join and participate in the AGM of the Company:
 1. Click on the link provided in the email sent to you.
 2. Those Members who do not have the Microsoft Teams App downloaded on their laptops/ mobile devices can join the Meeting as a Guest on the web.
 3. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the Meeting.
 - 4. **For any assistance in joining/participating through Video Conferencing please contact:**
 - a. Mr. P.E. Fouzdar, Executive Vice President (Corporate Affairs) & Company Secretary (+91 98200 93150/ pef@godrej.com or
 - b. Mr. Bhavesh K. Khandhar, Associate Vice President (Corporate Secretariat) (+91 98203 46439/ bkk@godrej.com)
- j) Corporate Shareholders intending to appoint their Authorized Representative(s) to attend the AGM, pursuant to Section 113 of the Act, are requested to send a scanned certified true copy of the Board Resolution with attested specimen signature of the duly authorized signatory(ies) who are authorized to attend and vote on their behalf at the AGM at pef@godrej.com and a copy marked to bkk@godrej.com.
- k) Brief Resume of Directors proposed to be re-appointed, as stipulated in Secretarial Standards as issued by the Institute of Company Secretaries of India is provided after the Explanatory Statement to this Notice.
- l) The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the Members during the AGM. All documents referred to in the Notice will also be available electronically for inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to pef@godrej.com/ bkk@godrej.com.
- m) Members may please note that in terms of Section 124 of the Act, any dividend which has not been paid or claimed within thirty days from the date of declaration, shall be transferred within seven days from the date of expiry of the said period of thirty days to the Unpaid Dividend Account with a scheduled bank. Any money transferred to the Unpaid Dividend Account which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Investor Education and Protection Fund (IEPF) set up by the Government of India under Section 125 of the Act.
- n) **Dispatch of Annual Report through Electronic Mode:**
The Notice of the Annual General Meeting along with Annual Report is being sent to the Members only through electronic mode at the email addresses registered with the Company/ Depositories.
Members may also note that the Notice and Annual Report 2019-20 will also be available on the Company's website which is as under: <https://www.godrejandboyce.com/godrejandboyce/statutoryReport.aspx?id=16&menuid=2897>
- o) Any Member seeking any information is requested to write to the Company at least a week before the date of AGM through email on purvez@godrej.com/ pef@godrej.com. The same will be replied by the Company suitably.
- p) The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 12th September, 2020 to Monday, 28th September, 2020 (both days inclusive). All persons whose names are recorded in the Register of Members maintained by the Company /Depositories as on the cut-off date, i.e. 11th September, 2020 only shall be entitled to attend and vote at the AGM.

q) The deemed venue for the AGM shall be the Registered Office of the Company.

Mumbai, 26th August, 2020
Registered Office:
Pirojshanagar, Vikhroli,
Mumbai 400 079.

For and on behalf of the Board
J. N. GODREJ
Chairman & Managing Director
DIN: 00076250

ANNEXURE TO NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY STATEMENT:

The following Explanatory Statement, as required by Section 102 of the Act, sets out all material facts relating to the business mentioned under Item No. 4 of the accompanying Notice being conducted through the medium of VC.

Item No. 4

In accordance with the provisions of Section 148 of the Act, the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment of (i) M/s. P. D. Dani & Associates, Cost Accountants, and (ii) Mr. A.N. Raman, Cost Accountant, as the Cost Auditors of the Company for the financial year 2020-21, for conducting the audit of the cost records of certain applicable businesses of the Company (as specified in the Resolution), at a remuneration of Rs. 18,00,000 and Rs. 24,00,000, respectively, (excluding all taxes and reimbursement of out-of-pocket expenses). M/s. P.D. Dani & Associates are the Lead Cost Auditors.

The remuneration payable to the Cost Auditors is required to be ratified by the Members of the Company. Accordingly, the consent of the Members is sought for passing an Ordinary Resolution as set out in Item No. 4 of this Notice for ratification of remuneration payable to the Cost Auditors for the financial year 2020-21.

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

- i. the Cost Auditors do not suffer from any disqualifications as specified under Section 141(3) of the Act;
- ii. their appointment is in accordance with the limits specified in Section 141(3)(g) of the Act;
- iii. none of them are in Whole-Time employment of any Company; and
- iv. M/s. P.D. Dani & Associates is an independent firm of Cost Accountants and Mr. A.N. Raman is an independent Cost Accountant, both respectively hold valid certificate of practice and maintain arm's length relationship with the Company, pursuant to Section 144 of the Act.

None of the Directors and/or, Key Managerial Personnel and their relatives are concerned with or interested, financially or otherwise, in the said Resolution.

Mumbai, 26th August, 2020
Registered Office:
Pirojshanagar, Vikhroli,
Mumbai 400 079.

For and on behalf of the Board
J. N. GODREJ
Chairman & Managing Director
DIN: 00076250

Pursuant to the Secretarial Standards issued by 'The Institute of Company Secretaries of India', the following information is furnished about the Directors proposed to be re-appointed:

Brief Resume of the Directors

Name of the Director	Mr. N. B. Godrej	Mr. A. G. Verma
Particulars	DIN: 00066195	DIN: 02366334
Age	69 years	63 years
Nationality	Indian	Indian
Date of Appointment	27th September, 1990	1st October, 2008
Shares held in the Company	21,345 Equity Shares of Rs. 100 each	NIL
Qualification	Mr. N.B. Godrej holds a Bachelor of Science degree in Chemical Engineering from the Massachusetts Institute of Technology, U.S.A., a Master of Science degree in Chemical Engineering from Stanford University, U.S.A., and a Master of Business Administration degree from the Harvard Business School, U.S.A.	Mr. A.G. Verma is a Graduate in Engineering and MBA from IIM, Ahmedabad.
Expertise in specific functional area	A leading industrialist with expertise in Engineering and Management	Business Management Expertise and Business Experience of over 30 years with the Company
Terms & Conditions of re-appointment/ variation of remuneration	Appointment as a Non-Executive Director subject to retirement by rotation	Appointment as an Executive Director subject to retirement by rotation
Remuneration last drawn	Nil	Rs. 5.92 Crore
Directorships held in other companies	Godrej Consumer Products Limited Godrej Industries Limited Godrej Properties Limited Astec Lifesciences Limited Godrej Agrovet Limited Creamline Dairy Products Limited Godrej Tyson Foods Limited Isprava Vesta Private Limited Isprava Hospitality Private Limited	Godrej Infotech Limited Godrej Consoveyo Logistics Automation Limited
Chairman/Membership in other committees of the Board	Godrej Consumer Products Limited: Chairman of Stakeholders Relationship Committee, Chairman of Corporate Social Responsibility Committee and Chairman of Securities Committee Godrej Agrovet Limited: Chairman of Stakeholders Relationship Committee, Chairman of Risk Management Committee, Chairman of Managing Committee and Chairman of Strategy Committee and Member of Corporate Social Responsibility Committee	Godrej Consoveyo Logistics Automation Limited: Chairman of the Corporate Social Responsibility Committee Godrej Infotech Limited: Chairman of the Nomination & Remuneration Committee

	Godrej Industries Limited:	
	Chairman of Corporate Social Responsibility Committee, Chairman of Risk Management Committee, Member of Stakeholders Relationship Committee, Member of Management Committee	
	Godrej Tyson Foods Limited:	
	Member of Nomination & Remuneration Committee	
Inter-se relationship with other directors/ Key Managerial Personnel	Brother of Mr. A.B. Godrej	None
No. of Board meetings attended during the year	5 (Five)	6 (Six)

BOARD'S REPORT

TO THE MEMBERS,

The Directors hereby present the Eighty-Ninth Annual Report of the Company together with the Audited Financial Statements for the year ended 31st March, 2020.

1. FINANCIAL RESULTS (STANDALONE)

The Company's performance during the financial year ended 31st March, 2020 as compared to the previous financial year, is summarized below:

	(Rupees in crore)	
	Current Year	Previous Year
Revenue from Operations	11,257.81	11,051.55
Other Income	88.15	115.64
TOTAL REVENUE	11,345.96	11,167.19
Profit before Interest, Depreciation, and Tax	924.54	739.49
Less: (i) Interest and Finance Costs	223.21	168.00
Less: (ii) Depreciation and Amortization Expense	356.81	215.61
Profit before Exceptional Items and Tax	344.52	355.88
Less: Impairment of Assets	2.19	
Profit before Tax	342.33	355.88
Less: Provision for Current/Deferred Taxes	118.20	126.62
Profit after Tax	224.13	229.26
Surplus brought forward	2,792.49	2,880.50
Amount available for appropriation	3,016.62	3,109.76
Which the Directors recommend should be appropriated as follows:		
(a) First Interim Equity Dividend: 1000% (Previous Year: 1000%)	67.84	67.84
(b) Second Interim Equity Dividend: 1000% (Previous Year: 1000%)	67.85	67.85
(c) Dividend Distribution Tax (Net)	27.74	27.89
(d) Realised gain on sale of equity shares reclassified to retained earnings	-	(54.25)
(e) Reclassification of excess amount transferred in earlier years	-	196.12
(f) Transfer (from) / to Debenture Redemption Reserve	(50.00)	8.33
(g) Adjustments to Opening Retained Earnings Ind AS 115	-	3.49
(h) Surplus carried forward	2,903.19	2,792.49
TOTAL	3,016.62	3,109.76

2. DIVIDEND

During the financial year 2019-20, the Board of Directors declared and paid two Interim Dividends each at the rate of Rs. 1,000 per Equity Share of Rs. 100 each, absorbing in aggregate Rs.135.69 crore. The Directors do not recommend payment of any final dividend for the financial year 2019-20. The total dividend for the financial year 2018-19 was Rs. 2,000 per Equity Share.

3. STATE OF THE COMPANY'S AFFAIRS

The Company operates in four major clusters – Consumer, Institutional, Industrial Products and Projects.

The financial year 2019-20 started on a good note for the Company with a growth of 16% for Q1 on year on year basis. However, with the economy witnessing a steady drop in consumption expenditure, coupled with a contraction in investment, the Company saw muted revenue growth of close to 5% in the succeeding 2 quarters. Our last Quarter, where we do well, was severely impacted by the national lockdown towards the end of March, resulting in a dip in sales impacting our overall annual revenues.

The silver lining was a clutch of Business Units which grew at rates of over 10-15% over the previous year. They include the Storage Solutions business which rode on the Logistics sector growth, the Industrial Products businesses which had a good order book and the Construction Materials business which caters to the Infrastructure projects sector.

We see challenges to the economy in financial year 2020-21 due to the disruption on the demand side as well as the supply side. We see a drop in revenues for the first 3 quarters of this year vis-à-vis last year. We anticipate the markets bouncing back only by Q4 of the year subject to the containment of the pandemic as well as the measures taken by the government to revive the economy by boosting consumption and investment demand.

We have drawn up scenarios for the projected recovery and are getting ready to operate in a market that will be constrained by demand but also simultaneously prepared to meet the rebound in demand when it occurs later in the year. Given the structural changes to the economy on both the demand side and supply side we are preparing ourselves to adapt and operate in a post lockdown world. Towards this goal, we are focusing our efforts towards conserving cash, restructuring our fixed costs, communicating with all our employees and other stakeholders on the challenges and our commitment to support them in these difficult times, besides having resumption plans in place and identifying new opportunities in the post Covid-19 world.

We believe that we can better manage the new uncertainties in the environment through increased agility in our processes and people and by leveraging digital. At the end of the year, we aim to become a leaner and fitter organization and achieve the goals we have set for ourselves.

4. COVID-19

Our businesses and people, like millions of others across the globe, have been impacted, probably indelibly, by this unprecedented global pandemic. We have a deep commitment to serve our communities and people. We stand in solidarity with the people of India and our Government's efforts to overcome the unprecedented coronavirus pandemic, which is impacting the lives of millions of people, and countries across the globe. We are trying to the best of our capabilities, to serve our customers, employees, communities and country, and especially support health personnel, government workers, and everyone working tirelessly to curb the spread of this pandemic.

5. DEPOSITORY SYSTEM

The Company's Equity Shares are available for dematerialisation through National Securities Depository Limited and Central Depository Services (India) Limited. As on 31st March, 2020, 76.79% of the Equity Shares of the Company were held in dematerialised Form.

6. ANNUAL RETURN

As required under Section 134(3)(a) of the Companies Act, 2013 ('the Act') the Annual Return for the financial year 2018-19 can be accessed at https://www.godrejandboyce.com/godrejandboyce/PDF/Annual_Return_G&B_for_FY2018_19.pdf and the Extracts of the Annual Return in form MGT-9 for the year ended 31st March, 2020 can be accessed at <https://www.godrejandboyce.com/godrejandboyce/statutoryReport.aspx?id=16&menuid=2897> on the Company's website.

7. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the Articles of Association of the Company and the provisions of Section 152(6)(e) of the Act, Mr. N.B. Godrej (DIN: 00066195) and Mr. A.G. Verma (DIN: 02366334), will retire by rotation at the ensuing Annual General Meeting, and being eligible, offer themselves for re-appointment.

In terms of Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. K. N. Petigara (DIN: 00066162), Mr. P. P. Shah (DIN: 00066242), Mrs. A. Ramachandran (DIN: 00118188) and Mr. K. M. Elavia (DIN: 00003940) have been re-appointed as Independent Directors of the Company, to hold office for a second term of five consecutive years with effect from 15th September, 2019 till 15th September, 2024, and they are not liable to retire by rotation. The Company has received declarations from all the Independent Directors confirming that they meet with the criteria of independence and shall abide by the provisions of Code for Independent Directors. There has been no change in the circumstances affecting their status as Independent Directors of the Company.

As required by Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 all our Independent Directors have registered themselves in the Indian Institute of Corporate Affairs ('the Institute') databank. None of our Independent Directors are required to pass the online proficiency self-assessment test conducted by the Institute, since all the Independent Directors of the Company have served as directors in listed companies or in an unlisted public company as prescribed.

In the opinion of the Board, as per Rule 8(5)(iii) of the Companies (Meetings of Board and its Powers) Rules, 2014, all our Independent Directors possess high standards of integrity, expertise and experience (including proficiency) which contribute to the advancement and progress of the Company.

The Nomination and Remuneration Committee, in terms of the provisions of Section 178 of the Act, had recommended to the Board framing of a Policy for selection and appointment of Directors & Senior Management and their remuneration, which was adopted by the Company.

The Company's Policy on Appointment of Directors, is stated below:

- The Company is committed to equality of opportunity in all aspects of its business and does not discriminate on the grounds of nationality, race, colour, religion, caste, gender, gender identity or expression, sexual orientation, disability, age or marital status.
- The Company recognizes merit and continuously seeks to enhance the effectiveness of its Board. The Company believes that for effective corporate governance, it is important that the Board has the appropriate balance of skills, experience and diversity of perspectives.
- Board appointments will be made on merit basis and candidates will be considered against objective criteria with due regard for the benefits of diversity on the Board. The Board believes that such merit-based appointments will best enable the Company to serve its stakeholders.
- The Board will review this Policy on a regular basis to ensure its effectiveness.

The Board of Directors has carried out an annual evaluation of its own performance, Board committees, and individual Directors pursuant to the provisions of the Act. The performance of the Board is evaluated by the Board after seeking inputs from all the Directors on the basis of criteria such as the board composition and structure, effectiveness of Board processes, information and functioning, etc. In a separate Meeting of the Independent Directors, performance of Non-Independent Directors, the Board as a whole and the Chairman of the Company was evaluated, taking into account the views of Executive Directors and Non- Executive Directors. The Board reviews the performance of individual Directors on the basis of criteria such as the contribution of the individual Director to the Board and Committee Meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in Meetings, etc. The Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

The Non-Executive Directors received Sitting Fees and Commission in accordance with the provisions of the Act.

During the year under review, Mr. J.N. Godrej, Chairman & Managing Director, Mr. V.M. Crishna, Executive Director, Mr. A.G. Verma, Executive Director & President, Mrs. Nyrika Holkar, Executive Director, Mr. P. E. Fouzdar, Executive Vice President (Corporate Affairs) & Company Secretary and Mr. P. K. Gandhi, Chief Financial Officer, the Key Managerial Personnel of the Company were re-appointed for a period of three years with effect from 1st April, 2020 upto 31st March, 2023.

The Board of Directors had approved the constitution of the Managing Committee ('MC'), pursuant to Section 179 of the Act, at its Meeting held on 24th March, 2020 which comprises of the following Members:

1. Mr. J.N. Godrej, Chairman & Managing Director
2. Mr. A.G. Verma, Executive Director & President
3. Mrs. Nyrika Holkar, Executive Director
4. Mr. K. M. Elavia, Independent Director
5. Mr. P. E. Fouzdar, Executive Vice President (Corporate Affairs) & Company Secretary
6. Mr. P. K. Gandhi, Chief Financial Officer

8. NUMBER OF MEETINGS OF THE BOARD

The Board met 6 (six) times during the financial year 2019-20, viz., 26th April, 2019, 3rd July, 2019, 20th August, 2019, 4th December, 2019, 31st January, 2020 and 24th March, 2020. The maximum interval between any two Meetings did not exceed 120 days, as prescribed in the Act.

9. DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(3)(c) of the Act, the Directors, based on the representations received from the Operating Management, and after due enquiry, confirm that:

- (a) in the preparation of the annual accounts for the financial year ended 31st March, 2020, the applicable accounting standards had been followed;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2020 and of the profit of the Company for the year ended on 31st March, 2020;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis; and
- (e) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

10. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE AND POLICY

The Corporate Social Responsibility (CSR) Committee has been constituted in accordance with Section 135 of the Act and comprises Mr. V. M. Crishna, Chairman, Mr. J. N. Godrej, Mr. A. G. Verma, Mr. K. M. Elavia, Mr. P. P. Shah. Also, Mrs. Nyrika Holkar was nominated as a Member of the CSR Committee by the Board at its Meeting held on 24th March, 2020.

Mrs. Nyrika Holkar has been appointed as the Chairperson of the CSR Committee w.e.f. 1st April, 2020.

The Company Secretary acts as the Secretary of the CSR Committee.

The CSR Committee met twice during the year under review; viz 11th October, 2019 and 24th March, 2020.

Based on the recommendation of the CSR Committee, the Board has approved the CSR Policy of the Company, including the CSR activities and the projects proposed to be undertaken by the Company, and its governance structure and the CSR Policy is placed on the website of the Company at http://www.godrejandboyce.com/godrejandboyce/pdf/CSR_policy.pdf

The details required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 are given in the CSR Report, which is appended as **Annexure II** to this Report.

11. AUDIT COMMITTEE

The Audit Committee has been constituted in accordance with the provisions of the erstwhile Companies Act, 1956, and comprises Mr. K. M. Elavia, Chairman, Mr. K. N. Petigara and Mrs. A. Ramachandran. The Chief Financial Officer, Internal Auditor and Statutory Auditors of the Company are the permanent invitees to the Meetings of the Audit Committee.

The Company Secretary acts as the Secretary of the Audit Committee.

The Audit Committee met four times during the year under review; viz 24th April, 2019, 19th August, 2019, 4th December, 2019 and 24th March, 2020.

The Audit Committee had reviewed and recommended the Audited Standalone Financial Statements and the Audited Consolidated Financial Statements for the financial year 2019-20, for further approval of the Board of Directors and adoption of the same by the Members of the Company.

12. VIGIL MECHANISM/ WHISTLE-BLOWER POLICY

The Company has adopted the Code of Ethics & Business Conduct, which lays down the principles and standards that should govern the actions of the Company, its employees and other stakeholders. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations.

As per the provisions of Section 177(9) and (10) of the Act, the Company is required to establish an effective Vigil Mechanism for Directors and employees to report genuine concerns regarding unethical behavior, actual or suspected fraud or violation of the Company's Code of Ethics & Business Conduct. The Company has a Whistle-Blower Policy in place to report concerns about unacceptable, improper and/or unethical behavior and practices, actual/suspected frauds and violation of Company's Code of Ethics and Business Conduct. For protected disclosure and protection to the Whistle-Blower, the policy provides for adequate safeguards against victimisation of persons who avail the same, and provides for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases.

The Company has disclosed information about the establishment of the Whistle-Blower Policy on its website at the Weblink: <http://www.godrejandboyce.com/godrejandboyce/pdf/Whistleblower.pdf>

13. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee (NRC) has been constituted by the Board of Directors of the Company in accordance with the provisions of Section 178 of the Act and comprises Mrs. A. Ramachandran, Chairperson, Mr. K. N. Petigara and Mr. K. M. Elavia.

The Company Secretary acts as the Secretary of the NRC.

The NRC met twice during the year under review; viz 24th April, 2019 and 24th March, 2020.

14. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee (SRC) has been constituted by the Board of Directors of the Company in accordance with the provisions of Section 178 of the Act and comprises Mr. K. N. Petigara, Chairman, Mr. K. M. Elavia and Mr. V.M. Crishna.

The Company Secretary acts as the Secretary of the SRC.

The SRC met once during the year under review; viz 24th March, 2020.

15. FIXED DEPOSITS FROM MEMBERS AND FROM PUBLIC

During the financial year under review, the Company accepted/ renewed Fixed Deposits from its Members and from Public, in accordance with the provisions of Sections 73 and 76, and other applicable provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014.

The details relating to Deposits in terms of Rule 8(5)(v) of the Companies (Accounts) Rules, 2014, are given hereunder:

Sr. No.	Particulars	Amount in Crore (Rs.)
1	Deposits accepted during the year from Members and Public	255.77
2	Deposits from Public remaining unpaid or unclaimed at the end of the year	7.07
3	Whether there has been any default in repayment of deposits or payment of interest thereon during the year, and if so, number of such cases and the total amount involved:	
	(i) At the beginning of the year	-
	(ii) Maximum during the year	-
	(iii) At the end of the year	-
4	Details of deposits which are not in compliance with the requirements of Chapter V of the Act	-

16. TRANSFER OF UNCLAIMED AMOUNT TO THE INVESTOR EDUCATION AND PROTECTION FUND ("IEPF")

The Company sends letters to all deposit holders, whose deposits or interest due thereon are unclaimed so as to ensure that they receive their rightful dues. Efforts are also made to communicate with the deposit holders in cases wherein they have relocated and failed to intimate the Company of the new address.

As provided in Section 125 of the Act, during the year the Company had transferred a sum of Rs. 80,000 towards unclaimed amount of Fixed Deposits and Rs. 11,787 comprising of interest due on Deposits to the IEPF, the amount which was due and payable but remained unclaimed and unpaid for a period of seven years.

The Company has appointed a Nodal Officer under the provisions of IEPF Rules, the details of which are available on the website of the Company, which can be accessed through the following link:

<https://www.godrejandboyce.com/godrejandboyce/pdf/AppointmentofNodalOfficerProtectionFund.pdf>

The Company has uploaded the details of unpaid and unclaimed amounts being sum of matured Deposits and interest due thereon lying with the Company as on 31st March, 2019 on the Company's website, which can be accessed through the following link:

<https://www.godrejandboyce.com/godrejandboyce/PDF/IEPFStatus2019.pdf> and of the Ministry of Corporate Affairs website at www.iepf.gov.in.

17. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Company has formulated a Related Party Transaction Policy for entering into transactions by the Company with related parties, pursuant to the requirements of the Act.

All transactions entered into during the financial year 2019-20 with related parties as defined under the Act, were in the ordinary course of business and on an arm's length basis, details of which are given in the notes to the financial statements, except transactions entered into by the Company with related parties referred to in Section 188(1) of the Act, which have been disclosed under item 1 of Form AOC-2, pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014; the said Form AOC-2 is enclosed separately with this Report as Enclosure 2. Since there have been no material contracts or arrangements or transactions on arm's length basis, disclosure under item 2 of Form AOC-2 is not applicable.

18. PARTICULARS OF INVESTMENTS MADE, GUARANTEES PROVIDED AND LOANS GIVEN BY THE COMPANY

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

19. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments affecting the financial position of the Company, which have occurred between 31st March, 2020 and the date of this Report.

20. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There are no significant material orders passed by the regulators/ courts/ tribunals which would impact the going concern status of the Company and its future operations.

21. INTERNAL FINANCIAL CONTROLS

The Company has aligned its Internal Financial Control systems in line with the requirements of Companies Act, 2013.

The Company has an Internal Financial Control framework, commensurate with the size, scale and complexity of its operations. The Company maintains Internal Control Systems designed to provide reliable and timely financial and operational information, ensure compliance with applicable laws and regulations, safeguard assets from unauthorized use or disposal, execute transactions with proper authorization, and comply with corporate policies and procedures. Internal control framework ensures the integrity of financial statements.

The Internal Control Framework is developed on a strong base laid down by the Company's code of conduct and ethics guidelines, elaborate business policies and procedures, business planning and management reviews, organisation structure which clearly defines segregation of duties and responsibilities and the risk management framework.

The business scenario is dynamic due to changes in strategy by competition, statutory laws and regulations, and micro and macro-economic scenarios. Hence, systems and processes are upgraded from time to time by implementing newer and/or improved controls wherever the identified control gaps are material in nature. The Internal Financial Controls have been documented and embedded in the business processes.

The Company has its own independent Internal Audit Department which is ISO 9001:2015 certified. The Internal Audit team prepares an annual audit plan based on the risk profiles of the businesses. The Audit plan is approved by the Audit Committee, which also reviews the compliance of the plan.

The Internal Audit function independently reports to the Audit Committee and the Chairman & Managing Director of the Company. The Internal Audit team carries out periodic audits at all locations and of all functions and inter alia, tests the design, adequacy and efficacy of Internal Controls Systems in the Company. It also evaluates compliance with the accounting procedures and policies. Significant observations of the Internal Audit reports including recommendations or improvements of business processes are reviewed by the process owners who undertake corrective and preventive actions in their respective areas. The Audit Committee reviews the Internal Audit report in each of its meetings and monitors the implementation of Audit recommendations.

21. RISK MANAGEMENT

The Company recognises that Enterprise Risk Management ('ERM') is an integral part of business management and is committed to manage risks in a structured manner. The Company understands the effective ERM is essential to achieve strategic business objectives and long term sustainable growth. The Company has well documented ERM policy which lays down the framework of Risk Management giving guidelines for proactive approach of identifying, assessing, prioritizing and mitigating the risks associated with business.

The Company has a sound and structured ERM framework to address and manage the volatility and complexity of external environment associated with its business by alignment of strategy, processes, people, technology and knowledge. The current ERM framework is in line with global ERM standards which is aimed at creating a culture of Risk Enabled Performance Management (REPM) which integrates the ERM framework with strategy and planning process. The framework for ERM and the Risk Management Policy has been reviewed by the Audit Committee and has been approved by the Board.

The Company has created risk infrastructure by setting up an ERM Executive Committee as the apex committee headed by the President of the Company. The committee periodically reviews the Risk Management framework and ensures the same is working effectively. It also reviews the risks and mitigation plans drawn by various businesses and functional risk teams to avoid unforeseen events. The Company regularly reviews the Forex and Commodity and IT Risks through the Finance and IT Risk Committee meetings. The individual Businesses/Functions are responsible for risk identification and mitigation plan, who as risk owners review and monitor the key risks to avoid undue deviations and adverse events and thus create value for the business.

Top entity level risks have been identified at the ERM Executive Committee level taking into consideration the following: -

(a) Bottom up approach – assessing the risks identified by businesses to identify critical risk having impact at entity level.

(b) Top down approach – assessing risks emanating from long term planning.

(c) Assessing and identifying risks which need mitigation at central level.

For each of the risk identified, risk owner, policies and procedures are put in place for monitoring, mitigating and reporting the risks on a periodic basis.

The ERM Executive Committee also helps to prioritize these entity-wide risks identified and steer mitigation efforts in line with the Company's risk capacity and appetite which in turn are reported to the Audit Committee and the Board. The entire process is independently reviewed by Internal Audit Department to ensure that the risk management framework is operating effectively.

The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. The Company has, based on all information currently available and based on the policy approved by the Board of Directors, determined the provision for expected credit losses on financial assets as at March 31, 2020. Given the uncertainty over the potential macro-economic impact, the Company's management has considered internal and external information including credit reports and economic forecasts upto the date of approval of these financial results/statements. Based on the current indicators of future economic conditions, the Company considers the provision for expected credit losses on financial assets as at March 31, 2020 to be adequate and expects to recover the carrying amount of these financial assets.

The risk management process is now more focused to contribute to the development and execution of the crisis management plan. As a result of the same, the Company has outlined the procedures to be followed during this major unanticipated disruptive event for dealing and evaluating supply chains, cybersecurity risks and shifts in productivity and customer behaviour.

Following are the key measures taken by the ERM executive committee:

- Risk assessments to account for changes in risks such as supply chain and cybersecurity to execute remotely and working to ensure cost optimization
- Keeping constant communication with the board and management about specific risk-based insights and mitigation measures surrounding near-term COVID 19 impact.

Given the uncertainty over the potential macro-economic condition, the impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results/statements and the Company will continue to closely monitor any material changes to future economic conditions which will be given effect to in the respective period.

23. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014 is appended as **Annexure I** to this Report.

24. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES COMPANIES

Godrej (Singapore) Pte. Ltd., Singapore ('GSING'), a subsidiary of the Company was holding 1,00,000 fully paid up Ordinary Shares, representing 50%, of the shareholding of Godrej UEP (Singapore) Pte. Ltd., Singapore ('GUSPL'), with the other 50% held by Urban Electric Power Inc, USA ('UEP'), an Associate of the Company. On 16th March, 2020, GSING additionally purchased 59,999 fully paid up Ordinary Shares at par at a consideration of S\$ 59,999 of GUSPL from UEP which has resulted in GSING holding 1,59,999 Ordinary Shares representing 79.9995% shareholding of GUSPL. Consequently, GUSPL has become a Subsidiary of GSING and eventually a sub-subsidiary of the Company. Consequently, Godrej UEP Private Limited, a wholly owned subsidiary of GUSPL has become a sub-subsidiary of GSING and eventually a step-down sub-subsidiary of the Company.

In terms of Section 129 of the Act, the Consolidated Financial Statements have been prepared by the Company in accordance with the applicable accounting standards, and form part of this Report. A statement containing the salient features of the financial statements of the Company's Subsidiaries, Joint Ventures and Associates, in Form AOC-1 as required under Rule 5 of the Companies (Accounts) Rules, 2014 forms part of the Notes to the Consolidated Financial Statements, and provides details on the performance and financial position of each of the Subsidiaries, Associates and Joint Venture companies included in the Consolidated Financial Statements and therefore not repeated, to avoid duplication.

25. AUDITORS

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, (Firm Registration no. 117366W/W-100018) were appointed as the Statutory Auditors of the Company by the Members at the 86th Annual General Meeting (AGM) held on 24th November, 2017 for a term of 5 consecutive years upto the 91st AGM to be held in 2022, subject to ratification by the Members at every AGM.

The first proviso to Section 139 of the Act which provided for the ratification of appointment of the Statutory Auditors by the Members at every AGM has been omitted by the Companies Amendment Act, 2017 w.e.f. 7th May 2018. Hence, the appointment of Statutory Auditors shall continue to be valid till the conclusion of the 5 consecutive AGMs and no ratification of appointment of Statutory Auditor is required at the ensuing AGM. Hence the Resolution to this item is not being included in the Notice to the AGM.

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, in their Audit Report.

26. COST AUDITORS

Pursuant to Section 148 of the Act, the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014, the Board of Directors, on the recommendation of the Audit Committee, approved the appointments of:

- (a) M/s. P. D. Dani & Associates, Cost Accountants, as the Cost Auditors of the Company for the financial year ending 31st March 2021, to conduct the audit of the cost records of the Company in respect of Appliances, Vending Machines and Electric Motors businesses, at a remuneration of Rs. 18,00,000 (Rupees Eighteen Lakh) (excluding all taxes and reimbursement of out-of-pocket expenses). They are appointed as the Lead Cost Auditors and;
- (b) Mr. A.N. Raman, Cost Accountant, as the Cost Auditor of the Company for the financial year ending 31st March 2021, to conduct the audit of the cost records of the Company in respect of Construction, Electricals & Electronics, Material Handling Equipment, Aerospace, Process Equipment, Precision Engineering, Toolings, Interio, Security Solutions and Storage Solutions businesses, at a remuneration of Rs. 24,00,000 (Rupees Twenty-Four Lakh) (excluding all taxes and reimbursement of out-of-pocket expenses).

The remuneration of the Cost Auditors is required to be ratified by the Members of the Company at the ensuing Annual General Meeting.

The Company has maintained cost accounts and records as specified by the Central Government under sub-section (1) of Section 148 of the Act and the Companies (Cost Records and Audit) Rules, 2014.

27. SECRETARIAL AUDITORS

During the year under review, the Board appointed M/s. A.N. Ramani & Co., Practising Company Secretaries, to conduct Secretarial Audit of the Company for the financial year 2019-20. The Secretarial Audit Report in terms of Section 204 of the Act, issued by them is annexed and marked as **Annexure III** to this Report. There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. A.N. Ramani & Co., Practising Company Secretaries, in their Secretarial Audit Report.

28. SECRETARIAL STANDARDS

The Board of Directors confirm that the Company has complied with the applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, issued by the Institute of Company Secretaries of India.

29. FRAUD REPORTING

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

30. PARTICULARS OF EMPLOYEES

Disclosures of details with respect to the remuneration of employees as required under Rule 5 sub-rule (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are separately enclosed with and form part of this Report as **Enclosure 3**.

The same is available for inspection by the Members at the Registered Office of the Company during business hours on working days.

31. POLICY TO PREVENT SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company is deeply committed to the creation and maintenance of an atmosphere where every employee is treated with dignity and respect and afforded equitable treatment. It strives to create conditions in which employees can work together without fear of sexual harassment, exploitation or intimidation. As per the requirements of the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("SHWW Act, 2013"), the Company has instituted a Policy on Prevention of Sexual Harassment at the Workplace (Policy) and under the purview of the same an Internal Complaints Committee ("the Committee") has also been formed. Pursuant to the relevant provisions of the SHWW Act, 2013 and the Rules made thereunder, as amended from time to time, since there were no complaints during the year, the Committee filed a 'NIL Report' with the 'Office of the Deputy Collector, Mumbai Suburban District'.

32. ACKNOWLEDGEMENT

Your Directors wish to place on record sincere appreciation for the support and co-operation received from various Central and State Government Departments, organizations and agencies.

The Directors also gratefully acknowledge all stakeholders of your Company, viz., Shareholders, customers, dealers, vendors, fixed deposit holders, banks and other business partners for excellent support received from them during the Financial Year under review. Your Directors also express their warm appreciation to all the employees of the Company for their unstinted commitment and continued contribution to the growth of the Company.

For and on behalf of the Board

J. N. GODREJ
Chairman & Managing Director
DIN: 00076250

Mumbai, 26th August, 2020
Registered Office:
Pirojshanagar, Vikhroli,
Mumbai 400 079.

ANNEXURE I TO THE BOARD'S REPORT

A. CONSERVATION OF ENERGY

(i) The steps taken or impact on conservation of energy

1. New energy efficient air compressor Installation, Asset optimization & effective capacity utilization of air compressor.
2. Realtime Specific Energy consumption monitoring of compressed air for Energy efficiency improvement.
3. Installation of VFD on Compressor and integrate the variable speed compressor in SX system to prioritize the compressor operation as per demand.
4. Installation of dedicated high-pressure compressor for Paint-shop/CNC Machine area and remove the air boosters which consume 50% compressed air.
5. Modification of Air comp intake/Exhaust air duct for better energy efficiency.
6. Optimize and reduce the Compressed air set pressure.
7. Arresting Compressed Air Leakages & reduce losses across plants by continuous Air Leakage Monitoring.
8. Installation of IFC (Intelligent Flow Controller) at various plants.
9. Installation of screw compressor chillers for energy efficient HVAC with BMS system.
10. Installation of new generation Energy efficient VRV at plants.
11. Installation of 5-star Inverter unitary ACs.
12. Installation of Evaporative Cooling system for Office area.
13. Installation of Auto condenser tube cleaning system to maintain the Chiller approach and improve chiller performance.
14. Installation of IE-3 & IE-4 Energy Efficient Motor.
15. Installation of Temperature sensor based auto cut off system for Cooling Tower.
16. Installation of Energy Efficient Pump at Various Plants.
17. Installation of IOT enabled Energy Efficient Smart AHU at plants.
18. Installation of VFD for Pumps, Blower, Compressed Air at various plants.
19. Installation of thyristor controlled electric furnace in place of Fuel fired Furnace.
20. Use of Low Temperature Chemical at pretreatment Process to reduce Energy consumption.
21. Installation of Hydraulic Power Pack with Servo motor.
22. Installation of Waste Heat Recovery System at Compressor and use it for briquette moisture removal.
23. Installation of Heat Pipe to reuse the Waste Heat in the Process.
24. Installation of turbo ventilators at rooftop and translucent sheets for natural day lighting.
25. Installation of LED lights at Shop floor & office area.
26. Installation of Light Pipe across Plants for using natural daylight.
27. Installation of Occupancy and motion detector sensors for Office/Washroom/Substation/Meeting rooms.
28. Facilitated Energy Audits and helped in Implementation of energy conservation projects to the divisions/plants.
29. IOT: Online Energy Management System & Data Analytics.
30. Celebration of energy conservation week, earth hour, posting green tips/facts, Energy Efficient Product offering to Employees to spread the energy conservation awareness.
31. CII-GreenCo certification by business units.

(ii) The steps taken for utilising alternate sources of energy

1. Installation of rooftop solar PV (Photovoltaic) at plants.
2. Purchase of solar power for offsite locations.
3. Waste Heat Recovery at Ovens/Processes.

(iii) The capital investment on energy conservation equipment

1. Installation of online Energy Monitoring System.
2. Installation of Energy Efficient 2 Stage Air Compressor.
3. Installation of VFD (Variable Frequency Drive) on machines, pumps, blowers and AHU (Air Handling Unit).
4. Installation of Auto Solar Panel cleaning System to improve the Rooftop Solar System performance and reduce water consumption.
5. Installation of Rooftop Solar PV Plants.

B. TECHNOLOGY ABSORPTION

(i) The efforts made and the benefits derived from technology absorption

- a. Development of advance chair mechanism with synchronized movement of seat and back.
- b. Development of hospital beds with motorized platform for general and gynaec examination with birthing facility.
- c. Development of temperature controller, electrical safety features and indigenous air flow monitor equipment in fume hood.

- d. Development of motorized height adjustable office workstations.
- e. Development of automated pin filling operation for locks cartridges.
- f. Development of new oat meal vending machine with water cooler technology.
- g. Development of fixed speed and variable speed (inverter) R290 (hydro-carbon refrigerants gas) high efficiency compressors for deep freezer.
- h. Development progressive collapse resistant warehousing racks.
- i. Development of large diecasting dies using latest vacuum, squeeze and jet cooling technologies for new transmission parts for 4 Wheelers.
- j. Development of new kitchen modular units with built in utensil soaking, cooking station with inbuilt cool breeze and cool drawer.
- k. Development of multi-door large refrigerator models for premium segment.
- l. Development of automatic stitching machines for sofa upholstery set up.
- m. Development of chest freezers with natural hydro-carbon refrigerants.
- n. Development of low cost 2 ton electric counterbalance forklift with new drive train, mast and lightweight chassis.
- o. Development of minifresh espresso vending machines with internal fresh milk system.

(ii) The details of technology imports and absorption

- a. Development of robot for release agent spray for chair foam molding.
- b. Development of autovault, bluetooth operated safes and mobilocker for cellphones.
- c. Development of inverter technology in microwaves ovens.
- d. Development and PQS (product quality standards) testing of vaccine deep freezers (125 ltrs and 300 ltrs) which can store vaccines and water packs at subzero temperatures.
- e. Development of battery technology for 300 plus (charge and discharge) life cycles for home inverter and storage of solar power.
- f. Development of 2-ton forklift reach truck on a new platform with enhanced features with maximum fork height of 10.6 meters.
- g. Development of precision grinding and honing for assemblies of high sensitivity flow valves for accurate positioning of aircraft control systems.
- h. Development of tip cap and root plug brazing process for high pressure turbine rotor blade of aircraft engines.
- i. Development of high efficiency BLDC (brushless direct contact) compressors for refrigerators to achieve required star ratings as per new energy norms.
- j. Development of compressor motor for rotary compressors for room air conditioners.
- k. Development of high efficiency compact permanent magnet motors for commercial kitchen applications.

(iii) During the year under review, the Company spent Rs. 66.19 crore on Research & Development.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company's foreign exchange earnings and outgo for the year amounted to Rs. 740.82 crore and Rs. 1,631.06 crore respectively.

ANNEXURE II TO THE BOARD'S REPORT
Annual Report On Corporate Social Responsibility Activities

[as prescribed under Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. CSR Reporting Framework

We, Godrej & Boyce Mfg. Co. Ltd (G&B), are happy to present to you our sixth CSR compliance report. We have continued to work with integrity, have trust, service to mankind, respect for each other and conserving environment to pursue our vision of Godrej being in every home and workplace. We strive for enriching the quality of life, every day and everywhere. We grow with our values system, inculcating it in our CSR and Sustainability initiatives. The CSR projects undertaken are in line with Godrej Group's Good & Green goals and the areas of intervention specified in the Schedule VII of the Companies Act, 2013.

This annual Report presents our approach towards new initiatives which is gaining momentum like community development and work done in employability by following our CSR philosophy, highlighting our commitment to our stakeholders. This Report mentions about CSR committee, its role and responsibilities, taskforces and monitoring and review by them, project details including budgets and total spends.

2. Outline of CSR Policy

2.1. Objective of CSR Reporting

At G&B, our CSR policy applies to all activities that are undertaken as part of our Good & Green goals. In Godrej Good & Green, the focus is on increasing the employability of underprivileged youth through vocational training thus improving their socio-economic condition, go green by creating a greener India to encourage a sustainable approach towards business, and innovating environment-friendly and /or solutions benefiting bottom of the pyramid. Since year 2014-15, we are also working on community development initiatives around the area of operations in Maharashtra, Uttarakhand, Goa, Gujarat, Tamil Nadu and Punjab as it is critical to build sustainable communities by addressing their needs around livelihood, environment, health & sanitation and education that is aligned to schedule VII of the Companies Act, 2013. Company is vigilant to the emerging and urgent national priorities. Hence in view of the looming COVID 19 pandemic, a part of FY 19-20 CSR budget was reassigned to COVID 19 preparedness activities at various Mumbai Hospitals.

While this CSR policy is drafted in alignment with the Godrej Groups' Good and Green vision, it includes the CSR programs that meets the requirement of the CSR Rules as per the Section 135 of the Companies Act, 2013.

The G&B CSR Policy is available in the Company's website:

https://www.godrejandboyce.com/godrejandboyce/pdf/CSR_policy.pdf

2.2 CSR Committee

This Committee comprises of the following Members:

1. Mrs. Nyrika Holkar, Executive Director, Godrej & Boyce Mfg. Co. Ltd (Chairperson of CSR Committee)
2. Mr. J.N. Godrej, Chairman & Managing Director, Godrej & Boyce Mfg. Co. Ltd.
3. Mr. V. M. Krishna, Executive Director, Godrej & Boyce Mfg. Co. Ltd,
4. Mr. A.G. Verma, Executive Director & President, Godrej & Boyce Mfg. Co. Ltd
5. Mr. P.P. Shah, Independent Director, Godrej & Boyce Mfg. Co. Ltd
6. Mr. K.M. Elavia, Independent Director, Godrej & Boyce Mfg. Co. Ltd

The Company Secretary serves as the Secretary of the CSR Committee.

2.3 Responsibilities

1. Formulate and update the Company's CSR Policy, and have it approved by the Board.
2. Suggest areas of intervention to the Board.
3. Approve projects that are in line with the CSR Policy.
4. Put monitoring mechanism in place to track the progress of each project.
5. Recommend the CSR budget and expenditures to the Board of the Company, for approval and;
6. Meet twice a year to review the progress made.

2.4 Task Forces

Project specific task forces are constituted for implementation and monitoring of the CSR projects. The task forces would be responsible for carrying out day-to-day operations of CSR and will submit reports to the CSR Committee for the bi-annual review meetings.

2.5 CSR Budget & Expenditures (Table 1 and 2)

Table 1

1. Average net profit of last 3 years: Rs. 313 crore
2. Calculated 2% spend for the current financial year: Rs. 6.26 crore
3. Amount spent during the current financial year: Rs. 6.50 crore
4. Amount overspent of the recommended 2% budget, if any: Rs. 0.24 crore

ANNEXURE II TO THE BOARD'S REPORT
Annual Report On Corporate Social Responsibility Activities

Table 2
Details of the expenditures incurred by G&B during the current financial year 2019-20

(Amount in Rs. Lakhs)

CSR Project Activity	Sub activity for CSR	Sector in which the project is covered	1) Local area 2) State /district project or programme	Institute/ organization / person involved	Amount outlay (Budget) Project or Programme wise	Amount spent on projects, 1) Direct expenditure 2)Overheads,	Total expenditure in the corresponding area	Cumulative expenditure up to the reporting period	Amt spent direct or through the implementing agency	Audit proof available
A. Livelihood										
i. Disha	Vocational Skill training for Rural & Urban youth in trades like –Fitter, Welder, Machinist, Refrigeration & Air Conditioning technician, Retail sales Forklift driver, Basic Carpentry, Creation of trade specific training labs, course content development, Industry exposure programs for ITI students	Employment enhancing vocational skills development	77 cities, 18 states & Union Territories, across India (Schedule A: List of States & Cities)	77 Pvt Vocational Training Centers of 30 training partners & 33 ITIs (Schedule A, B & C)	225.00	179.60	179.60	179.60	77.6 lakhs implementing Agency 102 lakhs Direct expense	Invoices & Bills
ii. Rural development	Women Empowerment, SHG Formation, Eco - Tourism development, Farmer income enhancement programs	Livelihood enhancement projects	Shirwal (Satara), Khalapur (Raigad), Bhiwandi(Thane) Maharashtra, Bhagwanpur (Haridwar), Uttarakhand, Dahej (Bharuch), Vadodara Gujarat, Mohali (Punjab)	Gram Panchayat Villagers, Partners, (Schedule D)	85.00	92.00	92.00	92.00	92 lakhs Through implementing Agency	Invoices & Bills
B. Support education	Uplifting education, Sanitation & cleanliness in rural schools, career guidance, E- learning, Science lab, Activity based learning, Model school, English learning, Facilitating Sports activities at school	Promoting Education	Shirwal (Satara), Khalapur (Raigad), Maharashtra, Bhagwanpur (Haridwar), Uttarakhand, Madkai(Goa)	Schools, Villagers, Partners (Schedule D)	105.00	99.40	99.40	99.40	74.4 lakhs implementing Agency 25 lakhs Direct expense	Invoices & Bills
C. Promoting Health Care	Preventive health checkups, safe drinking water, awareness, Waste water management, renovation of washrooms, road pathway for safety. Support to hospitals for COVID 19 response activities	Promoting preventive health care	Mumbai Shirwal (Satara), Khalapur (Raigad), Bhiwandi (Thane), Maharashtra Bhagwanpur (Haridwar), Uttarakhand, Madkai, Goa, Dahej (Bharuch) Vadodara, Gujarat Chennai (Tamil Nadu)	Hospitals PHCs, Gram Panchayat Villagers, Partners (Schedule D)	160.00	170.80	170.80	170.80	147.3 lakhs Through implementing Agency 23.5 lakhs Direct expense	Invoices & Bills
D. Environment	Tree plantation, rain water harvesting, environment awareness	Ensuring environmental sustainability, ecological balance	Shirwal(Satara), Khalapur (Raigad), Maharashtra	Partners, villagers, (Schedule D)	64.00	77.20	77.20	77.20	26.6 lakhs Through implementing Agency 50.6 lakhs direct expense	Invoices / Receipts

CSR Project Activity	Sub activity for CSR	Sector in which the project is covered	1) Local area 2) State /district project or programme	Institute/ organization / person involved	Amount outlay (Budget) Project or Programme wise	Amount spent on projects, 1) Direct expenditure 2)Overheads,	Total expenditure in the corresponding area	Cumulative expenditure up to the reporting period	Amt spent direct or through the implementing agency	Audit proof available
E. CSR Overhead	Salary, Travel	CSR Management	Mumbai	Dedicated CSR Resource, Project Management	31.00	31.10	31.10	31.10	31.10	Invoices /Salary slips
Total					670.00	650.10	650.10	650.10		

Other details of coverage and partners are given in Schedules A,B,C and D attached to this Report.

3. Responsibility Statement

Through this Report, the Company seeks to communicate its commitment towards CSR to the Ministry of Corporate Affairs. The Board of the Company and the CSR Committee are responsible for the integrity and the objectivity of all the information provided in this Report. In alignment with our Good & Green goals provided in our CSR Policy, all projects reported have been selected based on careful consideration of the extent to which they create sustainable outcomes in the communities around the area of operations. We have undertaken measures to ensure these projects are implemented in an effective and efficient manner so that they are able to deliver maximum impact. In line with the Companies Act, 2013, we have also instituted monitoring mechanisms to track the progress of projects and ensure their smooth implementation.

The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

J. N. Godrej
Chairman & Managing Director

Nyrika Holkar
Chairperson of the CSR Committee

ANNEXURE II TO THE BOARD'S REPORT DETAILS OF CSR EXPENDITURE INCURRED DURING THE YEAR Schedule A: List of States and Cities

State presence	18
City presence	77

Sr. No.	State	No of training centres	Cities/town/district
1	Assam	3	Guwahati, Rowta, Byrnihat,
2	Bihar	1	Kurji (Patna)
3	Chattisgarh	1	Ambikapur
4	Delhi	1	Okhla
5	Gujarat	4	Vaghaldhara, Narukot,Sevasi, Jhagadia
6	Haryana	1	Faridabad
7	Jharkhand	1	Jamshedpur
8	Karnataka	8	Bangalore, Gulbarga, Holalkere, Kamlapur, Kolar, Jamkhandi, Udupi, Mangalore
9	Kerala	3	Kannur, Kochi, Kalamassery
10	Madhya Pradesh	1	Raipur (Bhopal)
11	Maharashtra	25	Ambarnath, Borivali, Byculla, Chakan, Chinchwad, Chiplun, Dahanu, Dahisar, Jogeshwari, Kalyan, Karjat, Khalapur, Kurla, Mulund, Mumbra, Nagpur, Nirmal (Vasai), Pinguli, Satara, Shahapur, Shirwal, Sindhudurg, Sion, Thane, Vikhroli, Walwanda
12	Odisha	6	Bhubaneshwar (Jatani), Cuttack, Paralakhemundi, Balangir, Rayagada, Rasulgarh
13	Punjab	2	Ludhiana, Lalru (Mohali)
14	Rajasthan	5	Ajmer, Bhilwara, Chittorgarh, Jaipur, Udaipur
15	Tamil Nadu	5	Ambattur, Chennai, Coimbatore, Madurai, Padappai
16	Telangana	1	Hyderabad,
17	Uttar Pradesh	4	Kanpur, Lucknow,Noida, Kaiserbagh,
18	West Bengal	5	Barasat, Berhampore, Kolkatta, Sealdah, Siliguri
	Total	77	

**ANNEXURE II TO THE BOARD'S REPORT
DETAILS OF CSR EXPENDITURE INCURRED DURING THE YEAR**

Schedule B: List of Disha Partners

Sr. No.	Name of the Partner /Govt ITI/ Pvt ITI	Centre Name / Postal Address	Trades	No of locations
1	Aditya Birla Skills Foundation	8th Floor, Parsvnath Towers,Bhai Vir Singh Marg, Near Gol Market,New Delhi	Refrigeration& Air Conditioning (RAC)	1
2	Archana Edu Trust -VTC	Santosh Mahesh Bhagrodia VTC, Archana trust, Shahpur,	Electrician, Fitter, Welder,	1
3	Art of Living SSRDP (Sri Sri Rural Development Program)	Art of Living Foundation, 21st km, Kanakpura Road, Udaipalia, Bangalore, Karnataka	Refrigeration & Air Conditioning (RAC)	1
4	Ascent Educational welfare society	127 / 3A Choulakhi Baradari, B.N. Road; Near Old Nishat Cinema; Kaiserbagh, Lucknow	Refrigeration & Air Conditioning	1
5	Dhaanish Ahmed College of Engineering	Vanchuvancherry, Padappai,	Refrigeration& Air Conditioning (RAC)	1
6	Don Bosco Tech -Western Province	Don Bosco Centre for Learning (DBCL), Premier Automobiles, Kurla, Mumbai	Welding, Fitting, Electrical	8
7	Don Bosco -Yuva Kendra DB Tech - Central Province	Don Bosco Technical Institute, Okhla Road, Zakir Nagar Okhla, Near Escort Hospital, New Delhi	Refrigeration& Air Conditioning (RAC), ESM Tech (CCTV),	6
8	Fr Agnel Technical Institute	Father Angels Ashram Rd, Bandstand Promenade, Bandra West, Mumbai	Welding, Fitting, Electrical, ESM Tech (CCTV), RAC	5
9	Funfirst Global Skillers Pvt Ltd	A Wing, 303 & 304, Kailas Industrial Complex, Veer Savarkar Marg, Vikhroli West, Mumbai	Refrigeration& Air Conditioning (RAC)	1
10	George Telegraph Training Institute	31A, S.P. Mukherjee Road, Kolkata	Refrigeration& Air Conditioning (RAC)	5
11	Gram Tarang Employability Training Services Pvt. Ltd. (GTET), Centurion University	17, Forest Park Road, Forest Park, Bhubaneswar, Odisha (HIG-5, Phase-I, BDA Duplex, Pokhariput,)	Fitting, CNC Operator, Welding, Refrigeration& Air Conditioning (RAC), Diesel forklift, Furniture service, VMT, ESM Tech	8
12	Kalyan Bharti	Ward No:22, College road, Near Soni Dharmshala, Bhilwara, Rajasthan	Locks service technician	5
13	Lalji Mehrotra Technical Institute	Opp Hema Ind Estate, Sarvoday Nagar, Jogeshwari (E), Mumbai	Electrician, ESM Tech (CCTV),	1
14	Little flower Engineering Institute	NH47, south Kalamasserry, Ernakulam, Kochi, Kerala	RAC, ESM Tech (CCTV),	1
15	LokBharati	LokBharati Skilling Solutions Pvt Ltd, 46, Janpath, New Delhi	Masonry & plastering, shuttering carpentry	1
16	Montfort, MIEC -(Montfort Integrated Educational Centre)	Brother of St. Gabriel Educational Society, Montfort Bhavan, Provincial House, 116-862, Red Hills, Hyderabad	Refrigeration& Air Conditioning (RAC), Electrical	1
17	MS Ramaiah Polytechnic	MSRP -MSR Nagar, MSRIT Post, Bangalore	Refrigeration& Air Conditioning (RAC)	1
18	Myrada	No.2, Service Road, Domlur layout, Bangalore	Basic woodworking, Masonry & plastering, Plumbing,	14
19	Navkonkan education society	S K Patil Nagar, Mumbai-Goa Highway, Chiplun	Refrigeration & Air Conditioning	1

Sr. No.	Name of the Partner /Govt ITI/ Pvt ITI	Centre Name / Postal Address	Trades	No of locations
20	Pratham education foundation	Pratham Institute, 24D, Kamgar Nagar CHSL, SG Barve Marg, Kurla east, Mumbai	RAC	1
21	Rathinam College of Coimbatore	Pollachi Rd, KPM Nagar, Eachanari, Coimbatore	Refrigeration & Air Conditioning	1
22	Rustomjee Academy for Global Careers	Rustomjee Academy for Global Careers Pvt. Ltd, Near ESIC Hospital, Ambika Nagar, Wagle Estate, Thane (W) Maharashtra	Electrical	3
23	S & S Care Skills Academy	a 56, Sector 6-7 Road, Block a, Sector 6, Noida, Uttar Pradesh	Refrigeration & Air Conditioning	2
24	Seva Bharti Skill Development center,	Srujata Enterprises, Warangal, Hyderabad, Telangana	Refrigeration & Air Conditioning	1
25	SSEPL Skills Pvt Ltd.	Mancheswar Ind Estate, Rasulgarh, Bhubneshwar	Refrigeration & Air Conditioning	1
26	St. Xavier Technical Institute, Vadodara, (Baroda)	St. Xavier Technical Institute, Vadodara, (Sevasi, Trust)	Electrician, Fitter, Machinist, Turner, CNC, Press tool Design, ESM Tech,	1
27	Universal Institute of Engg & technology	Lalru Chandigarh-Ambala Highway, Tehsil:- Dera Bassi, Distt. Mohali, Ballopur, Punjab	Refrigeration & Air Conditioning (RAC)	1
28	VGTK -(Vivekanand Gramin Tekniki Kendra) SEWA Rural	SEWA Rural, Jhagadia, District: Bharuch, Gujarat	Welding	1
29	VVTC - -(Vaghaldhara Vocational Training Centre)	VVTC -(Vaghaldhara Vocational Training Centre), Vaghaldhara Vibhag Kelvani Mandal, Dist Valsad, Gujarat	Welding, Advance welding, CNC operator, Fitting, Plumbing, (RAC)	1
30	YMCA University of science & Technology	Opp. Sanjay Memorial Industrial Estate, Mathura Rd, Sector 6, Faridabad, Haryana	Refrigeration & Air Conditioning	1
			TOTAL TRAINING LOCATIONS	77

ANNEXURE II TO THE BOARD'S REPORT
DETAILS OF CSR EXPENDITURE INCURRED DURING THE YEAR
Schedule C: DISHA ITI List

S.No	Name	Trade	City/District	State	Division
1	Pvt ITI Ajmera	RAC ESM tech	Ajmera -Jaipur Ajmera -Jaipur	Rajasthan Rajasthan	Godrej Appliance-RAC Security Solutions
2	Govt ITI Jamkhandi,	RAC	Bangalore	Karnataka	Godrej Appliance-RAC
3	Govt ITI Ambattur	Fitter	Chennai	Tamil Nadu	Storage Solutions
4	Pvt ITI -St. Joseph Chennai	RAC ESM tech	Chennai Chennai	Tamil Nadu Tamil Nadu	Godrej Appliance-RAC Security Solutions
5	Pvt ITI -Don Bosco ITI	RAC	Delhi	Uttar Pradesh	Godrej Appliance-RAC
6	Pvt ITI -Kottur Tech Inst	RAC	Kannur	Kerala	Godrej Appliance-RAC
7	Pvt ITI -Unity Pvt ITI	RAC	Lucknow	Uttar Pradesh	Godrej Appliance-RAC
8	Govt ITI Ludhiana	RAC	Ludhiana	Punjab	Godrej Appliance-RAC
9	Pvt ITI -	RAC	Mangalore	Karnataka	Godrej Appliance-RAC
10	Govt ITI -Andheri	Fitter Welding	Mumbai Mumbai	Maharashtra Maharashtra	Corporate training center Corporate training center
11	Govt ITI Belapur	Welding	Mumbai	Maharashtra	Corporate training center
12	Govt ITI Byculla	Diesel Mech Turner Fitter Welding	Mumbai Mumbai Mumbai Mumbai	Maharashtra Maharashtra Maharashtra Maharashtra	Material Handling Godrej Aerospace Godrej Aerospace Corporate training center
13	Govt ITI Chandivali,	Welding	Mumbai	Maharashtra	Corporate training center
14	Govt ITI Dharavi	Diesel Mech Fitter	Mumbai Mumbai	Maharashtra Maharashtra	Material Handling Corporate training center
15	Govt ITI Govandi	Welding	Mumbai	Maharashtra	Corporate training center
16	Pvt ITI -St. Joseph -Kurla	RAC Fitter Machinist Draughtman	Mumbai Mumbai Mumbai Mumbai	Maharashtra Maharashtra Maharashtra Maharashtra	Godrej Appliance-RAC Security Solutions Security Solutions Security Solutions
17	Govt ITI Kurla	Fitter Turner Machinist	Mumbai Mumbai Mumbai	Maharashtra Maharashtra Maharashtra	Corporate training center Tooling Tooling
18	Govt ITI Mandvi	Fitter Welding	Mumbai Mumbai	Maharashtra Maharashtra	Corporate training center Corporate training center
19	Govt ITI Mulund	Welding Diesel Mech Machinist Turner Fitter	Mumbai Mumbai Mumbai Mumbai Mumbai	Maharashtra Maharashtra Maharashtra Maharashtra Maharashtra	Corporate training center Material Handling Precision Engineering Precision Engineering Precision Engineering
20	Govt ITI Nehrunagar (Kurla)	Welding Diesel Mech	Mumbai Mumbai	Maharashtra Maharashtra	Corporate training center Material Handling
21	Govt ITI Vidyavihar	Welding	Mumbai	Maharashtra	Process Equipment
22	Govt ITI Noida	RAC	Noida	Uttar Pradesh	Godrej Appliance-RAC
23	Pvt ITI -Loyola ITI	RAC	Patna,	Bihar	Godrej Appliance-RAC
24	Govt ITI Karjat	Welding	Raigad	Maharashtra	Corporate training center
25	Govt ITI -Nagothane	Welding	Raigad	Maharashtra	Corporate training center
26	Govt ITI -OROS, Sindhudurg	Fitter Welding	Ratnagiri Ratnagiri	Maharashtra Maharashtra	Precision Engineering Precision Engineering
27	Govt ITI Ambernath	Machinist Electroplater Welding Fitter Diesel Mech M/cinist Grinder Tool & Die Maker	Thane Thane Thane Thane Thane Thane	Maharashtra Maharashtra Maharashtra Maharashtra Maharashtra Maharashtra	Godrej Aerospace Godrej Aerospace Corporate training center Corporate training center Material Handling Tooling Tooling
28	Govt ITI Kalyan	Fitter Welding	Thane Thane	Maharashtra Maharashtra	Corporate training center Corporate training center

S.No	Name	Trade	City/District	State	Division
29	Govt ITI Shahapur	Fitter Welding	Thane Thane	Maharashtra Maharashtra	Corporate training center Corporate training center
30	Govt ITI Thane	Welding Fitter Machinist Turner	Thane Thane Thane Thane	Maharashtra Maharashtra Maharashtra Maharashtra	Corporate training center Corporate training center Tooling Tooling
31	Govt ITI Ulhasnagar	Fitter Welding	Thane Thane	Maharashtra Maharashtra	Corporate training center Corporate training center
32	PVT ITI -Mumbra -Ahmed Abdulla GP	Welding	Thane	Maharashtra	Corporate training center
33	Pvt ITI -	RAC	Udupi	Karnataka	Godrej Appliance-RAC

ANNEXURE II TO THE BOARD'S REPORT
DETAILS OF CSR EXPENDITURE INCURRED DURING THE YEAR
Schedule D: List of partners for Community Development

Sr. No.	Partners	Address of Head office	Partnership	Pillars	Area of intervention
1	Award	Sanket Complex, 1st Floor, Near Gite Building, Pantacha Got, Satara -415001. (Maharashtra) Contact Ph. No. 02162 -233526	Project Implementation	Livelihood	Agricultural schemes awareness, organic farming
2	Anubhav Prathishtan	S/No 6 183/2/D Jakhotia Arcade shilphata Khopoli Tal Khalapur Dist Raigad 410203 , Khopoli	Project Implementation	Rural development	Rural development
3	CEE (Center for Environment Education)	Pinewood Apartments S. No.233/1/2, Vidhate Colony Behind Medipoint Hospital Baner, Pune - 411045	Project Implementation	Education	Education
4	Deepak Foundation	Nr. Laxmi Studio, Adjoining L&T Knowledge City, On NH-8, Ta. & Dist. Vadodara-390 019	Project Implementation	Health Sanitation & Livelihood	Health Sanitation & Livelihood
5	Grassroutes Journey pvt ltd	Purushwadi, Maharashtra 422604	Project Implementation	Livelihood	Livelihood
6	Karadi Path	3A, Dev Regency, 11, First Main Road, Gandhi Nagar, Adyar, Chennai 600020.	Project Implementation	Education	Spoken English for rural kids
7	SBMA (Shri Bhuvneshwari Mahila Ashram)	Plan India & Shri Bhuvneshwari Mahila Ashram, Uttarkashi Opp - LIC Building, Joshiyara Uttarkashi, Uttrakhand	Project Implementation	Health Sanitation & Livelihood	Health Sanitation & Livelihood
8	Sattva	101, Classic Pentagon, 11, Western Express Hwy, Chakala, Andheri East, Mumbai, Maharashtra 400053	Assessments	Surveys	Surveys, Communication, Strategy
9	Sehgal Foundation	Head Office. Plot No.34, Sector 44, Institutional Area Gurgaon, Haryana - 122003. INDIA	Project Implementation	Environment	Environment
10	Sustainability Square	Unit No.611, Reliable Pride, Anand Nagar Jogeshwari, Maharashtra 400102, Mumbai, India	Assessments	Surveys	Surveys, Communication, Strategy
11	Sustainability co-creators	G-22, Spaze Privy, Sector-72, Gurgaon -122001	Assessments	Surveys	Surveys, Communication, Strategy
12	Sampada Trust	Sampada', Behind Market Yard, Ahmednagar (MS)- 414 001 Phone + 91 241 2451311	Project Implementation	Health & Sanitation	Women Empowerment
13	WOTR (Watershed organization Trust)	"Paryavaran" Behind Market Yard, Sarasnagar Rd, Ahmednagar, MH 414001	Knowledge & project Implementation	Health & Sanitation	Women Empowerment

ANNEXURE III TO THE BOARD'S REPORT

Form No MR – 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

The Members,

Godrej & Boyce Manufacturing Company Limited

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

Based on our verification of the Company's books, papers, Minute Books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, Minute Books, forms and Returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made there under;
- (ii) The Securities Contract (Regulation) Act 1956 ('SCRA') and the rules framed thereunder – NOT APPLICABLE;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): - the Company is an unlisted Public Company and hence compliance limited to the extent applicable in respect of the Company's holdings in listed public companies;
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993
- (vi) The Management has identified and confirmed the following laws as specifically applicable to the company: -
 - 1 Arms Act, 1959 and Indian Arms Rules 1962.
 - 2 Atomic Energy Act, 1962 and Atomic Energy (Safe Disposal of Radioactive Wastes) Rules, 1987
 - 3 Atomic Energy Act, 1962 and Atomic Energy (Radiation Protection) Rules, 2004
 - 4 Energy Conservation Act, 2001 and Bureau of Energy Efficiency (Manner and Intervals of Time for Conduct of Energy Audit) Regulations, 2010
 - 5 Energy Conservation Act, 2001 read with Energy Consumption Standard for star labelled room A/Cs of the vapour compression type which are of window A/C and 1:1 high wall split A/C
 - 6 Energy Conservation Act, 2001 read with Bureau of Energy Efficiency (Particulars and Manner of their Display on Labels of Household Frost Free Refrigerators) Regulations, 2009
 - 7 Energy Conservation Act, 2001 read with Bureau of Energy Efficiency (Particulars and Manner of their Display on Labels of Room Air Conditioners) Regulations, 2009
 - 8 Energy Conservation Act, 2001 read with Energy Consumption Standard for star labelled household frost free refrigerator and Notification issued by BEE dated 16 December 2015
 - 9 Explosives Act, 1884 and Gas Cylinder Rules, 2004
 - 10 Explosives Act, 1884 and Static and Mobile Pressure Vessels (Unfired) Rules, 1981

11	Forest (Conservation) Act 1980 and Forest (Conservation) Rule 2003
12	Jammu and Kashmir Industrial Establishments (National and Festival) Holidays Act, 1974 and Jammu and Kashmir Industrial Establishments (National and Festival) Holidays Rules
13	Petroleum Act, 1934 read with Petroleum Rules 2002
14	Environment (Protection) Act, 1986 and Bio-Medical Waste (Management and Handling) Rules, 1998
15	Maharashtra Acquisition of Private Forests Act, 1975
16	Maharashtra Felling of Trees (Regulation) Act, 1984
17	Building & Other Construction Workers' Welfare Cess Act, 1996 Child Labour (Prohibition & Regulation) Act, 1986
18	Building & Other Construction Workers' (Regulation of Employment & Conditions of Service) Act, 1996
19	Industrial Employment (Standing Orders) Act, 1946
20	Inter-State Migrant Workmen Regulation of Employment and Conditions of Service Act, 1979
21	Manufacture, Storage and Import of Hazardous Chemical Rules, 1989
22	Bio-Medical Waste (Management and Handling) Rules, 1998 / 2003
23	The Gujarat SEZ Act, 2004 – Dahej
24	The Special Economic Zones Act, 2005 (Act No 28 of 2005)
25	The Special Economic Zones Rules, 2006.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / Listing Agreements entered into by the Company with BSE Limited & The National Stock Exchange of India Limited: - NOT APPLICABLE.

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

We further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. During the year, there is no change in composition of Board of Directors
- Adequate Notice is given to all the Directors to schedule the Board Meetings. The Agenda and Detailed Notes on Agenda were sent as per the provisions of the Secretarial Standard on Meetings of the Board of Directors (SS1) and a system exists for seeking and obtaining further information and clarifications on the agenda items before the Meeting and for meaningful participation at the Meeting.
- All the decisions were taken unanimously in the Meetings of the Board.

We report that, based on review of compliance mechanism established by the Company and on the basis of compliance certificate(s) issued by the Company Secretary /Occupier and taken on record by the Board of Directors at their Meeting(s), we are of the opinion that there are adequate system and process in place in the Company which is commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws , rules, regulations and guidelines.

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

- 1 issued advertisement for acceptance of Fixed Deposits from Public and from the Members of the Company.
- 2 passed a Resolution to issue Secured, Redeemable, Rated, Unlisted, Non-Convertible Debentures on private placement basis, in one or more tranches, provided the outstanding amount at any time during the period shall not exceed Rs. 750 crore; and

3 passed a Resolution for issue and listing of Commercial Papers aggregating upto Rs. 700 crore.

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

Place:- Thane
Date:- 25th August, 2020

Ashok N. Ramani
Partner
FCS – 6808, COP – 5342
UDIN:- F006808B000615812

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

‘Annexure A’

The Members
Godrej & Boyce Manufacturing Company Limited

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

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

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

Place:- Thane
Date:- 25th August, 2020

Ashok N. Ramani
Partner
FCS – 6808, COP – 5342
UDIN:- F006808B000615812



Godrej & Boyce Manufacturing Company Limited

LIST OF ENCLOSURES TO THE
ANNUAL REPORT AND ACCOUNTS
Year ended 31st March, 2020

Enclosure 1: Consolidated Financial Statements for the year ended 31st March, 2020
(Paragraph 1 of the Board's Report)

Enclosure 2: Form No. AOC-2 pursuant to Section 134 (3) (h) of the Companies Act, 2013
(Paragraph 17 of the Board's Report)





Godrej & Boyce Manufacturing Company Limited

ANNUAL REPORT AND ACCOUNTS
Year ended 31st March, 2020

ENCLOSURE 2

Form No. AOC - 2 pursuant to Section 134 (3) (h)
of the Companies Act, 2013.

Referred to in paragraph 17 of the Board's Report



ENCLOSURE 2**GODREJ & BOYCE MFG. CO. LTD.****FORM NO. AOC -2**

required to be attached with the Board's Report

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

Sl. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Mrs. P.J. Godrej, spouse of Mr. J.N. Godrej, Chairman & Managing Director and mother of Mr. N.J. Godrej, Non-Executive Director
b)	Nature of contracts / arrangements/transaction	Employment Contract
c)	Duration of the contracts /arrangements/transaction	Permanent Employee
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Re-designation and revision in remuneration payable with effect from 1 st April, 2015 as Sr. Vice President (Welfare Co-ordination) as under: Salary: Rs. 2 lakh per month and Rs. 24 lakh per annum Perquisites and allowances: Rs. 0.39 lakhs per annum Provision of Company maintained car with driver for official use Terminal Benefits: Rs. 2.88 lakhs per annum Company's contribution to Provident Fund, Gratuity or any other Annuity Fund in accordance with the Rules of the Company, in force from time to time
e)	Justification for entering into such contracts or arrangements or transactions'	Rendering of professional services
f)	Date of approval by the Board	23 rd February, 2015
g)	Amount paid as advances, if any	NIL
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	Not Applicable

Sl. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Mrs. S.G. Crishna, spouse of Mr. V. M. Crishna, Whole-time Director, sister of Mr. J.N. Godrej, Chairman & Managing Director and mother of Mrs. Nyrika Holkar, Executive Director
b)	Nature of contracts/arrangements/transaction	Employment Contract
c)	Duration of the contracts/arrangements/transaction	Permanent Employee
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Re-designation and revision in remuneration payable with effect from 1 st April, 2015 as Sr. Vice President (Welfare Co-ordination) as under: Salary: Rs. 2 lakh per month and Rs. 24 lakh per annum Perquisites and allowances: Rs. 0.39 lakhs per annum Provision of Company maintained car with driver for official use Terminal Benefits: Rs. 2.88 lakhs per annum Company's contribution to Provident Fund, Gratuity or any other Annuity Fund in accordance with the Rules of the Company, in force from time to time
e)	Justification for entering into such contracts or arrangements or transactions'	Rendering of professional services
f)	Date of approval by the Board	23 rd February, 2015
g)	Amount paid as advances, if any	NIL
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	Not Applicable

2. Details of material contracts or arrangements or transactions at Arm's length basis.

Sl. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	N.A.
b)	Nature of contracts/arrangements/transaction	N.A.
c)	Duration of the contracts/arrangements/transaction	N.A.
d)	Salient terms of the contracts or arrangements or transaction including	N.A.
e)	Date of approval by the Board, if any	N.A.
f)	Amount paid as advances, if any	N.A.

For and on behalf of the Board

J. N. Godrej
Chairman & Managing Director
DIN: 00076250

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Godrej & Boyce Manufacturing Company Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of Godrej & Boyce Manufacturing Company Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2020, and its profit and total comprehensive loss, the changes in equity and cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act ("SA's"). Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 ("ICAI") 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 made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Information Other than the Financial Statements and Auditor's Report Thereon ("Other Information")

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report and its annexures but does not include the Consolidated Financial Statements, Standalone Financial Statements and our auditor's reports 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 during the course of our 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 Responsibility for the Standalone Financial Statements

The Company's Board of Directors is 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 financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

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.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, 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 Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant 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 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements.

(ii) The Company has made provision, in its Standalone Financial Statements as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No: 117366W/W-100018

N. K. Jain
Partner
Membership No: 045474
UDIN: 20045474AAAABW3589

Mumbai
26th August, 2020

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”) of Godrej & Boyce Manufacturing Company Limited

We have audited the internal financial controls over financial reporting of Godrej & Boyce Manufacturing Company Limited (“the Company”) as of 31st March, 2020 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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. The Guidance Note and those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as of 31st March, 2020, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of Internal controls stated in the Guidance Note.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No: 117366W/W-100018

N. K. Jain
Partner
Membership No: 045474

Mumbai
26th August, 2020

Annexure "B" to Independent Auditor's Report

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

Report on Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 ("the Act") of Godrej & Boyce Manufacturing Company Limited

i. In respect of the Company's property, plant and equipment and investment property:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and investment property.
- (b) The property, plant and equipment and investment property were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all property, plant and equipment at regular intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed, court orders approving schemes of arrangements / amalgamations and other documents provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the Balance Sheet date.

In respect of immovable properties of land that have been taken on lease and disclosed as property, plant and equipment in the Standalone Financial Statements, the lease agreements are in the name of the Company.

- ii. As explained to us, the inventories other than goods-in-transit, stocks lying with third parties and Construction work-in-progress (which have substantially been confirmed by third parties / certified by Management) were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- iii. According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act, in respect of which:
 - (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
 - (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
 - (c) There is no overdue amount remaining outstanding as at the Balance Sheet date.
- iv. In our opinion and according to information and explanations given to us, the Company has complied with provisions of Section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.
- vi. The maintenance of cost records has been specified by the Central Government under section 148(1) of the Act in respect of specified products of the Company. For such products, we have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, cess and other material statutory dues applicable to it to the appropriate authorities.
We were informed that the provisions of Excise duty is not applicable.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Value Added Tax, cess and other material statutory dues in arrears as at 31st March, 2020 for a period of more than six months from the date they became payable.

(c) Details of dues of Entry Tax, Sales Tax, Service Tax, Excise Duty, and Value Added Tax which have not been deposited as at 31st March, 2020 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (Rs. in crore)
Central Excise Act, 1944	Excise Duty	Appellate Authority – Commissioner / Tribunal/ High Court	Various years from 1987 to 2018	35.52
Finance Act, 1994	Service Tax	Appellate Authority – Commissioner / Tribunal	Various years from 2003 to 2018	12.74
Central Sales Tax Act, 1956, and State Sales Tax / VAT Acts	Sales Tax / VAT	Appellate / Revisional Authority – upto Commissioner/ Tribunal/ High Court	Various years from 1988 to 2019	32.26
The West Bengal Tax on Entry of Goods into Local Areas Act, 2012	Entry tax	High Court	Various years from 2013 to 2020	42.81
Central Goods and Services Act, 2017	GST	Appellate Authority – Commissioner / Tribunal	2017-18	0.14

There were no dues of Goods and Service Tax which have not been deposited as at 31st March, 2020 on account of dispute.

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted during the year in repayment of dues to financial institutions, banks, government and debenture holders.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with them and hence provisions of section 192 of the Act are not applicable.
- xvi. According to information and explanations given to us, the Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No: 117366W/W-100018

N. K. Jain
Partner
Membership No: 045474

Mumbai
26th August, 2020

GODREJ & BOYCE MANUFACTURING COMPANY LIMITED
BALANCE SHEET AS AT 31st MARCH, 2020

	Note		(Rupees in crore)
			As at 31-03-2020
			As at 31-03-2019
ASSETS			
(1) NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	2 A	2,342.08	2,031.42
(b) Capital Work-in-progress	2 A	875.75	797.39
(c) Investment Property	2 B	354.06	362.54
(d) Intangible Assets	2 A	18.19	15.09
(e) Intangible Assets under development	2 A	0.53	6.40
(f) Right of Use Assets	2 C	568.12	-
		4,158.73	3,212.84
(g) Financial Assets			
(i) Investments in Subsidiaries, Associates and Joint Venture	3	137.42	101.65
(ii) Other Non-Current Investments	4	4,563.04	6,087.43
(iii) Loans	5	51.09	58.04
		4,751.55	6,247.12
(h) Other Non-Current Assets	6	63.83	53.85
			8,974.11
			9,513.81
(2) CURRENT ASSETS			
(a) Inventories	7	2,603.83	2,378.95
(b) Financial Assets			
(i) Trade Receivables	8	2,139.30	2,248.21
(ii) Cash and Cash Equivalents	9(A)	189.33	250.53
(iii) Bank Balances other than (ii) above	9(B)	75.02	123.79
(iv) Other Financial Assets	10	63.77	55.67
		2,467.42	2,678.20
(c) Current Tax Assets (net)		104.51	48.58
(d) Other Current Assets	11	1,186.65	958.34
			6,362.41
			6,064.07
Total Assets		15,336.52	15,577.88
EQUITY AND LIABILITIES			
(1) EQUITY			
(a) Equity Share Capital	12	6.78	6.78
(b) Other Equity	13	7,734.11	9,199.69
			7,740.89
			9,206.47
LIABILITIES			
(2) NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	14	1,299.45	798.54
(ii) Lease Liabilities		495.27	-
(iii) Other Financial Liabilities	15	189.52	182.72
		1,984.24	981.26
(b) Provisions	16	92.23	84.54
(c) Deferred Tax Liabilities (Net)	17	52.62	1.50
(d) Other Non-Current Liabilities	18	29.87	15.05
			2,158.96
			1,082.35
(3) CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	19	1,576.05	1,713.32
(ii) Lease Liabilities		90.79	-
(iii) Trade Payables	20	1,817.19	1,539.28
(iv) Other Financial Liabilities	21	921.54	1,060.79
		4,405.57	4,313.39
(b) Current Tax Liabilities (net)		-	-
(c) Other Current Liabilities	22	990.18	938.43
(d) Provisions	23	40.92	37.24
			5,436.67
			5,289.06
Total Equity and Liabilities		15,336.52	15,577.88
Statement of Significant Accounting Policies and Notes forming part of the Financial Statements	1-48		

As per our Report of even date
For **DELOITTE HASKINS & SELLS LLP**
CHARTERED ACCOUNTANTS
Firm Registration No.: 117366W/W-100018

For and on behalf of the Board of Directors

N. K. JAIN
PARTNER
Membership No.: 045474
Mumbai, 26th August, 2020

J. N. GODREJ
Chairman &
Managing Director
DIN: 00076250

A. G. VERMA
Executive Director
& President
DIN: 02366334

P. K. GANDHI
Chief Financial
Officer

P. E. FOUZDAR
Executive Vice President
(Corporate Affairs)
& Company Secretary

GODREJ & BOYCE MANUFACTURING COMPANY LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2020

		(Rupees in crore)	
		Current Year	Previous Year
	Note		
I.	REVENUE FROM OPERATIONS	11,257.81	11,051.55
II.	OTHER INCOME	88.15	115.64
	TOTAL INCOME	11,345.96	11,167.19
III.	EXPENSES		
	(1) Cost of Materials consumed	2,489.46	2,528.64
	(2) Purchases of Stock-in-Trade	3,129.05	3,482.76
	(3) Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade	(86.28)	17.53
	(4) Property Development and Construction Expenses	1,454.10	1,040.38
	(5) Employee Benefits Expense	1,222.52	1,170.71
	(6) Finance Costs	223.21	168.00
	(7) a. Depreciation and Amortization Expense	252.74	215.61
	b. Depreciation on Right of Use Assets	104.07	-
	(8) Other Expenses	2,214.69	2,190.92
	(9) Less: Expenditure transferred to Capital Accounts	(2.12)	(3.24)
	TOTAL EXPENSES	11,001.44	10,811.31
IV.	PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX	344.52	355.88
V.	EXCEPTIONAL ITEMS	(2.19)	-
VI.	PROFIT BEFORE TAX	342.33	355.88
VII.	TAX EXPENSES		
	(1) Current tax	99.00	105.00
	(2) Prior years' current tax adjustments	28.63	15.44
	(3) Deferred tax (credit) / charge	(14.28)	(1.82)
	(4) Prior years' deferred tax adjustments	4.85	8.00
		118.20	126.62
VIII.	PROFIT AFTER TAX FOR THE YEAR	224.13	229.26
IX.	OTHER COMPREHENSIVE INCOME (OCI)		
	Items that will not be reclassified to Statement of Profit and Loss		
	(i) Remeasurement of defined employee benefit plans	(2.52)	4.66
	(ii) Change in Fair Value of Equity Instruments through OCI	(1,524.39)	(252.91)
	(iii) Deferred tax charge/(credit) on above	0.63	(1.63)
		(1,526.28)	(249.88)
	Items that will be reclassified to Statement of Profit and Loss		
	(i) Change in Fair Value of Other Instruments through OCI	-	1.87
	TOTAL OTHER COMPREHENSIVE LOSS	(1,526.28)	(248.01)
X.	TOTAL COMPREHENSIVE LOSS FOR THE YEAR	(1,302.15)	(18.75)
XI.	EARNINGS PER EQUITY SHARE		
	Basic and Diluted Earnings per Equity Share of Rs. 100 each	Rs. 3,304	Rs. 3,379
XII.	Statement of Significant Accounting Policies and Notes forming part of the Financial Statements		
	1-48		

As per our Report of even date
For **DELOITTE HASKINS & SELLS LLP**
CHARTERED ACCOUNTANTS
Firm Registration No.: 117366W/W-100018

For and on behalf of the Board of Directors

N. K. JAIN
PARTNER
Membership No.: 045474
Mumbai, 26th August, 2020

J. N. GODREJ
Chairman &
Managing Director
DIN: 00076250

A. G. VERMA
Executive Director
& President
DIN: 02366334

P. K. GANDHI
Chief Financial
Officer

P. E. FOUZDAR
Executive Vice President
(Corporate Affairs)
& Company Secretary

GODREJ & BOYCE MANUFACTURING COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2020

(Rupees in crore)

(A) Equity Share Capital	Note	For the year ended 31/03/2020	For the year ended 31/03/2019
Balance at the beginning of the year		6.78	6.78
Changes in equity share capital during the year		-	-
Balance at the end of the year	12	6.78	6.78

(B) Other Equity

Particulars	Note	Reserves & Surplus					Items of Other Comprehensive Income (OCI)			Total Other Equity
		Capital Reserve	Securities Premium	Capital Reserve on Business Combinations	General Reserve	Debenture Redemption Reserve	Retained Earnings	Not Reclassified to Profit or Loss	Reclassified to Profit or Loss	
Balance as at 31/03/2018	13	72.70	20.08	(19.95)	645.85	66.67	2,880.50	5,721.53	(1.87)	9,385.51
Profit / (Loss) after tax for the year		-	-	-	-	229.26	-	-	-	229.26
Remeasurement of defined employee benefit plans		-	-	-	-	-	4.66	-	-	4.66
Fair valuation of investments in equity instruments		-	-	-	-	-	(252.91)	1.87	-	(251.04)
Deferred tax credit on items of OCI		-	-	-	-	-	(1.63)	-	-	(1.63)
Total comprehensive income for the year 2018-19		-	-	-	-	229.26	(249.88)	1.87	-	(18.75)
Adjustments to Opening Retained Earnings Ind AS 115		-	-	-	-	(3.49)	-	-	-	(3.49)
First Interim Equity Dividend declared and paid during the year		-	-	-	-	(67.84)	-	-	-	(67.84)
Second Interim Equity Dividend declared and paid during the year		-	-	-	-	(67.85)	-	-	-	(67.85)
Dividend Distribution Tax (DDT) on Interim Dividend		-	-	-	-	(27.89)	-	-	-	(27.89)
Transfer to Debenture Redemption Reserve		-	-	-	-	8.33	(8.33)	-	-	-
Reclassification of excess amount transferred in earlier years		-	-	-	-	(196.12)	196.12	-	-	-
Realised gain on sale of equity shares reclassified to retained earnings		-	-	-	-	54.25	(54.25)	-	-	-
Balance as at 31/03/2019	13	72.70	20.08	(19.95)	645.85	75.00	2,792.49	5,613.52	-	9,199.69
Profit / (Loss) after tax for the year		-	-	-	-	224.13	-	-	-	224.13
Remeasurement of defined employee benefit plans		-	-	-	-	-	(2.52)	-	-	(2.52)
Fair valuation of investments in equity instruments		-	-	-	-	-	(1,524.39)	-	-	(1,524.39)
Deferred tax credit on items of OCI		-	-	-	-	-	0.63	-	-	0.63
Total comprehensive income for the year 2019-20		-	-	-	-	224.13	(1,526.28)	-	-	(1,302.15)
First Interim Equity Dividend declared and paid during the year		-	-	-	-	(67.84)	-	-	-	(67.84)
Second Interim Equity Dividend declared and paid during the year		-	-	-	-	(67.85)	-	-	-	(67.85)
Dividend Distribution Tax (DDT) on Interim Dividend		-	-	-	-	(27.74)	-	-	-	(27.74)
Transfer from Debenture Redemption Reserve		-	-	-	-	(50.00)	50.00	-	-	-
Balance as at 31/03/2020		72.70	20.08	(19.95)	645.85	25.00	2,903.19	4,087.24	-	7,734.11

Notes forming part of the financial statements

1 - 48

As per our Report of even date
For **DELOITTE HASKINS & SELLS LLP**
CHARTERED ACCOUNTANTS
Firm Registration No.: 117366W/W-100018

For and on behalf of the Board of Directors

N. K. JAIN
PARTNER
Membership No.: 045474
Mumbai, 26th August, 2020

J. N. GODREJ
Chairman &
Managing Director
DIN: 00076250

A. G. VERMA
Executive Director
& President
DIN: 02366334

P. K. GANDHI
Chief Financial
Officer

P. E. FOUZDAR
Executive Vice President
(Corporate Affairs)
& Company Secretary

GODREJ & BOYCE MANUFACTURING COMPANY LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH, 2020

	Current Year	(Rupees in crore) Previous Year
A. CASH FLOWS FROM OPERATING ACTIVITIES		
PROFIT BEFORE TAX	342.33	355.88
ADJUSTMENTS TO RECONCILE PROFIT BEFORE TAX TO NET CASH USED IN:		
Depreciation and Amortisation Expense	356.81	215.61
Provisions for Doubtful Debts/Advances/Deposits	33.50	14.43
Bad Debts written off (net)	16.41	12.12
Impairment of Assets	2.19	-
Profit on Sale of Investments (Net): Current	(0.10)	(1.63)
(Profit)/Loss on Sale of Property, Plant and Equipment (Net): Immovable Property	(0.46)	0.57
Unrealised Foreign Currency Loss / (Gain)	24.40	(10.58)
Interest Income	(17.48)	(20.90)
Dividend Income	(60.85)	(92.76)
Finance Costs	223.21	168.00
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	919.96	640.74
MOVEMENT IN CURRENT ASSETS AND LIABILITIES:		
Inventories	(224.88)	(44.53)
Trade and other Receivables	(191.33)	(13.03)
Trade and other Payables and Provisions	430.37	52.01
CASH GENERATED FROM/(USED IN) OPERATIONS	934.12	635.19
Direct Taxes paid	(122.38)	(150.41)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	811.74	484.78
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Property, Plant and Equipment acquired	(579.56)	(557.34)
Proceeds from Sale of Property, Plant and Equipment	4.82	2.14
Purchase of Investment in Subsidiaries and Associates	(35.70)	(6.26)
Sale of Other Investments and Current Investments	105.10	783.68
Purchase of Other Investments and Current Investments	(105.00)	(645.00)
Loan to associate	(4.77)	(13.21)
Net decrease /(increase) in bank deposits (having original maturities of more than 3 months)	48.76	(1.00)
Interest received	15.58	20.90
Dividend received	60.85	92.76
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	(489.92)	(323.33)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Net increase/(decrease) in short-term Bank Borrowings	(200.94)	(368.62)
Other Borrowings: Loans and Deposits taken	4,961.27	3,460.28
Loans and Deposits repaid	(4,474.11)	(2,800.21)
Redemption of Debentures	(150.00)	(100.00)
Repayment of Lease Liabilities	(71.82)	-
Finance Cost	(284.00)	(227.22)
Dividend paid, including Dividend Distribution Tax	(163.42)	(163.58)
NET CASH FROM/(USED) IN FINANCING ACTIVITIES	(383.02)	(199.35)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(61.20)	(37.90)
Cash and Cash Equivalents at the beginning of the year	250.53	288.43
Cash and Cash Equivalents at the end of the year	189.33	250.53
Add: Other Bank Balances (not considered as cash and cash equivalents):		
Fixed Deposits with Banks	70.00	104.90
Other Earmarked Accounts	5.02	18.89
CLOSING CASH AND BANK BALANCES (NOTE 9)	264.35	374.32
D. COMPONENTS OF CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
Cash in hand	1.38	1.27
Cheques on Hand	44.77	207.66
Balances with Banks in Current Accounts	143.18	41.60

Notes forming part of the financial statements

1 - 48

- NOTES:
1. The Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) on "Statement of Cash Flows," and presents cash flows by operating, investing and financing activities.
 2. Figures in brackets are outflows/deductions.
 3. Cash and cash equivalents for the purposes of this Statement comprise of cash in hand, cheques on hand cash at bank and fixed deposits with maturity of three months or less.

As per our Report of even date
For **DELOITTE HASKINS & SELLS LLP**
CHARTERED ACCOUNTANTS
Firm Registration No.: 117366W/W-100018

For and on behalf of the Board of Directors

N. K. JAIN
PARTNER
Membership No.: 045474
Mumbai, 26th August, 2020

J. N. GODREJ
Chairman &
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A. G. VERMA
Executive Director
& President
DIN: 02366334

P. K. GANDHI
Chief Financial
Officer

P. E. FOUZDAR
Executive Vice President
(Corporate Affairs)
& Company Secretary

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

A. General Information

Godrej & Boyce Manufacturing Company Limited ('the Company') incorporated on 3rd March, 1932 is a major company of the Godrej Group. The Company has diverse business divisions offering a wide range of consumer, office, and industrial products and related services of the highest quality to customers in India and abroad. The Company is domiciled in India and its registered office is at, Pirojshanagar, Vikhroli, Mumbai 400 079.

B. Basis of preparation of financial statements

These financial statements as at, and for the year ended, 31st March, 2020 have been prepared in accordance with Indian Accounting standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013, ('the Act') read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

The financial statements have been prepared and presented under the historical cost convention, on accrual and going concern basis except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

The financial statements of the Company for the year ended 31st March, 2020 were approved for issue in accordance with the Resolution passed by the Board of Directors at their meeting held on 26th August, 2020.

C. Functional and presentation currency

These 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; a crore is equal to ten million. Where changes in presentation are made, comparative figures for the previous year are restated /regrouped accordingly.

D. Uses of Estimates and Judgements

The preparation of financial statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the Balance Sheet and Statement of Profit and Loss. The actual amounts realised may differ from these estimates.

Estimates and assumptions are required in particular for:

(i) Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalised

Useful lives of tangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from those prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support. Assumptions also need to be made, when the Company assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised.

(ii) Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, vested future benefits and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. The same is disclosed in Note 42.

(iii) Income Taxes

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions.

A deferred tax asset is recognised for all the deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. The management assumes that taxable profits will be available while recognising deferred tax assets.

(iv) Recognition and measurement of provisions

The recognition and measurement of provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the Balance Sheet date. The actual outflow of resources at a future date may therefore vary from the figure included in other provisions.

(v) Critical judgements required in the application of Ind AS 116:

a. Critical judgements in determining the lease term:

At inception of an arrangement, the Company determines whether the arrangement is or contains a lease. At inception or on reassessment of an arrangement that contains a lease, the Company separates payments and other considerations required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Company's incremental borrowing rate. And in case of operating lease, all payments under the arrangement are treated as lease payments.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The lease term is reassessed if an option is actually exercised (or not exercised) or The Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

b. Critical judgements in determining the discount rate:

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

c. Lease classification as Lessor

The Company's assets subject to operating leases in its Estate Leasing Operations are included in Investment Property. Lease income is recognised and included in Revenue from Operations in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Statement of Profit and Loss.

(vi) Rebates and sales incentives

Rebates and sales incentives are generally provided to distributors or customers as an incentive to sell the Company's products. Rebates and sales incentives are based on purchases made during the period by distributor / customer. The Company determines the estimates of rebate accruals primarily based on the contracts entered into with their distributors / customers and the information received for sales made by them.

(vii) Fair value of financial instruments

Derivatives are carried at fair value. Derivatives includes Foreign Currency Forward Contracts and Interest Rate Swaps. Fair value of Foreign Currency Forward Contracts are determined using the fair value reports provided by the respective merchant bankers. Fair value of Interest Rate Swaps are determined with respect to current market rate of interest.

(viii) Impairment of Financial Assets

The Company reviews its carrying value of investments in subsidiaries and associates on an annual basis or more frequently when there is an indication of other than temporary impairment in the carrying value of its investments. The recoverable amount is measured using future cash flows projections provided by the management. A significant degree of judgment is required in establishing these recoverable values. Judgments include considerations such as change in business strategy, liquidity risk, credit risk and volatility which provide objective evidence of an impairment which is other than temporary in the long term inherent value of the investment.

(ix) Assurance Product Warranty Obligations

The estimates for assurance product warranty obligations are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidences.

(x) Expected Cost of Completion of Contracts

For the purpose of arriving at Revenue from construction contracts, the Company's Management estimates the cost to completion for each project. Management systematically reviews future projected costs and compares the aggregate of costs incurred to date and future costs projections against budgets, on the basis of which, proportionate revenue (or anticipated losses), if any, are recognised.

E. Standards issued but not effective

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

F. 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 : inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

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

Level 3 : inputs for the asset or liability that are not based on observable market data (unobservable inputs). Fair values are determined in whole or part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

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.

G. Significant accounting policies

i. Property, plant and equipment

a. Recognition and measurement

Property, plant and equipment is recognised when it is probable that future economic benefit associated with the asset will flow to the Company, and the cost of the asset can be measured reliably.

Items of property, plant and equipment are measured at original cost less accumulated depreciation and any accumulated impairment losses.

The cost of an item of property, plant and equipment comprises:

a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in the Statement of Profit and Loss.

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, and depreciated over their respective useful lives.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the Statement of Profit and Loss.

All property, plant and equipment received in exchange for non-monetary assets are measured at fair value unless the exchange transaction lacks commercial substance or the fair value of neither the asset received nor the asset given up is reliably measurable. Measurement of an exchange at fair value will result in the recognition of a gain or loss based on the carrying amount of the asset surrendered. If a fair value can be determined reliably for either the asset received or the asset given up, then the fair value of the asset given up should be used unless the fair value of the asset received is more clearly evident. Accordingly, Transferable Development Rights (TDR's) obtained by the Company in respect of its freehold lands situated at Mumbai, are carried at fair value of land given up unless the fair value of TDR received is more clearly evident, and are shown under Freehold Land. Any gain or loss arising from such exchange is immediately recognised in profit or loss.

Any transfer of such TDR's / land from fixed asset to inventory is done at cost.

b. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

c. Depreciation / Amortisation

The Company has followed the Straight Line method for charging depreciation on all items of property, plant and equipment, at the rates specified in Schedule II to the Act; these rates are considered as the minimum rates. If management's estimate of the useful life of the property, plant and equipment is shorter than that envisaged in Schedule II, depreciation is provided at a higher rate based on management's estimate of the useful life. Accordingly, in respect of the commercial construction projects, on some items of equipment at the project sites, depreciation is provided at a higher rate based on useful life of the assets estimated at 5 years, compared to 15 years specified in Schedule II.

Moreover, in respect of special-purpose machinery used in the contract-manufacturing of precision components and systems, depreciation is charged over the period of such manufacturing contracts. In respect of additions to/deductions from the assets, the depreciation on such assets is calculated on a pro rata basis from/upto the month of such addition/deduction. Assets costing less than Rs. 5,000 are fully depreciated in the year of purchase/acquisition. Leasehold Land and Buildings are amortised over the period of the lease. The cost of property, plant and equipment not ready for their intended use at the balance sheet date is disclosed under capital work-in-progress.

Intangible assets comprising of Technical Know-how and Trade Marks are amortised on straight-line basis at the rate of 16.67%; capitalised Computer Software costs relating to the ERP system, are amortised on straight line basis at the rate of 20%.

ii. Investment properties

a. Properties held to earn rentals and / or capital appreciation (including property under construction for such purposes) are classified as investment properties.

b. 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.

c. The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.

d. The Company follows the straight line method for charging depreciation on investment property over estimated useful lives prescribed in Schedule II to the Companies Act, 2013.

e. Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes.

f. 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.

iii. Intangible assets

a. Recognition and measurement

Intangible assets, including patents and trademarks, which are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

b. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in the Statement of Profit and Loss as incurred.

c. Amortisation

Intangible assets are amortised over their estimated useful life on straight line method.

iv. Investment in Subsidiaries, Joint Ventures and Associates

Non-current investments in subsidiaries, associates and joint ventures are stated at cost (unless otherwise stated); however, for any diminution other than temporary in the value of investments, the book value is reduced to recognise the decline. In cases where these investments are carried at their book values, which are higher than their fair values, the diminution in the value of such investments is considered to be of a temporary nature, in view of the Company's long-term financial involvement in such investee companies.

v. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A. Financial Assets

(a) Initial recognition and measurements:

The Company recognises a financial asset in its balance sheet when it becomes party to the contractual provisions of the instrument. All financial assets are recognised initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset.

Where the fair value of the financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognised as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognised as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to change in factor that market participants take into account when pricing the financial asset.

However, trade receivables that do not contain a significant financing component are measured at transaction price.

(b) Subsequent measurement:

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria;

- (i) The Company's business model for managing the financial asset and
- (ii) The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Company classifies its financial assets into the following categories:

- (i) Financial assets measured at amortised cost
- (ii) Financial assets measured at fair value through other comprehensive income (FVTOCI)
- (iii) Financial assets measured at fair value through profit or loss (FVTPL)
- (i) Financial assets measured at amortised cost:

A financial asset is measured at the amortised cost if both the following conditions are met:

- a) The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principle amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company (Refer Note 43 for further details). Such financial assets are subsequently measured at amortised cost using the effective interest method.

Under the effective interest rate method, the future cash receipts are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortisation using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal/repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at the amortised cost at each reporting date. The corresponding effect of the amortisation under effective interest method is recognised as interest income over the relevant period of the financial asset. The same is included under other income in the Statement of Profit and Loss.

The amortised cost of financial asset is also adjusted for loss of allowance, if any.

(ii) Financial asset measured at FVTOCI:

A financial asset is measured at FVTOCI if both of the following conditions are met:

- a) The Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial asset, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

This category applies to certain investments in debt instruments (Refer Note 3 for further details). Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognised in the other Comprehensive Income (OCI). However, the Company recognises interest income and impairment losses and its reversals in the Statement of Profit and Loss.

On derecognition of such financial assets, cumulative gain or loss previously recognised in OCI is reclassified from equity to the Statement of Profit and Loss.

Further, the Company, through an irrevocable election at initial recognition, has measured certain investments in equity instruments at FVTOCI (Refer Note 43 for further details). The Company has made such election on an instrument by instrument basis. These equity instruments are neither held for trading nor are contingent consideration recognised under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognised in OCI. However, the Company recognises dividend income from such instruments in the Statement of Profit and Loss.

On derecognition of such financial assets, cumulative gain or loss previously recognised in OCI is not reclassified from the equity to the Statement of Profit and Loss. However, the Company may transfer such cumulative gain or loss into retained earnings within equity.

(iii) Financial asset measured at FVTPL:

A financial asset is measured at FVTPL unless it is measured at amortised cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the Company excluding investments in subsidiary and associate companies (Refer Note 43 for further details). Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognised in the Statement of Profit and Loss.

(c) Derecognition:

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

- (i) The contractual rights to cash flows from the financial asset expires;
- (ii) The Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset.
- (iii) The Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);
- (iv) The Company neither transfers nor retains substantially all risk and rewards of ownerships and does not retain control over the financial assets.

In cases where Company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Company continues to recognise such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognises an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On Derecognition of a financial asset, (except as mentioned in (ii) above for financial assets measured at FVTOCI), the difference between the carrying amount and the consideration received is recognised in the Statement of Profit and Loss.

(d) Impairment of financial assets:

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- i. Trade receivables, Contract assets and lease receivables.
- ii. Financial assets measured at amortised cost (other than trade receivables, contract assets and lease receivables)
- iii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

In case of trade receivables, contract assets and lease receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance.

In case of other assets (listed as (ii) and (iii) above), the Company determines if there has been a significant increase in credit risk of the financial assets since initial recognition, if the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognised as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured as recognised as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset, 12month ECL, are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcome, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and contract assets and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the Statement of Profit and Loss under the head 'Other expenses'.

B. Financial Liabilities

(a) Initial recognition and measurement:

The Company recognises a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial liabilities are recognised initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial liability.

Where the fair value of a financial liability at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognised as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognised as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial liability.

(b) Subsequent measurement:

All financial liabilities of the Company are subsequently measured at amortised cost using the effective interest method (Refer Note 43 for further details).

Under the effective interest method, the future cash payments are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortisation using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liability over the relevant period of the financial liability to arrive at the amortised cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognised as interest expense over the relevant period of the financial liability. The same is included under finance cost in the Statement of Profit and Loss.

(c) Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When the existing financial liability is replaced by another from the same lender or substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the Derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in the Statement of Profit and Loss.

C. Derivative financial instruments

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

vi. Inventories

Trade Inventories:

Raw Materials, Loose Tools, Stores, Spares, etc. are valued at lower of weighted average cost and estimated net realisable value. Estimated Net realisable value of raw materials is determined on the basis of the price of the finished products in which they will be used are expected to be sold.

Work-in-Process (other than Construction Projects) is valued at lower of estimated cost (consisting of direct material and direct labour costs plus appropriate factory overheads) and estimated net realisable value.

Finished Goods, goods in transit and goods with third parties are valued at lower of weighted average cost and estimated net realisable value; cost includes purchase, conversion, appropriate factory overheads, any taxes or duties and other costs incurred for bringing the inventories to their present location and condition. Spares and Components for after-sales service are valued at lower of average cost and estimated net realisable value on an item-by-item basis.

Obsolete and damaged inventories, and other anticipated losses are adequately provided for, wherever considered necessary.

Net realisable value is the estimated selling price in the ordinary course of business less estimated cost of completion and selling expenses.

Construction Projects:

In respect of the commercial construction projects promoted / developed on the company's land, construction work-in-progress is valued at estimated cost consisting of the cost of land (forming part of the project), development, construction and other related costs. Construction Work in progress includes projects for Industrial Products / Equipment.

Work in process is valued at lower of specifically identified costs or net realisable value.

vii. Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash as cash and cash equivalents. Cash and cash equivalents in the Balance Sheet comprises of cash on hand, bank balances which are unrestricted for withdrawal and usage and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

viii. Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction 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 ready for its intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

ix. Provisions and Contingent Liabilities and Contingent Assets

A provision is recognised only when there is a present legal / constructive obligation as a result of a past event that probably requires an outflow of resources to settle the obligation and in respect of which a reliable estimate can be made. Provision is not discounted to its present value and is determined based on the best estimate required to settle the obligation at the balance sheet date. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions and Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date. Contingent Assets and related income are recognised when there is virtual certainty that inflow of economic benefit will arise.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

x. Revenue Recognition

Effective 1st April, 2018, the Company had applied Ind AS 115 'Revenue from Contracts with Customers' which established a comprehensive framework for determining whether, how much and when revenue was to be recognised. The Company elected to transition using the modified retrospective method and had taken the cumulative effect of initially applying the standard as an adjustment to the opening balance sheet as at 1st April, 2018 on the contracts that were not completed as at that date.

Performance obligation and transaction price (Fixed and variable)

At inception of the contract, the Company assesses the goods or services promised in a contract with a customer and identifies each promise to transfer to the customer as a performance obligation which is either:

- (a) a goods or services (or a bundle of goods or services) that is distinct; or
- (b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price allocated to that performance obligation. The transaction price of sale of products and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of the outflow. Revenue is recognised only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

(a) Sale of products

The Company recognises revenue on the sale of products, net of discounts, sales incentives and rebates granted when control of the goods is transferred to the customer. The performance obligation in case of sale of products is satisfied at a point of time i.e. when the goods are shipped to the customer or on delivery to the customer, as may be specified in the contract. Control is considered to be transferred to customer when customer has ability to direct the use of such goods, obtain substantially all the benefits and bears all risks in respect of such goods.

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

(b) Lease Rentals

The Company has determined that the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Accordingly rental income arising from operating leases on investment properties is accounted for on an accrual basis as per the terms of the lease contract and is included in Revenue from Operations in the Statement of Profit and Loss due to its operating nature.

(c) Revenue from construction contracts for industrial products / equipments

Industrial products / equipments are constructed based on specifically negotiated contracts with customers. Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably.

If the outcome of such contracts can be estimated reliably, then contract revenue is recognised in the Statement of Profit and Loss in proportion to the stage of completion. The stage of completion is based on percentage of actual cost incurred upto the reporting date to the total estimated cost of the contract. Otherwise, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

In the case of certain industrial products, the stage of completion is based on either survey of the work performed or completion of a physical proportion of contract work.

An expected loss on a contract is recognised immediately in the Statement of Profit and Loss.

(d) Revenue from rendering of services

Revenue from service transactions is recognised as per agreements / arrangements with the customer when the related services are rendered / provided. If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated on a time proportion basis. Each distinct service, results in a simultaneous benefit to the corresponding customer and the Company has an enforceable right to payment from the customer for the performance completed to date.

(e) Revenue from Real Estate Transaction

The Company develops and sells residential properties. The Company enters into arrangements with customers for sale of units of such residential properties. These arrangements generally meet the criteria for considering the sale of units as distinct performance obligation. The Company recognises revenue when its performance obligations are satisfied and customer obtains control of the asset. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service.

Income from operation of commercial complexes is recognised over the tenure of the lease / service agreement.

Revenues in excess of invoicing are classified as contract assets while invoicing in excess of revenues are classified as contract liabilities. Contract assets are classified as non-financial assets.

On account of adoption of Ind AS 115, opening reserves as on 1st April, 2018 was adjusted for impact on revenue recognition in earlier years with corresponding effect to contract assets and inventories.

xi. Employee benefits**a. Defined contribution plans**

Obligations for contributions to defined contribution plans are expensed as the related service is provided. The Company's contributions paid/payable to Managerial Superannuation Fund, Employees' State Insurance Scheme, Employees' Pension Schemes, 1995 and other funds, are determined under the relevant approved schemes and/or statutes, and are recognised as expense in the Statement of Profit and Loss during the period in which the employee renders the related service. There are no further obligations other than the contributions payable to the approved trusts/appropriate authorities.

b. Defined benefit plans

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

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

Short-term employee benefits (payable within twelve months of rendering the service)

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for an amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Re-measurement of net defined benefit liability

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in 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), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.

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

Further, the Rules of the Company's Provident Fund (PF) administered by an approved Trust, require that if the Board of Trustees is unable to pay interest at the rate declared for the Employees' Provident Fund by the Government under para 60 of the Employees' Provident Fund Scheme, 1952, for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Company.

Other long-term employee benefits

The Company's net obligation in respect of 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. That benefit is discounted to determine its present value. Re-measurement are recognised in the Statement of Profit and Loss in the period in which they arise. Other employee benefits include leave encashment/long-term compensated absences schemes.

xii. Other Operating Revenue

Other Operating Revenue represents income earned from the activities incidental to business and is recognised when the right to receive is established as per the terms of the contract.

xiii. Finance costs

Finance costs are recorded using the effective interest rate method.

xiv. Other Income

The Company's other income includes Interest and Dividend income.

Interest income is recognised using the effective interest rate method. Dividend income is recognised in the Statement of Profit and Loss on the date on which the Company's right to receive is established.

xv. Foreign currency transactions

Income and expenses in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in the Statement of Profit and Loss. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

xvi. Income Taxes

Income tax expense comprises current tax expense and the net change in deferred taxes recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

a. 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. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if, the Company:

- (i) has a legally enforceable right to set off the recognised amounts; and
- (ii) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

b. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- (i) temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- (ii) temporary differences related to investments in subsidiaries and associates to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be 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 realised; such reductions are reversed when the probability of future taxable profits improves.

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

Deferred tax asset / liabilities in respect of temporary differences which originate and reverse during the tax holiday period are not recognised. Deferred tax assets / liabilities in respect of temporary differences that originate during the tax holiday period but reverse after the tax holiday period are recognised. Deferred tax assets on unabsorbed tax losses and tax depreciation are recognised only to the extent that there is virtual certainty supported by convincing evidence of their realisation and on other items when there is reasonable certainty of realisation. The tax effect is calculated on the accumulated timing differences at the year-end based on the tax rates and laws enacted or substantially enacted on the balance sheet date.

Minimum Alternate Tax (MAT) Credit Entitlement is recognised as a Deferred Tax Asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period in which such credit can be carried forward for set-off within the time frame prescribed by the Income Tax Act, 1961. The carrying amount of MAT Credit Entitlement is reviewed at each Balance Sheet date.

xvii. Leases

Effective 1st April, 2019 (date of initial application), the Company has adopted, Indian Accounting Standard 116 on Leases ("Ind AS 116"), notified by the Ministry of Corporate Affairs, which replaces the existing Indian Accounting Standard 17 on Leases ("Ind AS 17").

With effect from 1st April, 2019 the Company has adopted Ind AS 116 "Leases" using the modified retrospective method, applied to lease contracts as on the transition date. In accordance with this transition method, the comparatives have not been adjusted. The following is revised significant accounting policy related to leases. The effect on adoption of Ind AS 116 was significant.

The Company as lessee

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise of fixed lease payments (less any lease incentives), variable lease payments, penalties, etc

The lease liability is presented as a separate line in the Balance sheet

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under Ind AS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset.

The right-of-use assets are presented as a separate line in Balance sheet. The Company applies Ind AS 36 Impairment of Assets to determine whether a right-of-use asset is impaired.

Lease classification as Lessor:

When the Company enters into a new lease arrangement, the terms and conditions of the contract are analyzed in order to assess whether or not the Company retains the significant risks and rewards of ownership of the asset subject of the lease contract. To identify whether risks and rewards are retained, the Company systematically considers, amongst others, all the examples and indicators listed by Ind AS 116 on a contract by contract basis. By performing such analysis, the Company makes significant judgement to determine whether the arrangement results in a finance lease or an operating lease. This judgement can have a significant effect on the amounts recognized in the financial statements and its recognition of profits in the future.

Practical expedients

The Company has considered the below practical expedients under Ind AS 116:

- (a) to apply Ind AS 116 to contracts that were previously identified as leases under Ind AS 17 on the date of initial application without any reassessment;
- (b) apply a single discount rate to a portfolio of leases with reasonably similar characteristics and in similar environment;
- (c) relied on its assessment whether leases are onerous applying Indian Accounting Standard 37 Provisions, Contingent Liabilities and Contingent Assets (Ind AS 37) immediately before the date of initial application as an alternate to performing an impairment review;
- (d) excluded initial direct costs from measurement of right-to-use asset at the date of initial application
- (e) elected not to apply the requirements of the standard to leases for which the lease term end within twelve months of the date of initial application and accounted for those as short term leases
- (f) used hindsight in determining the lease term if the contract contains options to extend or terminate the lease.

xviii Product warranty expense under service warranty obligation

In respect of products sold by the Company, which carry a specified warranty, future costs that will be incurred by the Company in carrying out its contractual warranty obligations are estimated and accounted for on accrual basis.

xix. Research And Development Expenses

Research and product development costs incurred are recognised as intangible assets when feasibility has been established and it is probable that the asset will generate probable future economic benefits. Other research costs are charged to the Statement of Profit and Loss under the respective natural head of expense.

xx. Earnings per share

Basic and diluted earnings per share is computed by dividing the profit/(loss) after tax by the weighted average number of equity shares outstanding during the year.

xxi. Segment Reporting

Operating Segments are defined as components of the Company for which discrete financial information is available and are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company. The Company's CODM is the Managing Director and President.

xxii. Business Combinations of entities under common control

Business combinations involving entities under common control are accounted for using the pooling of interest method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of acquisition subject to necessary adjustments required to harmonise accounting policies. Any excess or shortfall of the consideration paid over the share capital or the transferor entity or business is recognised as capital reserve under equity.

The financial information in the financial statements in respect of prior periods shall be restated as if the business combination had occurred from the beginning of the preceding period.

xxiii. Impairment

Assets that are subject to depreciation and amortisation and assets representing investments in subsidiary and associate companies are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in the arm's length transaction between knowledgeable, willing parties, less the cost of disposal.

Impairment losses, if any, are recognised in the Statement of Profit and Loss and included in depreciation and amortisation expense. Impairment losses, on assets other than goodwill are 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 if no impairment loss had previously been recognised.

xxiv. Events after reporting date

Where events occurring after the balance sheet date till the date when the financial statements are approved by the Board of Directors of the Company, provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the reporting balance sheet date of material size or nature are only disclosed.

The outbreak of COVID-19 pandemic across the globe including India has contributed to a significant decline in economic activity and a volatility in financial markets. The Company's operations are impacted since mid-March 2020 and have resulted in shutdowns and limited productivity including from adverse impacts on supply chain. Given the uncertainty over the potential macro-economic impact, the Company's management has considered internal and external sources of information to assess the possible effects that may results from COVID-19 on the carrying amount of its assets such as property, plant and equipment, inventories, trade receivables, and other assets. Based on the current indicators of future economic conditions, the Company expects to recover the carrying amount of its assets as at 31st March, 2020. The impact of the global health pandemic may be different from that estimated as at the date of approval of this financial information and would be considered to be recognised in the financial statements on a material adverse change to economic conditions.

H. Current / Non-Current Classification

Any asset or liability is classified as current if it satisfies any of the following conditions:

- i. the asset/liability is expected to be realised/settled in the Company's normal operating cycle;
- ii. the asset is intended for sale or consumption;
- iii. the asset/liability is held primarily for the purpose of trading;
- iv. the asset/liability is expected to be realised/settled within twelve months after the reporting period;
- v. the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- vi. in the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

For the purpose of current / non-current classification of assets and liabilities, the Company has ascertained its normal cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

2.A. PROPERTY, PLANT AND EQUIPMENT

(Rupees in crore)

Particulars	Tangible Assets								Total
	Freehold Land	Leasehold Land	Freehold Buildings	Leasehold Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles/Vessels	Office Equipment	
COST OF ASSETS									
Gross Block as at 1/4/2019	339.94	89.49	850.09	29.94	1,251.52	66.82	16.67	77.62	2,722.09
Capital Work-in-Progress as at 1/4/2019	-	-	629.80	-	162.51	0.75	-	4.33	797.39
Capital Expenditure during the year	1.53	-	226.55	8.61	359.79	7.83	0.29	28.51	633.11
Capital Work-in-Progress as at 31/3/2020	-	-	(773.13)	-	(90.93)	(0.23)	-	(11.46)	(875.75)
Additions	1.53	-	83.22	8.61	431.37	8.35	0.29	21.38	554.75
Deductions	-	-	(1.22)	(1.96)	(8.14)	(0.65)	(0.19)	(2.52)	(14.68)
Gross Block as at 31/3/2020	341.47	89.49	932.09	36.59	1,674.75	74.52	16.77	96.48	3,262.16
DEPRECIATION									
Total Depreciation as at 1/4/2019	-	6.18	85.18	10.55	506.46	32.55	4.00	45.75	690.67
Depreciation for the year	-	2.37	35.76	5.03	171.56	7.36	1.25	14.21	237.54
Depreciation on Deductions / Adjustments	-	-	(0.30)	(1.11)	(6.06)	(0.32)	(0.19)	(2.34)	(10.32)
Total Depreciation as at 31/3/2020	-	8.55	120.64	14.47	671.96	39.59	5.06	59.81	920.08
Impairment of Assets	-	-	-	-	-	-	-	(2.19)	(2.19)
NET BOOK VALUE									
Net Block as at 31/3/2020	341.47	80.94	811.45	22.12	1,002.79	34.93	11.71	36.67	2,342.08
Capital Work-in-progress	-	-	773.13	-	90.93	0.23	-	11.46	875.75
Total as at 31/3/2020	341.47	80.94	1,584.58	22.12	1,093.72	35.16	11.71	48.13	3,217.83

Intangible Assets (other than internally generated)

Particulars	Computer Software	Technical Know-how	Trademarks	Total
	COST OF ASSETS			
Gross Block as at 1/4/2019	29.37	0.96	0.13	30.46
Additions	9.07	-	-	9.07
Deductions	-	-	-	-
Gross Block as at 31/3/2020	38.44	0.96	0.13	39.53
AMORTIZATION				
Total Amortisation as at 1/4/2019	14.28	0.96	0.13	15.37
Charge for the year	5.97	-	-	5.97
Deductions	-	-	-	-
Total Amortization as at 31/3/2020	20.25	0.96	0.13	21.34
NET BOOK VALUE				
As at 31/3/2020	18.19	-	-	18.19
Capital Work-in-progress	0.53	-	-	0.53

Refer Note 24 for disclosure of contractual commitments for the recognition of Property, Plant and Equipments

2.A. PROPERTY, PLANT AND EQUIPMENT

(Rupees in crore)

Particulars	Tangible Assets								Total
	Freehold Land	Leasehold Land	Freehold Buildings	Leasehold Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles/ Vessels	Office Equipment	
COST OF ASSETS									
Gross Block as at 1/4/2018	331.32	89.49	711.60	25.54	1,089.67	60.90	14.19	64.66	2,387.37
Capital Work-in-Progress as at 1/4/2018	-	-	451.60	-	74.66	1.50	-	5.77	533.53
Capital Expenditure during the year	8.62	-	317.67	5.17	255.23	5.74	2.73	12.21	607.37
Capital Work-in-Progress as at 31/3/2019	-	-	(629.80)	-	(162.51)	(0.75)	-	(4.33)	(797.39)
Gross Block as at 31/3/2019	339.94	89.49	850.09	29.94	1,251.52	66.82	16.67	77.62	2,722.09
DEPRECIATION									
Total Depreciation as at 1/4/2018	-	3.83	54.57	7.00	367.11	25.25	2.90	33.82	494.48
Depreciation for the year	-	2.35	30.72	3.94	143.33	7.72	1.21	12.51	201.78
Depreciation on Deductions / Adjustments	-	-	(0.11)	(0.39)	(3.98)	(0.42)	(0.11)	(0.58)	(5.59)
Total Depreciation as at 31/3/2019	-	6.18	85.18	10.55	506.46	32.55	4.00	45.75	690.67
NET BOOK VALUE									
Net Block as at 31/3/2019	339.94	83.31	764.91	19.39	745.06	34.27	12.67	31.87	2,031.42
Capital Work-in-progress	-	-	629.80	-	162.51	0.75	-	4.33	797.39
Total as at 31/3/2019	339.94	83.31	1,394.71	19.39	907.57	35.02	12.67	36.20	2,828.81

Intangible Assets (other than internally generated)

Particulars	Computer Software	Technical Know-how	Trademarks	Total
	COST OF ASSETS			
Gross Block as at 1/4/2018	29.37	0.96	0.13	30.46
Additions	0.17	-	-	0.17
Deductions	(0.17)	-	-	(0.17)
Gross Block as at 31/3/2019	29.37	0.96	0.13	30.46
AMORTIZATION				
Total Amortisation as at 1/4/2018	9.82	0.96	0.12	10.90
Charge for the year	4.61	-	0.01	4.62
Deductions	(0.15)	-	-	(0.15)
Total Amortization as at 31/3/2019	14.28	0.96	0.13	15.37
NET BOOK VALUE				
As at 31/3/2019	15.09	-	-	15.09
Capital Work-in-progress	6.40	-	-	6.40

Refer Note 24 for disclosure of contractual commitments for the recognition of Property, Plant and Equipments

2.B. INVESTMENT PROPERTY

	(Rupees in crore)
COST OF ASSETS	
Gross Block as at 31/3/2018	398.82
Additions	0.51
Deductions / Reclassification	-
Gross Block as at 31/3/2019	<u>399.33</u>
Additions	0.97
Deductions / Reclassification	-
Gross Block as at 31/3/2020	<u>400.30</u>
ACCUMULATED DEPRECIATION	
Total Depreciation upto 31/3/2018	27.58
Depreciation for the year	9.21
Depreciation on Deductions	-
Total Depreciation upto 31/3/2019	<u>36.79</u>
Depreciation for the year	9.23
Depreciation on Deductions / Reclassification	0.22
Total Depreciation upto 31/3/2020	<u>46.24</u>
NET BOOK VALUE	
Net Block as at 31/3/2020	354.06
Net Block as at 31/3/2019	362.54

	(Rupees in crore)	
	2019-20	2018-19
Rental Income derived from investment properties	269.91	226.92
Direct operating expenses (including repairs and maintenance) generating rental income	61.33	67.07
Profit arising from investment properties	<u>208.58</u>	<u>159.85</u>

As at 31st March, 2020 and 31st March, 2019, the fair values of the properties are Rs. 2,618.96 crore and Rs. 2,275.87 crore respectively. These valuations are based on discounted cash flow method.

	(Rupees in crore)
Reconciliation of fair value:	
Opening balance as at 1/4/2019	2,275.87
Fair value differences	343.09
Purchases	-
Closing balance as at 31/03/2020	<u>2,618.96</u>

The Company has applied the method of Discounted Cash Flow projections based on reliable estimates of future cash flows.

Description of valuation technique and key inputs to valuation on investment properties:

Valuation technique: Discounted Cash Flow	
Significant unobservable inputs	Range (weighted average)
Rent growth p.a.	5%
Long term vacancy rate	10%
Discount rate	15%

2.C. RIGHT OF USE ASSETS

	(Rupees in crore)		
Particulars	Buildings	Vehicles	Total
COST OF ASSETS			
Gross Block as at 1/4/2019	395.89	1.51	397.40
Additions	306.95	1.10	308.05
Deductions	(36.48)	-	(36.48)
Gross Block as at 31/3/2020	666.36	2.61	668.97
DEPRECIATION			
Total Depreciation as at 1/4/2019	-	-	-
Depreciation for the year	103.23	0.84	104.07
Depreciation on Deductions / Adjustments	(3.22)	-	(3.22)
Total Depreciation as at 31/3/2020	100.01	0.84	100.85
NET BOOK VALUE			
Net Block as at 31/3/2020	566.35	1.77	568.12

(Rupees in crore)

3. INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (at cost unless otherwise specified)

GRAND SUMMARY

TRADE INVESTMENTS

	As at 31-03-2020	As at 31-03-2019
(a) Subsidiary companies		
Equity Shares	41.77	31.83
Preference Shares/Preferred Stock	28.85	28.85
	<u>70.62</u>	<u>60.68</u>
(b) Associate companies		
Equity Shares		
Common Stock	62.60	36.84
Contribution towards Capital of an LLP	3.45	3.38
	<u>66.05</u>	<u>40.22</u>
(c) Joint Venture company		
Equity Shares	0.75	0.75
	<u>137.42</u>	<u>101.65</u>

UNQUOTED INVESTMENTS AT COST

(1) Investments in Equity Shares in direct Subsidiary Companies		
(i) 5,050 Equity Shares of Rs.100 each in Godrej Infotech Limited	1.05	1.05
(ii) 48,723 Equity Shares of S\$ 10 each in Godrej (Singapore) Pte. Limited	24.83	24.83
(iii) 1,25,343 (as at 31-03-2019: 98,170) Equity Shares of € 46 each in Veromatic International BV. [27,173 ordinary (Class A) shares subscribed during the year ended 31-03-2020]	14.03	4.09
(iv) 3,00,000 Shares ("common stock with no par value") of Godrej Americas Inc. USA.	1.86	1.86
(v) 68% profit sharing in Godrej Property Developers LLP.	-	-
	<u>41.77</u>	<u>31.83</u>
(2) Investments in Preference Shares of Subsidiary Companies		
(i) 6,70,121 Series A Preferred Stock shares of par value \$0.001 each in Sheetak Inc., USA	6.71	6.71
(ii) 12,61,533 Series B Preferred Stock shares of par value \$0.001 each in Sheetak Inc., USA	22.14	22.14
	<u>28.85</u>	<u>28.85</u>
(3) Investments in Equity Shares of Joint Ventures		
(i) 7,50,000 Equity Shares of Rs. 10 each in Godrej Consoveyo Logistics Automation Limited (formerly, Godrej Efacec Automation & Robotics Limited)	0.75	0.75
(4) Investments in Equity Shares of Associates		
(i) Contribution towards 30.22% (as at 31-03-2019: 23.76%) of an Associate, Urban Electric Power Inc, USA [28,83,077 (as at 31-03-2019: 17,75,385) common units @ USD 3.25 per unit] [11,07,692 shares subscribed during the year]	62.60	36.84
(5) Investments in Limited Liability Partnership Firms		
(i) Contribution towards 50% of the Fixed Capital of Godrej & Boyce Enterprises LLP*	-	-

	(Rupees in crore)	
	As at 31-03-2020	As at 31-03-2019
(ii) Contribution towards 20% of the Capital of Future Factory LLP (including share of profit of Rs. 0.07 crore booked during the year; previous year: Rs.0.36 crore)	3.45	3.38
(a) Total capital of the Firm: Rs. 10.31 crore		
(b) Names of other Partners and % share in Capital: Mr. Jashish Navin Kambli - 56% Mrs. Geetika Kambli - 24%		
*(Amount less than Rs.50,000)	3.45	3.38
Total Unquoted Non-current Trade Investments	<u>137.42</u>	<u>101.65</u>
C. DISCLOSURE		
(a) Aggregate amount of Unquoted Investments	137.42	101.65
(b) Aggregate amount of Impairment in the value of Investments	81.56	81.56
Notes:		
Non-current investments in Subsidiaries, Associates and Joint Ventures are stated at cost (unless otherwise stated) as per Ind AS 27; however, for any diminution, other than temporary in the value of investments, the book value is reduced to recognise the decline. In cases where these investments are carried at their book values, which are higher than their fair values, the diminution in the value of such investments is considered to be of a temporary nature, in view of the Company's long-term financial involvement in such investee companies.		
4. OTHER INVESTMENTS		
(a) QUOTED		
(1) Investments in Equity Shares (Fully Paid up unless stated otherwise) (At Fair Value Through Other Comprehensive Income):		
(i) 7,50,11,445 Equity Shares of Re. 1 each in Godrej Consumer Products Limited	3,906.97	5,154.43
(ii) 1,06,50,688 Equity Shares of Rs. 5 each in Godrej Properties Limited	642.50	867.34
(iii) 12,000 Equity Shares of Rs. 10 each in Central Bank of India	0.01	0.04
(iv) 52,590 Equity Shares of Rs. 2 each in Housing Development Finance Corporation Limited	8.59	10.35
(2) Investments in Tax-Free Bonds		
(i) 1,236 National Highway Authority of India Bonds of Rs.1,000 each	0.13	0.13
Total Quoted Non-current Non-Trade Other Investments	<u>4,558.20</u>	<u>6,032.29</u>
(b) UNQUOTED		
(1) Investments in Equity Shares (At Fair Value Through Other Comprehensive Income):		
(i) 50 Equity Shares of Rs. 50 each in Godrej & Boyce Employees' Co-operative Consumer Society Limited*	-	-
(ii) 1,000 Equity Shares of Rs. 10 each in Super Bazar Cooperative Stores Limited*	-	-
(iii) 1,000 Equity Shares of Rs. 10 each in Saraswat Co-operative Bank Limited	0.02	0.02
(iv) 4,000 Equity Shares of Rs. 25 each in The Zoroastrian Co-operative Bank Limited	0.12	0.11
(v) 2 Equity Shares of Rs. 10 each in Brihat Trading Private Limited*	-	-
(vi) 100 Equity Shares of Rs. 100 each in Gharda Chemicals Limited (Shares have not been registered in the Company's name)	0.10	0.10
(vii) 1,823 Equity Shares of Rs.10 each in Edayar Zinc Limited (erstwhile Binani Zinc Ltd)- At Book Value*	-	-
(viii) 15,000 Equity Shares of Rs. 1,000 each in Global Innovation and Technology Alliance (a limited company under the purview of Section 8 of the Companies Act, 2013)	1.56	1.48

	(Rupees in crore)	
	As at 31-03-2020	As at 31-03-2019
(ix) 84,375 Equity Shares of Rs.10 each in Nimbua Greenfield (Punjab) Limited	1.11	1.12
(x) Contribution towards 19.61% of the Capital of Proboscis Inc., USA (25,000 shares of par value USD 0.01)	-	-
(xi) 1,400 Shares of Rs. 10 each in Godrej One Premises Management Private Limited*	-	-
(xii) 68,65,666 Common Shares of par value USD 0.001 in Verseon Corporation USA	1.93	52.31
Total Unquoted Non-current Non-Trade Other Investments	4.84	55.14
Grand Total	4,563.04	6,087.43
<i>*(Amount less than Rs.50,000)</i>		
C. DISCLOSURE		
(a) Aggregate amount of Quoted Investments and market value thereof	4,558.20	6,032.29
(b) Aggregate amount of Unquoted Investments	4.84	55.14
	4,563.04	6,087.43
5. LOANS (Unsecured, Considered Good)		
(a) Deposits	51.09	58.04
Total	51.09	58.04
6. OTHER NON-CURRENT ASSETS		
(a) Capital Advances	13.25	18.42
(b) Prepaid Expenses	8.45	3.46
(c) Other Advances	42.13	31.97
Total	63.83	53.85
7. INVENTORIES (At lower of Cost and Net Realisable Value)		
(a) Raw Materials (includes raw materials in transit: Rs.106.30 crore; as at 31-03-2019: Rs. 35.08 crore)	636.78	532.37
(b) Work-in-Process	124.04	123.93
(c) Finished Goods	760.71	716.50
(d) Stock in Trade (includes goods in transit: Rs.57.48 crore; as at 31-03-2019: Rs. 68.66 crore)	565.13	533.65
(e) Spares and Components for after-sales service	104.91	94.43
(f) Consumable Stores and Spares	68.25	84.00
(g) Loose Tools	23.27	23.54
(h) Construction Work-in-Progress [includes goods in transit Rs. Nil (as at 31-03-2019: Rs. Nil)]	320.74	270.53
Total	2,603.83	2,378.95
Break-up of Inventories		
(a) Raw Materials		
(i) Mild Steel	182.69	158.94
(ii) Others	454.09	373.43
	636.78	532.37
(b) Work-in-Process		
(i) Consumer Durables	54.68	46.61
(ii) Industrial Products	69.36	77.32
	124.04	123.93

(Rupees in crore)

	As at 31-03-2020	As at 31-03-2019
(c) Finished Goods		
(i) Manufactured		
(1) Consumer Durables	717.02	647.60
(2) Industrial Products	43.69	68.90
	<u>760.71</u>	<u>716.50</u>
(ii) Traded		
(1) Consumer Durables	481.33	398.56
(2) Industrial Products	83.44	134.99
(3) Others	0.36	0.10
	<u>565.13</u>	<u>533.65</u>
Total	<u>1,325.84</u>	<u>1,250.15</u>

The cost of inventories recognised as an expense includes Rs. 157.08 crore (Rs. 112.81 crore as at 31st March, 2019) in respect of write-downs of inventory to net realisable value.

8. TRADE RECEIVABLES

(a) Unsecured, Considered Good		2,139.30	2,248.21
(b) Unsecured and considered doubtful	171.54		144.11
Less: Allowances for doubtful receivables	<u>(171.54)</u>		<u>(144.11)</u>
		-	-
Total		<u>2,139.30</u>	<u>2,248.21</u>

Note: For amounts due from related parties - Refer Note 46.

9. CASH AND BANK BALANCES

(A) Cash and Cash Equivalents			
(i) Balances with Banks on Current Accounts		143.18	41.60
(ii) Cheques on Hand		44.77	207.66
(iii) Cash on Hand		1.38	1.27
Total Cash and Cash Equivalents		<u>189.33</u>	<u>250.53</u>
(B) Bank Balance other than Cash and Cash Equivalents			
(i) Deposit Accounts (Earmarked for Statutory Fixed Deposit Repayment Reserve net of amounts utilised for repayment of public deposits)		70.00	104.90
(ii) Other earmarked Accounts		5.02	18.89
Total Bank Balance		<u>75.02</u>	<u>123.79</u>
Total		<u>264.35</u>	<u>374.32</u>

10. OTHER CURRENT FINANCIAL ASSETS (Unsecured, Considered Good)

(a) Deposits		30.65	36.89
(b) Derivative Assets		15.14	5.57
(c) Convertible Promissory Notes subscribed - Urban Electric Power Inc. (Associate) (Refer Note 46)		17.98	13.21
Total		<u>63.77</u>	<u>55.67</u>

11. OTHER CURRENT ASSETS (Unsecured, Considered Good)

(a) Advances to Suppliers		130.77	110.28
(b) Balances with Customs, Central Excise, Port Trust and other Authorities		261.20	259.59
(c) Prepaid Expenses		32.71	46.04
(d) Unamortised Guarantee Commission		2.48	2.30
(e) Contract Assets	693.64		455.90
Less: Expected Credit Loss	<u>36.88</u>		<u>31.28</u>
Net Contract Assets		656.76	424.62
(f) Other Current Assets		102.73	115.51
Total		<u>1,186.65</u>	<u>958.34</u>

Note: There were no impairment losses recognised on any contract asset in the reporting period.

		(Rupees in crore)	
		As at 31-03-2020	As at 31-03-2019
12. EQUITY SHARE CAPITAL			
(a) Authorised:			
(i) 1,100,000 Equity Shares of Rs. 100 each		11.00	11.00
(ii) 900,000 Cumulative Redeemable Preference Shares of Rs. 100 each		9.00	9.00
		20.00	20.00
(b) Issued, Subscribed and Paid Up:			
678,445 Equity Shares of Rs. 100 each fully paid up		6.78	6.78

(c) Reconciliation of shares outstanding at the beginning and at the end of the year:

	As at 31-03-2020		As at 31-03-2019	
	No. of Shares	Rs. in crore	No. of Shares	Rs. in crore
Fully paid Equity Shares				
At the beginning of the year	6,78,445	6.78	6,78,448	6.78
Add: Issued during the year	-	-	-	-
Less: Cancelled during the year	-	-	-	-
At the end of the year	6,78,445	6.78	6,78,448	6.78

(1) The Company does not have any holding company.

(2) Details of Equity Shareholders holding more than 5% shares in the Company are given below:

	As at 31-03-2020		As at 31-03-2019	
	Number	% holding	Number	% holding
(i) Mr. A.B. Godrej individually and as a Trustee of ABG Family Trust	41,100	6.06%	41,100	6.06%
(ii) Mr. N.B. Godrej individually and as a Trustee of NBG Family Trust, BNG Family Trust, SNG Family Trust and HNG Family Trust	1,02,679	15.13%	1,02,679	15.13%
(iii) Ms. S.G. Crishna individually and as a Trustee of SGC Family Trust and FVC Family Trust	59,373	8.75%	59,373	8.75%
(iv) Ms. Nyrika Holkar individually and as a Trustee of NVC Family Trust	34,421	5.07%	34,421	5.07%
(v) Mr. J.N. Godrej individually and as a Trustee of JNG Family Trust, Raika Lineage Trust, The Raika Godrej Family Trust and Navroze Lineage Trust	93,775	13.82%	93,775	13.82%
(vi) Mr. R.K. Naorji individually and as a Partner of M/s. RKN Enterprises	1,04,186	15.36%	1,04,186	15.36%
(vii) Trustees, Pirojsha Godrej Foundation - a public charitable trust	1,57,500	23.21%	1,57,500	23.21%

(3) Terms/rights attached to Equity Shares: The Company has only one class of Equity Shares having a par value of Rs.100 per share. Each holder of Equity Shares is entitled to one vote per share. Accordingly, all Equity Shares rank equally with regard to dividend and share in the Company's residual assets. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts, in proportion to the number of Equity Shares held.

13. OTHER EQUITY

	(Rupees in crore)	
	As at 31-03-2020	As at 31-03-2019
(a) Capital Reserve	52.75	52.75
(b) Securities Premium	20.08	20.08
(c) General Reserve	645.85	645.85
(d) Debenture Redemption Reserve	25.00	75.00
(e) Retained Earnings	2,903.19	2,792.49
(f) Items of Other Comprehensive Income	4,087.24	5,613.52
Total	<u>7,734.11</u>	<u>9,199.69</u>

- (1) The Directors do not propose any Final Dividend for the year.
- (2) Capital Reserve: During amalgamation, the excess of net assets taken, over the cost of consideration paid by the Company are treated as capital reserve. Further, it includes capital reserve on business combinations.
- (3) Securities Premium: The amount received in excess of the face value of equity shares, is recognised as Securities Premium. The reserve can be utilised in accordance with the provisions of the Act.
- (4) General Reserve: The Company transferred a portion of the net profits before declaring dividend, to general reserve, pursuant to the provisions of the Companies Act, 1956. Transfer to general reserve is not mandatory under the Act.
- (5) Debenture Redemption Reserve: Reserve has been created out of profits of the Company available for payment of dividend at 10% of the value of debentures, apportioned over the tenure of the debentures pursuant to the provisions of the Act. The amounts credited to Debenture Redemption Reserve may not be utilised by the Company except to redeem debentures.
- (6) Retained Earnings: Retained earnings are the profits earned till date, less transfers to / from general reserve, debenture redemption reserve and other comprehensive income and distribution of dividend and dividend distribution tax thereon.

14. NON-CURRENT BORROWINGS

	(Rupees in crore)			
	As at 31/03/2020		As at 31/03/2019	
	Non-current portion	Current maturities	Non-current portion	Current maturities
(a) Secured Redeemable Non-Convertible Debentures (NCDs)				
(i) 8.90% (3 Years) 2019 Series I Debentures (allotted on 01/03/2016)	-	-	-	150.00
(ii) 9.00% (5 Years) 2021 Series II Debentures (allotted on 08/03/2016)	249.79	-	249.59	-
	<u>249.79</u>	<u>-</u>	<u>249.59</u>	<u>150.00</u>
(b) Secured Term Loan from Banks and Financial Institutions				
(i) Term Loan from HDFC Bank Ltd.	300.00	-	-	-
(c) Unsecured				
(i) Interest-free Loans under the Sales Tax Deferral Scheme of Maharashtra State Government	10.33	8.87	19.11	9.78
(ii) Fixed Deposits	739.33	102.00	529.84	163.21
	<u>749.66</u>	<u>110.87</u>	<u>548.95</u>	<u>172.99</u>
Total	<u>1,299.45</u>	<u>110.87</u>	<u>798.54</u>	<u>322.99</u>

- (i) Privately-placed NCDs issued by the Company are secured by a first ranking charge by way of a registered mortgage on the specified immovable properties of the Company situated at Mumbai. These NCDs are redeemable at par on 22-04-2021 Rs. 250 crore (Series II). Interest on these NCDs is payable quarterly. As per the Companies (Share Capital and Debentures) Rules, 2014, para 18(7), the Company is required to create a Debenture Redemption Reserve of 10% of the value of debentures; it is also required to invest as earmarked 15% of the amount of its debentures maturing during the next financial year. The Company has created a debenture redemption reserve of Rs. 25 crore.
- (ii) Term Loan from HDFC Bank Limited was secured by way of hypothecation of specified machinery and equipment. It carried a fixed interest rate of 7.75% p.a. payable monthly and repayable in 1st installment of Rs. 34 crore and remaining 8 equal quarterly installments of Rs. 33.25 crore.

- (iii) Interest-free Loans under the Sales Tax Deferral Schemes of Maharashtra State Government is payable in annual instalments as may be prescribed in the Schemes, beginning from 21-04-2020 and continuing upto 21-04-2023.
- (iv) Fixed Deposits from employees and public carry interest rates ranging from 7.85% p.a. to 8.75% p.a. payable monthly or half-yearly, and have a maturity period of 3 years from the respective dates of deposit.
- (v) Current maturities of Long-term Borrowings are disclosed under the head "Other Current Financial Liabilities" (Note 21 a)

	(Rupees in crore)	
	As at 31-03-2020	As at 31-03-2019
15. OTHER NON-CURRENT FINANCIAL LIABILITIES		
(a) Dealers' Deposits	47.47	45.28
(b) Sundry Deposits and Advances	141.77	134.92
(c) Other Liabilities	0.28	2.52
Total	189.52	182.72

Sundry Deposits and Advances include:

- (a) Rs. 24.80 crore (as at 31-3-2019: Rs. 24.80 crore) received towards hand-over of possession of land to a public utility, and
- (b) Rs. 0.75 crore (as at 31-3-2019: Rs. 0.75 crore) received towards Compensation against Land acquired. These amounts have not been adjusted in the accounts in view of pending suit/proceedings.

	Current Provisions		Non-current Provisions	
	As at 31/03/2020	As at 31/03/2019	As at 31/03/2020	As at 31/03/2019
16. NON-CURRENT PROVISIONS				
(a) Provision for Free Service under Product Warranties	22.66	25.19	52.81	45.96
(b) Provision for Employee Benefits	9.74	8.55	39.42	38.58
(c) Provision for Onerous Contracts	8.52	3.50	-	-
Total	40.92	37.24	92.23	84.54

(i) Current provisions are disclosed under the head "Current Provisions" (Note 23)

(ii) Movement of Provisions during the year:

Provision for Free Service under Product Warranties during the year:

Opening Balance

Add: Provision during the year

Less: Utilisation during the year

Closing Balance

	As at 31-03-2020	As at 31-03-2019
Opening Balance	71.15	65.19
Add: Provision during the year	69.20	64.61
	140.35	129.80
Less: Utilisation during the year	64.88	58.65
Closing Balance	75.47	71.15

17. DEFERRED TAX ASSETS / LIABILITIES AND TAX EXPENSE

(A) INCOME TAXES

(Rupees in crore)

(a) Amounts recognised in Profit and Loss

Particulars	Current Year	Previous Year
Current income tax	99.00	105.00
Prior years' current tax adjustments	28.63	15.44
Deferred tax charged / (credit)	(14.28)	(1.82)
Prior years' deferred tax adjustments	4.85	8.00
Tax expense for the year	118.20	126.62

(b) Amounts recognised in other comprehensive income

(Rupees in crore)

Particulars	For the year ended 31/03/2020			For the year ended 31/03/2019		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Remeasurements of defined benefit plans	(2.52)	0.63	(1.89)	4.66	(1.63)	3.03

(c) Reconciliation of effective tax rate

(Rupees in crore)

Particulars	Current Year	Previous Year
Profit before tax	342.33	355.88
Tax Rate	34.94%	34.94%
Tax using the Company's domestic tax rate	119.62	124.36
Tax effect of:		
Tax impact of income not subject to tax	(21.18)	(32.54)
Tax impact of expenses subject to tax	3.48	0.80
Impact of 80IC	-	(4.68)
Disallowance u/s 14A of expenses (not interest)	0.10	0.12
Tax impact of realised gain on sale of equity shares through OCI	-	15.23
Adjustment for current tax of prior period	28.63	15.44
Adjustment for deferred tax of prior period	-	8.00
Effect on account of Ind AS 116	11.27	-
Tax impact on account of changes in tax rate	(22.24)	-
Others	(1.48)	(0.11)
Tax Expense Recognised	118.20	126.62

Note: The Company intends to adopt the lower tax rate under Section 115BAA of the Income Tax Act, 1961 with effect from the financial year 2020-21 and accordingly the Deferred tax liabilities as at 31st March, 2020 have been restated at the lower tax rate with the adjustment on change in tax rate accounted in the Statement of Profit and Loss.

17. (B) DEFERRED TAX ASSETS / LIABILITIES (NET)
MOVEMENT IN DEFERRED TAX BALANCES

(Rupees in crore)

Particulars	Movement during the year				As at 31/03/2020		
	Net balance 01/04/2019	Recognised in the Statement of profit and loss	Recognised in OCI	Charge / (Credit) to Retained Earnings	Net Deferred tax asset	Deferred tax liability	
Deferred tax assets / (liabilities)							
Property, plant and equipment	(169.98)	28.67	-	-	(141.31)		(141.31)
Provision for Doubtful Debts / Advances	63.97	(9.56)	-	-	54.41	54.41	-
Expenditure accrued but disallowed and to be claimed in future on payment basis (43B items) :	-						
Leave Encashment Provision	16.47	(4.10)	-	-	12.37	12.37	-
Kolkata Branch Entry Tax	13.14	(2.37)	-	-	10.77	10.77	-
Others	1.71	1.64	-	-	3.35	3.35	-
Remeasurement of Defined Benefit Liability	4.01	-	0.63	-	4.64	4.64	-
Tax Adjustments of prior years	8.00	(4.85)	-	-	3.15		-
	(62.68)	9.43	0.63	0.00	(52.62)	85.54	(141.31)
MAT Credit Entitlement *	61.18	(61.18)	-	-	-	-	-

*MAT utilised during the year is Rs. 42.90 crore (previous year: Rs.33 crore) and adjustment on account of prior years is Rs. 18.28 crore (previous year: Rs. 16.00 crore).

(Rupees in crore)

Particulars	Movement during the year				As at 31/03/2019		
	Net balance 01/04/2018	Recognised in the Statement of profit and loss	Recognised in OCI	Charge / (Credit) to Retained Earnings	Net	Deferred tax asset	Deferred tax liability
Deferred tax assets / (liabilities)							
Property, plant and equipment	(163.89)	(6.09)	-	-	(169.98)	-	(169.98)
Provision for Doubtful Debts / Advances	57.60	6.37	-	-	63.97	63.97	-
Expenditure accrued but disallowed & to be claimed in future on payment basis (43B items) :							
Leave Encashment Provision	16.01	0.46	-	-	16.47	16.47	-
Kolkatta Branch Entry Tax	9.21	3.93	-	-	13.14	13.14	-
Others	2.69	(2.85)	-	1.87	1.71	1.71	-
Remeasurement of Defined Benefit Liability	5.64	-	(1.63)	-	4.01	4.01	-
Fair valuation of investments	-	-	-	-	-	-	-
Tax Adjustments of prior years	-	8.00	-	-	8.00	8.00	-
Adjustments pursuant to Ind AS 115	-	-	-	-	-	-	-
	<u>(72.74)</u>	<u>9.82</u>	<u>(1.63)</u>	<u>1.87</u>	<u>(62.68)</u>	<u>107.30</u>	<u>(169.98)</u>
MAT Credit Entitlement	110.18	(16.00)	-	-	61.18	61.18	-

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.

As on 31-03-2020, the tax liability with respect to the dividends proposed is Rs. Nil (as at 31-03-2019 : Rs. Nil)

	(Rupees in crore)	
	As at 31-03-2020	As at 31-03-2019
18. OTHER NON-CURRENT LIABILITIES		
Revenue received in advance	29.87	15.05
Total	<u>29.87</u>	<u>15.05</u>
19. CURRENT BORROWINGS		
(a) Secured		
(i) Working Capital Facilities from Banks (Net)	7.62	328.78
(ii) Export Credits from Export-Import Bank of India under a revolving credit limit	397.55	184.00
	<u>405.17</u>	<u>512.78</u>
(b) Unsecured		
(i) Deposits/Short-term Loans from Companies	0.25	0.25
(ii) Deposits from Shareholders	217.50	176.00
(iii) Negotiable Commercial Paper	600.00	600.00
(iv) Short-term Loans from Banks	50.00	120.00
(v) Acceptances	68.69	89.04
(vi) Other Borrowings	234.44	215.25
	<u>1,170.88</u>	<u>1,200.54</u>
Total	<u>1,576.05</u>	<u>1,713.32</u>
(i) Working Capital Facilities from Banks are secured by a first pari passu charge by way of hypothecation of inventories and book debts. They carry interest rates ranging from 8.20% p.a. to 12.80% p.a. and are generally renewable each year.		
(ii) Export Credits from Export-Import Bank of India are secured by first equitable mortgage of specified immovable properties situated at Mumbai. They carry an interest rate ranging from 7.50% to 8.00% p.a (excluding interest subvention of 3%) and are payable/ renewable within 90 days.		
(iii) Deposits/Short-term Loans from Companies carry an interest rate of 8.00% p.a. payable quarterly, and have a maturity period of 6 months from the respective dates of deposit.		
(iv) Deposits from Shareholders have a maturity period of 3 months from the respective dates of deposit, and carry an interest rate of 8.25% to 8.50% p.a. payable at the month-end and at maturity.		
(v) In respect of Negotiable Commercial Paper, the maximum balance outstanding during the year was Rs. 600 crore (Previous Year: Rs. 600 crore).		
(vi) Short-term Loan from Banks carry an interest rate of 7.85% payable after 90 days.		
(vii) Other Borrowings are Buyers Credit from Banks, due and payable in foreign currency, and carry interest rates ranging from 1.33% to 3.12% p.a.		
20. TRADE PAYABLES		
(a) Due to Micro and Small Enterprises (Refer note (i) below)	79.40	100.86
(b) Other Trade Payables	1,730.56	1,421.73
(c) Due to Related Parties (Refer note ii below)	7.23	16.69
Total	<u>1,817.19</u>	<u>1,539.28</u>

	As at 31-03-2020	(Rupees in crore) As at 31-03-2019
Notes:		
(i) Disclosure Under the Micro, Small and Medium Enterprises Developments Act, 2006 are provided as under for the year 2019-2020, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.		
(a) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due dates as per the MSMED Act)		
Principal amount due to micro and small enterprise	79.40	100.86
Interest due on above	-	-
(b) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period.	-	-
(c) 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.	0.04	0.70
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.04	0.70
(e) Interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises.	-	-
(ii) For amounts due to related parties - Refer Note 46.		
21. OTHER CURRENT FINANCIAL LIABILITIES		
(a) Current maturities of long-term borrowings (Note 14)	110.87	322.99
(b) Interest accrued but not due on borrowings	4.14	11.99
(c) Employee benefits payable	222.52	237.72
(d) Unclaimed Fixed Deposits (matured deposits not claimed on due dates)	7.07	10.30
(e) Derivative Liability	10.24	8.62
(f) Other payables	566.70	469.17
Total	921.54	1,060.79
(i) There is no amount due and outstanding to be credited to the Investor Education and Protection Fund, in respect of matured but unclaimed Fixed Deposits and any unclaimed interest.		
(ii) Other Payables include accrued expenses and creditors for capital procurement.		
22. OTHER CURRENT LIABILITIES		
(a) Contract Liability (Advances from Customers and Deferred Revenue)	924.39	855.36
(b) Statutory dues including provident fund and tax deducted at source	65.79	83.07
Total	990.18	938.43
The above amount of Deferred Revenue of Rs. 7.61 crore (previous year Rs. 12.28 crore) is the revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period.		
23. CURRENT PROVISIONS		
(a) Provision for Free Service under Product Warranties	22.66	25.19
(b) Provision for Employee Benefits	9.74	8.55
(c) Provision for Loss on Onerous Contracts	8.52	3.50
Total	40.92	37.24

24. CONTINGENT LIABILITIES AND COMMITMENTS

- (a) Performance Guarantees given by the Company's Bankers against counter-guarantees given by the Company: Rs. 1701.66 crore (as at 31-03-2019: Rs. 1,629.56 crore).
- (b) Guarantees given by the Company's Bankers on behalf of subsidiary/associate companies against counter-guarantees given by the Company: Rs. 0.22 crore (as at 31-03-2019: Rs. 0.22 crore).
- (c) Corporate Guarantees given to Bankers to secure credit facilities extended by them to a subsidiary and an associate company: Rs. 299.74 crore (as at 31-03-2018: Rs. 227.76 crore)
- (d) Guarantees given by Export-Import Bank of India, against the security of first equitable mortgage of specified immovable properties situated at Vikhroli, Mumbai: Rs. 103.91 crore (as at 31-03-2019: Rs. 100.63 crore).
- (e) Excise Duty/Service Tax/Sales Tax/Property Tax demands/Non-Agricultural Tax/Income tax in dispute and pending at various stages of appeal: Rs. 137.01 crore (as at 31-3-2019: Rs.120.49 crore).
- (f) The State of Maharashtra has filed a suit against the Company, being Suit No. 679 of 1973, in the High Court of Judicature at Bombay, claiming ownership of part of the Company's lands at Vikhroli, Mumbai. In the said Suit, which is still pending, various claims have been raised, which are undetermined and not acknowledged as debts due by the Company. According to the Company's legal advisers, the Company has a complete defence against the plaintiff in the said Suit, and the said Suit is not sustainable.
- (g) Claims against the Company under the Industrial Disputes Act, 1947 - amount indeterminate.
- (h) Other Contingent Liabilities: Rs. 0.58 crore (as at 31-3-2019: Rs. 0.58 crore)
- (i) Disputed Provident Fund liability for the period March 1996 to September 1997 arising on account of disapproval of infancy benefit: Rs. 0.60 crore (as at 31-3-2019: Rs. 0.54 crore). The Supreme Court of India has allowed the Company's appeal and set aside the judgment of the High Court of Punjab & Haryana; the matter has been remanded to the Regional Provident Fund Commissioner for a fresh decision: Regional Provident Fund Commissioner, again passed an order, raising a demand. An appeal was preferred against the above order with the EPF Appellate Tribunal, New Delhi. As the EPF Appellate Tribunal has been dissolved by the Government of India, the case has been transferred to the Central Government Industrial Tribunal at Chandigarh where it is under adjudication.
- (j) Estimated amount of contracts remaining to be executed on Capital Account and not provided for Rs.110.72 crore (as at 31-03-2019: Rs. 129.11 crore).
- Note: Future cash outflows in respect of items (f) and (g) above are determinable only on receipt of judgements/decisions pending with various forums/authorities.

25. REVENUE FROM OPERATIONS

	(Rupees in crore)	
	Current Year	Previous Year
(a) Sale of Products	9,103.04	8,878.29
(b) Sale of Services	1,935.13	1,988.76
Net Sales (Products and Services)	11,038.17	10,867.05
(c) Other Operating Revenue:		
(i) Scrap Sales	123.96	99.96
(ii) Leave and License Dues and Rent	34.66	30.28
(iii) Export Incentives	25.77	24.42
(iv) Sundry Receipts	35.25	29.84
	219.64	184.50
Revenue from Operations	11,257.81	11,051.55
25 A. Disaggregation of Revenue		
(a) Consumer Durables		
At a point in time	6,763.42	6,811.16
Over time	203.30	216.76
Total	6,966.72	7027.92
(b) Industrial Products		
At a point in time	1,842.01	1,534.37
Over time	1,650.34	1,789.31
Total	3,492.35	3,323.68
(c) Others		
At a point in time	579.10	515.45
Over time	-	-
Total	579.10	515.45

	Current Year	Previous Year
(Rupees in crore)		
26. OTHER INCOME		
(a) Interest Income (on financial assets carried at amortised cost)	17.48	20.90
(b) Dividends from Subsidiary Companies	0.75	0.24
(c) Other Dividends	60.10	92.52
(d) Profit on Sale of Current Investments (Net)	0.10	1.63
(e) Share of Profit in a firm (LLP)	0.07	0.35
(f) Profit on Sale/Disposal of Fixed Assets (Net)	0.46	-
(g) Net foreign exchange gains	9.19	-
Total	88.15	115.64
27. COST OF MATERIALS CONSUMED		
Stocks of Raw Materials at the beginning of the year	532.37	538.13
Add: Raw Materials purchased during the year	2,743.89	2,701.69
Less: Sale of Raw Materials	150.02	178.81
	3,126.24	3,061.01
Less: Stocks of Raw Materials at the close of the year	636.78	532.37
Total	2,489.46	2,528.64
28. PURCHASES OF STOCK-IN-TRADE (TRADED GOODS)		
(a) Consumer Durables	2,544.78	2,793.35
(b) Industrial Products	398.45	603.00
(c) Others	185.82	86.41
Total	3,129.05	3,482.76
29. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE		
(a) Stocks at the beginning of the year:		
(i) Finished Goods	1,344.58	1,275.60
(ii) Work-in-Process	123.93	210.44
	1,468.51	1,486.04
(b) Less: Stocks at the end of the year:		
(i) Finished Goods	1,430.75	1,344.58
(ii) Work-in-Process	124.04	123.93
	1,554.79	1,468.51
Total	(86.28)	17.53
30. PROPERTY DEVELOPMENT AND CONSTRUCTION EXPENSES (COMMERCIAL PROJECTS)		
(a) Construction Work-in-Progress at the beginning of the year	270.53	239.84
(b) Add: Project Expenses incurred during the year:		
(i) Development and Construction Expenses	1,315.45	988.71
(ii) Employee Remuneration and Benefits	94.01	53.27
(iii) Others	94.85	29.09
	1,504.31	1,071.07
(c) Less: Construction Work-in-Progress at the end of the year	320.74	270.53
Total	1,454.10	1,040.38

	Current Year	(Rupees in crore) Previous Year
31. EMPLOYEE BENEFITS EXPENSE		
(a) Salaries, Wages and Bonus	1,129.82	1,084.01
(b) Company's contribution to Employees' Provident and other Funds	52.35	46.12
(c) Company's contribution to Employees' Gratuity Trust Fund	12.84	14.27
(d) Workmen and Staff Welfare Expenses	27.43	26.08
(e) Voluntary Retirement Compensation	0.08	0.23
Total	1,222.52	1,170.71
32. FINANCE COSTS		
(a) Interest on Term Loans	37.44	48.32
(b) Interest on Fixed Deposits and other Unsecured Loans	65.94	57.67
(c) Interest Expense on Lease Liabilities	44.09	-
(d) Other Interest costs	103.80	113.54
	251.27	219.53
Less: Adjustments for Interest Capitalised	52.55	55.29
	198.72	164.24
(e) Finance Charges	5.95	12.16
(f) Net loss / (gain) on foreign currency transactions/translations (attributable to finance costs)	18.54	(8.40)
Total	223.21	168.00
33. OTHER EXPENSES		
(a) Stores, Spare Parts and Other Materials consumed	173.74	179.95
(b) Power and Fuel	158.86	148.51
(c) Rates and Taxes	41.31	34.28
(d) Insurance	15.46	14.84
(e) Repairs and Maintenance of Buildings	49.44	44.61
(f) Repairs and Maintenance of Machinery	17.64	10.47
(g) Technical Fees	13.79	10.62
(h) Royalty	1.37	2.45
(i) Rent [Note 48(b)]	40.02	134.76
(j) Establishment and Other Expenses [Notes 37 and 48(b)]	585.36	541.73
(k) Donations and Contributions	1.07	1.40
(l) Motor Car and Lorry Expenses [Note 48(b)]	13.62	14.87
(m) Freight, Transport and Delivery Charges	499.56	507.23
(n) Advertisement and Publicity	331.69	294.28
(o) Commission	46.77	48.79
(p) Professional Fees	162.20	145.04
(q) CSR Expenditure [Note 38]	6.50	5.59
(r) Bad Debts/Advances written off	16.41	12.12
(s) Allowances for doubtful debts, advances and contract assets	33.50	14.43
(t) Provision for Free Service under Product Warranties	6.23	5.02
(u) Loss on account of Finished Goods damaged/destroyed by fire (Net)	0.15	3.86
(v) Loss on Sale/Disposal of Fixed Assets (Net)	-	0.57
(w) Net foreign exchange loss	-	15.50
Total	2,214.69	2,190.92

Note: Research and Development expenses for the year amounting to Rs.66.19 crore (previous year: Rs. 70.41 crore), have been charged to the Statement of Profit and Loss under the various heads of account

	Current Year	(Rupees in crore) Previous Year	
34. EXCEPTIONAL ITEMS			
(a) Impairment of Assets	(2.19)	-	
Total	(2.19)	-	
<p>Note: The Company has made an assessment of the recoverable value of assets of a business within a division taking into account past performance, prevailing business conditions and revised expectations of the future performance. Based on such assessment an impairment loss has been recognised.</p>			
35. DISCLOSURE IN RESPECT OF PROPERTY DEVELOPMENT PROJECTS AND CONSTRUCTION CONTRACTS			
(a) Contract revenue recognised and shown under Sales for the year	1,650.34	1,146.25	
(b) For all contracts in progress at the year-end:			
(i) Aggregate amount of costs incurred and profits recognised (less recognised losses) upto the balance sheet date	1,390.36	1,798.46	
(ii) Advances received from customers as at the balance sheet date	433.02	441.37	
(iii) Work-in-Progress at the end of the year	320.74	270.53	
(iv) Excess of revenue recognised over actual bills raised	693.64	455.90	
(v) Gross amount due from customers as at the balance sheet date	693.64	451.61	
(c) The Company follows the Percentage of Completion Method to determine the project revenue to be recognised for the year.			
(d) The Company follows the Project Costs Incurred Method to determine the stage of completion of each project.			
36. COMMON EXPENSES SHARED BY A SUBSIDIARY COMPANY			
Amounts recovered from a subsidiary company, Godrej Infotech Limited, towards its share of various common expenses incurred by the Company.	3.69	3.31	
37. AUDITORS' REMUNERATION AND COST AUDIT FEES			
Establishment & Other Expenses [Note 33 (j)] include:			
(a) Remuneration of Auditors (net of Goods and Service Tax):			
(i) For Statutory Audit	2.30	1.60	
(ii) For Certification	0.07	0.13	
(iii) Reimbursement of Expenses	0.05	0.05	
(b) Cost Audit Fees (including Reimbursement of Expenses) (net of Goods and Service Tax)	0.42	0.40	
38. EXPENDITURE INCURRED ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES	6.50	5.59	
<p>As per Section 135 of the Companies Act 2013 (the Act), the Company was required to spend Rs. 6.26 crore, being 2% of the average net profits for the three immediately preceding financial years (calculated in accordance with the provisions of Section 198 of the Act), in pursuance of its Corporate Social Responsibility Policy. The Company has, however, spent a sum of Rs. 6.50 crore [refer note 33(q)] during the year on the following corporate social responsibility activities: promoting education through employment enhancing vocational skills to rural and urban youth; promoting healthcare and community awareness campaigns about healthcare and sanitation in rural areas; and environmental sustainability projects for maintaining quality of soil, air and water.</p>			
Amount spent during the year on:	Already Paid	Yet to be Paid	Total
(i) Construction/Acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	6.50	-	6.50
	6.50	-	6.50

	Current Year	(Rupees in crore) Previous Year
39. EXCHANGE DIFFERENCES ON FOREIGN CURRENCY TRANSACTIONS		
(a) Net exchange (gain)/loss arising on foreign currency transactions / translations dealt with in the Statement of Profit and Loss under the related heads of expenses/income	6.83	4.04
(b) Net exchange (gain) / loss on mark to market of outstanding foreign exchange contracts at the year end.	(7.94)	3.97
40. EARNINGS PER SHARE		
(a) Profit after Taxes for the Year attributable to Equity Shareholders	224.13	229.26
(b) Number of Equity Shares of Rs.100 each issued and outstanding:		
(i) At the end of the year	6,78,445	6,78,445
(ii) Weighted average number of Shares outstanding during the year	6,78,445	6,78,445
(c) Basic and Diluted Earnings per Share (a/b) (Statement of Profit and Loss, item XI)	Rs. 3,304	Rs. 3,379
41. CONTRACT COSTS		
(a) Change in Contract Assets		
Opening Balance of Contract Assets (net of expected credit loss)	455.90	348.36
Less: Adjustment on account of Ind AS 115 transition	-	35.71
Revenues recognised during the year	1,650.34	1,146.25
Less: Progress Billing during the year	1,412.60	1,003.00
Closing Balance of Contract Assets	693.64	455.90
(b) The aggregate value of unexecuted Order Book. (Out of this the Company expects to recognise revenue of around 56% within next one year and the remaining thereafter).	2,517.06	2,982.74
(c) Cost to Obtain the Contract:		
(i) Amount of amortisation recognised in the Statement of Profit and Loss during the year	8.37	2.95
(ii) Amount recognised as an asset	12.57	4.20
The Company has not adjusted the promised amount of consideration for the efforts of a significant financing component if the Company expects, at contract inception, that the period between when the Company transfers a promised good or service to a customer and when the customer pays for that good or service will be less than one year.		
The Company has recognised the incremental costs of obtaining a contract as an expense in the Statement of Profit and Loss when incurred, if the amortisation period of the asset that the Company otherwise would have recognised is one year or less.		
(d) Reconciliation of revenue recognised in the Statement of Profit and Loss with contracted price		
Revenue from contracts with customers (as per Statement of Profit and Loss)	1,650.34	1,146.25
Add: Discounts, Rebates, Refunds, Credits, Price Concessions	-	-
Contracted price with customers	1,650.34	1,146.25
(e) Applying the practical expedient given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures as the revenue recognised corresponds directly with the value to the customer of the Company's performance obligation till date.		

42. DETAILS OF EMPLOYEE BENEFITS:

	(Rupees in crore)	
	Current Year	Previous Year
(a) DEFINED BENEFIT PLAN - PROVIDENT FUND:		
Amount contributed by the Company to the Employees' Provident and other Funds recognized as an expense and included under Employee Benefits Expense	52.35	46.12
The details of the plan assets position is given below:		
	As at 31-03-2020	As at 31-03-2019
Present value of benefit obligation at year end	1,060.17	987.98
Plan assets at year end, at fair value, restricted to Asset recognised in balance sheet	1,060.17	987.98
Assumptions used in determining the present value obligation of the interest rate guarantee under the Projected Unit Credit Method (PUCM):		
Discounting Rate	6.83%	7.69%
Expected Guaranteed interest rate.	8.25% - 8.65%	8.65%
(b) DEFINED BENEFIT PLAN – GRATUITY:		
<u>(i) Change in Present Value of Obligation :</u>		
Liability at the beginning of the year	189.61	179.89
Liability transferred in / acquisitions	0.03	-
Interest cost	14.58	14.09
Current service cost	12.09	12.88
Benefit paid	(16.95)	(12.97)
Actuarial (gain)/loss on obligations due to:		
Financial Assumptions	(15.74)	(4.97)
Experience Adjustments	19.08	2.41
Demographic Assumptions	-	(1.72)
Liability at the end of the year	202.70	189.61
<u>(ii) Change in Plan Assets:</u>		
Fair value of plan assets at the beginning of the year	179.92	161.10
Assets transferred in	0.03	0.11
Interest Income	13.83	12.59
Contributions by Employer	9.70	19.09
Benefit paid	(16.95)	(12.97)
Actuarial gain/(loss) on plan assets	0.82	0.38
Fair value of plan assets at the end of the year	187.35	179.92
Total actuarial gain/(loss) to be recognised	(2.52)	4.66
<u>(iii) Amounts recognised in the Balance Sheet:</u>		
Liability at the end of the year	202.70	189.61
Fair value of plan assets at the end of the year	187.35	179.92
Difference	(15.35)	(9.69)
Amount recognised in the Balance Sheet	(15.35)	(9.69)
<u>(iv) Amounts recognised in the Statement of Profit and Loss:</u>		
Current service cost	12.09	12.88
Interest cost	14.58	14.09
Interest Income	(13.83)	(12.59)
Total Expense recognised in the Statement of Profit and Loss	12.84	14.38
<u>(v) Amounts recognised in the Other Comprehensive Income (OCI):</u>		
Actuarial Gains/(Losses) on Obligation for the year	3.34	(4.28)
Return on plan assets, excluding interest income	(0.82)	(0.38)
Net (Income)/Expense for the year recognised in OCI	2.52	(4.66)

		(Rupees in crore)	
		Current Year	Previous Year
(vi) Actuarial Assumptions:			
Discount rate		6.83%	7.69%
Rate of return on plan assets		6.83%	7.69%
Salary escalation		4% p.a. for the next 2 years, 6% p.a. thereafter, starting from the 3rd year	7.50%
(vii) Estimated Contribution to be made in next financial year		27.60	21.80
(c) GENERAL DESCRIPTION OF DEFINED BENEFIT PLAN – GRATUITY:			
Gratuity is payable to all eligible employees of the Company on superannuation, death or permanent disablement, in terms of the provisions of the Payment of Gratuity Act, 1972, or as per the Company's Scheme, whichever is more beneficial.			
(d) MAJOR CATEGORY OF PLAN ASSETS RELATING TO GRATUITY:			
(as a percentage of total plan assets:)			
Government Securities		44.68%	41.54%
Special Deposit Scheme		14.11%	14.87%
Corporate Bonds		34.26%	37.37%
Equity		4.35%	3.18%
Others		2.60%	3.04%
Total		100.00%	100.00%
(e) DEFINED BENEFIT OBLIGATIONS			
Year ending 31-March		(Rupees in crore)	
2021		36.19	
2022		15.17	
2023		17.78	
2024		16.73	
2025		15.96	
Thereafter		78.34	
(f) SENSITIVITY ANALYSIS			
Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions constant, would have affected the defined benefit obligation by the amounts shown below.			
		(Rupees in crore)	
		Current Year	
		Increase	Decrease
Discount Rate (1% movement)		(12.77)	14.69
Future Salary Growth (1% movement)		14.73	(13.03)
		Previous Year	
		Increase	Decrease
		(12.56)	14.53
		14.41	(12.69)
(g) OTHER LONG-TERM BENEFITS:			
The defined benefit obligations in respect of Leave Encashment Benefit to employees, which are provided for but not funded			
		49.16	47.13

Gratuity is a defined benefit plan and the Company is exposed to the following risks:

(i) Interest rate risk:

A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

(ii) Salary Risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

(iii) Investment Risk:

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

(iv) Asset Liability Matching Risk:

The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

(v) Mortality risk:

Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

43. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT**(I). A. Accounting classification and fair values**

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

(Rupees in crore)

As at 31/03/2020	Carrying Value			Total Carrying Value	Fair value			
	FVTPL	FVTOCI	Amortised Cost		Level 1	Level 2	Level 3	Total
Financial assets								
Non-current								
Investments in Subsidiaries, Associates and Joint Venture	-	-	137.42	137.42	-	-	-	-
Investments:								
Quoted Equity Shares	-	4,558.20	-	4,558.20	4,558.20	-	-	4,558.20
Unquoted Equity Shares	-	4.84	-	4.84	-	-	4.84	4.84
Loans								
Deposits	-	-	51.09	51.09	-	-	-	-
Other Loans	-	-	-	-	-	-	-	-
Current								
Current Investments (Mutual Funds)	-	-	-	-	-	-	-	-
Trade Receivables	-	-	2,139.30	2,139.30	-	-	-	-
Cash and cash equivalents	-	-	189.33	189.33	-	-	-	-
Other Balances with Banks	-	-	75.02	75.02	-	-	-	-
Other Financial asset	-	-	48.63	48.63	-	-	-	-
Derivative asset	15.14	-	-	15.14	-	15.14	-	15.14
	15.14	4,563.04	2,640.79	7,218.97	4,558.20	15.14	4.84	4,578.18
Financial liabilities								
Non-current								
Borrowings								
Secured Redeemable Non-Convertible Debentures (NCDs)	-	-	249.79	249.79	-	-	-	-
Secured Term Loans from Bank	-	-	300.00	300.00	-	-	-	-
Unsecured Borrowings	-	-	749.66	749.66	-	-	-	-
Lease Liabilities	-	-	495.27	495.27	-	-	-	-
Other financial liabilities	-	-	189.52	189.52	-	-	-	-
Current								
Borrowings	-	-	1,576.05	1,576.05	-	-	-	-
Lease Liabilities	-	-	90.79	90.79	-	-	-	-
Trade and other payables	-	-	1,817.19	1,817.19	-	-	-	-
Other financial liabilities:								
Current maturities of long-term borrowings	-	-	110.87	110.87	-	-	-	-
Derivative Liability	10.24	-	-	10.24	-	10.24	-	10.24
Others	-	-	800.43	800.43	-	-	-	-
	10.24	-	6,379.57	6,389.81	-	10.24	-	10.24

43. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (continued)

(Rupees in crore)

As at 31/03/2019	Carrying value			Fair value				
	FVTPL	FVTOCI	Amortised Cost	Total Carrying Value	Level 1	Level 2	Level 3	Total
Financial assets								
Non-current								
Investments in Subsidiaries, Associates and Joint Venture	-	-	101.65	101.65	-	-	-	-
Investments								
Quoted Equity Shares	-	6,032.29	-	6,032.29	6,032.29	-	-	6,032.29
Unquoted Equity Shares	-	55.14	-	55.14	-	-	55.14	55.14
Loans								
Deposits	-	-	58.04	58.04	-	-	-	-
Other Loans	-	-	-	-	-	-	-	-
Current								
Current Investments (Mutual Funds)	-	-	-	-	-	-	-	-
Trade Receivables	-	-	2,248.21	2,248.21	-	-	-	-
Cash and Cash Equivalents	-	-	250.53	250.53	-	-	-	-
Other Balances with Banks	-	-	123.79	123.79	-	-	-	-
Other Financial Assets	-	-	50.10	50.10	-	-	-	-
Derivative asset	5.57	-	-	5.57	-	5.57	-	5.57
	5.57	6,087.43	2,832.32	8,925.32	6,032.29	5.57	55.14	6,093.00
Financial liabilities								
Non-current								
Borrowings								
Secured Redeemable Non-Convertible Debentures (NCDs)	-	-	249.59	249.59	-	-	-	-
Unsecured Borrowings	-	-	548.95	548.95	-	-	-	-
Other Financial Liabilities	-	-	182.72	182.72	-	-	-	-
Current								
Borrowings	-	-	1,713.32	1,713.32	-	-	-	-
Trade payables	-	-	1,539.28	1,539.28	-	-	-	-
Other Financial Liabilities:								
Current maturities of long-term borrowings	-	-	322.99	322.99	-	-	-	-
Derivative Liability	8.62	-	-	8.62	-	8.62	-	8.62
Others	-	-	729.18	729.18	-	-	-	-
	8.62	-	5,286.03	5,294.65	-	8.62	-	8.62

B. Measurement of fair values

Valuation techniques and significant observable/unobservable inputs:

The following tables show the valuation techniques used in measuring Level 1, Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique
Non-Current Investments - quoted	The use of quoted market prices
Non-Current Investments - unquoted	Net book value based on the last available financial statements
Forward contracts	The fair value is determined using forward exchange rates at the reporting dates.

43. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (continued)

FVTPL - Fair Value Through Profit and Loss

FVTOCI - Fair Value Through Other Comprehensive Income

- (1) The fair value in respect of the unquoted equity investments cannot be reliably estimated. The Company has currently valued them using the cost approach to arrive at their fair value and include in Level 3. The cost of unquoted investments approximate the fair value because there is a wide range of possible fair value measurements and the cost represents estimate of fair value within that range.
- (2) Carrying amounts of cash and cash equivalents, trade receivables, unbilled revenues, loans and trade and other payables as at 31-03-2020, and 31-03-2019 approximate the fair values because of their short-term nature. Difference between carrying amounts and fair values of bank deposits, other financial assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the years presented.
- (3) Assets that are not financial assets (such as receivables from statutory authorities, export benefit receivables, prepaid expenses, advances paid and certain other receivables amounting to Rs. 1,250.48 crore as at 31-03-2020 (and Rs. 1,012.19 crore as at 31-03-2019), respectively, are not included.
- (4) Other liabilities that are not financial liabilities (such as statutory dues payable, deferred revenue, advances from customers and certain other accruals amounting to Rs. 1,020.05 crore as at 31-03-2020 (and Rs. 953.48 crore as at 31-03-2019), respectively, are not included.

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established the 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 Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

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 ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Level 3 fair values

Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

Particulars	(Rupees in crore)
Opening Balance (01-04-2019)	2.83
Net change in fair value (unrealised)	(50.30)
Purchases	-
Investments in shares of Verseon Corporation USA., are classified from quoted to unquoted, during the year 2019-20.	52.31
Closing Balance (31-03-2020)	4.84

43. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (continued)**(II). Liquidity risk**

Liquidity risk is the risk that the Company will encounter, 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.

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Company also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date.

(Rupees in crore)

As at 31/03/2020	Contractual cash flows						
	Carrying amount	Total	Less than 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Non-Current							
Term loans from banks	300.00	300.00	-	-	266.75	33.25	-
Debentures	249.79	249.79	-	-	249.79	-	-
Interest-free Loans under the Sales Tax Deferral Scheme of Maharashtra State Government	10.33	10.33	-	-	6.63	3.70	-
Fixed Deposits	739.33	739.33	-	-	423.25	316.08	-
Lease Liabilities	495.27	495.27	-	-	100.64	242.00	152.63
Other Non-current Financial Liabilities	189.52	189.52	-	-	57.87	57.15	74.50
Current							
Secured Borrowings	405.17	405.17	405.17	-	-	-	-
Unsecured Borrowings	1,052.19	1,052.19	988.07	64.12	-	-	-
Short term loans from banks	50.00	50.00	50.00	-	-	-	-
Lease Liabilities	90.79	90.79	90.79	-	-	-	-
Trade Payables	1,817.19	1,817.19	1,817.19	-	-	-	-
Other Current Financial Liabilities	911.30	911.30	566.68	344.62	-	-	-
Derivative Liability	10.24	10.24	10.24	-	-	-	-
Acceptances	68.69	68.69	68.69	-	-	-	-
Contractual cash flows							
As at 31/03/2019	Carrying amount	Total	Less than 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Non-Current							
Debentures	249.59	249.59	-	-	-	249.59	-
Interest-free Loans under the Sales Tax Deferral Scheme of Maharashtra State Government	19.11	19.11	-	-	15.41	3.70	-
Fixed Deposits	529.84	529.84	-	-	529.84	-	-
Other Non-current Financial Liabilities	182.72	182.72	-	-	182.72	-	-
Current							
Secured Borrowings	512.78	512.78	427.78	85.00	-	-	-
Unsecured Borrowings	991.50	991.50	962.78	28.72	-	-	-
Short term loans from banks	120.00	120.00	120.00	-	-	-	-
Trade Payables	1,539.28	1,539.28	1,539.28	-	-	-	-
Other Current Financial Liabilities	1,052.17	1,052.17	1,038.18	13.99	-	-	-
Derivative Liability	8.62	8.62	8.62	-	-	-	-
Acceptances	89.04	89.04	89.04	-	-	-	-

43. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (continued)**(III). Market risk**

The Company is exposed to market risks such as price, interest rate fluctuation and foreign currency rate fluctuation risks, capital structure and leverage risks.

A. Currency risk

The Company is exposed to currency risk on account of its borrowings and other payables/receivables in foreign currency. The functional currency of the Company is Indian Rupee. The Company uses forward exchange contracts to hedge its currency risk, mostly with a maturity of less than one year from the reporting date.

The Company does not use derivative financial instruments for trading or speculative purposes.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at 31st March, 2020 and 31st March, 2019 are as below:

	Currency	Amount in Foreign Currency		Equivalent amount (Rupees in crore)	
		As at 31/03/2020	As at 31/03/2019	As at 31/03/2020	As at 31/03/2019
Financial assets					
Trade and other receivables	USD	1,61,97,549	1,88,16,193	122.56	130.13
	EURO	5,14,196	4,73,924	4.26	3.68
	GBP	2,67,001	3,51,512	2.50	3.18
	OTHERS	10,17,701	13,86,804	4.78	6.85
				134.09	143.85
Hedged Exposures	USD	49,90,819	27,41,364	(37.76)	(18.96)
				96.33	124.89
Financial liabilities					
Trade and other payables	USD	6,86,61,117	4,66,07,025	519.52	322.33
(includes foreign currency	EURO	46,80,077	52,80,584	38.74	41.01
borrowings)	GBP	1,71,955	1,32,828	1.61	1.20
	OTHERS	5,49,760	68,64,234	2.10	2.55
				561.97	367.09
Hedged Exposures	USD	6,25,75,089	3,40,88,637	(473.47)	(235.76)
	EURO	2,45,877	-	(2.04)	-
				86.46	131.33

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

(Rupees)	Year-end spot rate	
	31-03-20	31-03-19
USD 1	75.67	69.16
EUR1	82.77	77.67
GBP1	93.50	90.53

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against US dollars at 31st March would have affected the measurement of financial instruments denominated in US dollars 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.

Effect in Rs. Crore	As at 31/03/2020		As at 31/03/2019	
	Strengthening	Weakening	Strengthening	Weakening
USD - 3% movement	(1.16)	1.16	(0.74)	0.74
EUR - 3% movement	0.97	(0.97)	1.12	(1.12)
GBP - 3% movement	(0.03)	0.03	(0.06)	0.06

43. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (continued)**B. Interest rate risk**

The Company's exposure to market risk for changes in interest rates relates to fixed deposits and borrowings from financial institutions. It is the Company's policy to obtain the most favourable interest rate available, and to retain flexibility of fund-raising options in future between fixed and floating rates of interest, across maturity profiles and currencies.

Company's interest rate risk arises from borrowings. Borrowings issued at floating rates exposes to fair value interest rate risk. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows:

Nominal amount	(Rupees in Crore)	
	As at 31/03/2020	As at 31/03/2019
Fixed-rate instruments		
Financial liabilities: Long-term	1,299.45	798.54
Financial liabilities: Short-term	1,576.05	1,713.32
Total	2,875.50	2,511.86

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.

43. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (continued)**C. 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 investments in debt securities.

The carrying amount of financial assets represents the maximum credit exposure.

Trade receivables

Credit risk arises from the possibility that customers may not be able to settle their obligations as agreed. To manage this, the businesses periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable.

The Company establishes an allowance for doubtful receivables that represents its estimate of expected losses in respect of trade and other receivables.

The Company's exposure to customers is diversified and no single customer contributes to more than 10% of outstanding accounts receivable and unbilled revenue as at 31st March, 2020 and 31st March, 2019.

Impairment

The ageing of trade receivables that were not impaired was as follows:

	(Rupees in crore)	
	As at	As at
	31/03/2020	31/03/2019
Neither past due nor impaired	1,522.74	1,645.93
More than 6 months and less than 1 year	172.52	110.28
More than 1 year and less than 3 years	189.44	232.11
More than 3 years	254.60	259.89
	<u>2,139.30</u>	<u>2,248.21</u>

Management believes that the unimpaired amounts that are past due by more than 6 months are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, on a case to case basis, with reference to the customer's credit quality and prevailing market conditions. Based on past experience, the Company does not expect any material loss on these receivables and hence no allowance is deemed necessary on account of Expected Credit Loss (ECL).

Additionally, considering the COVID-19 situation, the Company has also assessed the performance and recoverability of trade receivables. The Company believes that the current value of trade receivables reflects the fair value/recoverable values.

The movement in the allowance for doubtful receivables and contract assets during the year was as follows:

	(Rupees in crore)
	Collective impairments
Balance as at 31/03/2019	175.39
Allowance for doubtful receivables recognised during the year ended 31st March, 2020.	<u>33.40</u>
Balance as at 31/03/2020	<u>208.79</u>
Bad debts written off during the year ended 31st March, 2020.	16.41
Allowance for doubtful advances recognised during the year ended 31st March, 2020.	0.10
Loans and advances are monitored by the Company on a regular basis and these are neither past due nor impaired.	

Cash and cash equivalents

The Company maintains its cash and cash equivalents with credit worthy banks and financial institutions and reviews it on ongoing basis. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be good.

44. CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings less cash and cash equivalents. The Company's adjusted net debt to equity ratio for two years is given below:

	(Rupees in crore)	
	As at	As at
	31/03/2020	31/03/2019
Non-Current Borrowings	1,299.45	798.54
Current Borrowings	1,576.05	1,713.32
Current Maturity of long-term borrowings	110.87	322.99
Gross Debt	2,986.37	2,834.85
Less : Cash and cash equivalent	189.33	250.53
Less : Other balances with banks	75.02	123.79
Adjusted net debt	2,722.02	2,460.53
Total equity	7,740.89	9,206.47
Adjusted net debt to equity ratio	0.35	0.27

45. ADDITIONAL INFORMATION ABOUT BUSINESS SEGMENTS

(Rupees in crore)

	Current Year					Previous Year				
	Consumer Durables	Industrial Products	Others	Corporate/ Unallocated	Total Company	Consumer Durables	Industrial Products	Others	Corporate/ Unallocated	Total Company
REVENUE										
Domestic Sales	6,739.38	2,991.29	574.25	-	10,304.92	6,781.33	2,810.61	508.25	-	10,100.19
Export Sales	227.34	501.06	4.85	-	733.25	246.59	513.07	7.20	-	766.86
SALE OF PRODUCTS AND SERVICES (Gross)	6,966.72	3,492.35	579.10	-	11,038.17	7,027.92	3,323.68	515.45	-	10,867.05
Inter-Segment Transfers	9.19	123.61	1.89	-	134.69	11.76	111.52	3.24	-	126.52
Other Operating Revenue	109.91	107.45	2.28	-	219.64	87.99	94.11	2.40	-	184.50
SEGMENT REVENUE	7,085.82	3,723.41	583.27	-	11,392.50	7,127.67	3,529.31	521.09	-	11,178.07
Less: Inter-Segment Revenue					(134.69)					(126.52)
TOTAL REVENUE					11,257.81					11,051.55
RESULTS FROM OPERATIONS										
Profit before Corporate / Common Expenses, Interest, Depreciation and Amortization	738.73	294.29	255.67	-	1,288.69	660.20	238.90	264.19	-	1,163.29
Less: Non Cash Expenses:										
Depreciation	239.28	79.73	37.80	-	356.81	115.36	69.55	30.70	-	215.61
SEGMENT RESULTS (Profit before Corporate / Common Expenses and Interest)	499.45	214.56	217.87	-	931.88	544.84	169.35	233.49	-	947.68
Add: Income from Dividends					60.85					92.76
Total Profit/(Loss) on Sale of Fixed Assets (Net)					0.46					(0.57)
Total Profit on Sale of Investments (Net)					0.10					1.63
Impairment of Assets					(2.19)					-
Add/(Less): Interest (Net of Interest Income)					991.10					1,041.50
Other Unallocated Corporate / Common Expenses					(205.73)					(147.10)
					(443.04)					(538.52)
PROFIT BEFORE TAX					342.33					355.88
Provision for Taxes					118.20					126.62
PROFIT / (LOSS) FOR THE YEAR					224.13					229.26
CAPITAL EMPLOYED (at the end of the year)										
Segment Assets	4,807.74	2,744.53	133.69	2,950.10	10,636.06	3,883.65	2,535.89	121.10	2,848.16	9,388.80
Segment Liabilities	1,943.96	1,213.35	52.77	1,205.52	4,415.60	1,240.55	1,092.62	48.30	960.38	3,341.85
SEGMENT CAPITAL EMPLOYED (Segment Assets - Segment Liabilities)	2,863.78	1,531.18	80.92	1,744.58	6,220.46	2,643.10	1,443.27	72.80	1,887.78	6,046.95
Investments					4,700.46					6,189.08
Borrowings					(2,990.51)					(2,846.84)
Other Financial Liabilities (Non-current)					(189.52)					(182.72)
TOTAL CAPITAL EMPLOYED (NET ASSETS) (as per Balance Sheet)					7,740.89					9,206.47
CAPITAL EXPENDITURE										
TOTAL CAPITAL EXPENDITURE (as per Balance Sheet)	359.01	89.57	1.46	183.07	633.11	269.56	87.84	5.00	244.97	607.37

(a) Identification of Business Segments

The Indian Accounting Standard 108 (Ind AS-108) on "Segment Reporting" requires disclosure of segment information to facilitate better understanding of the performance of an enterprise's business operations. The Company has identified Business Segments to comply with the operating segment disclosures as per Ind AS-108, considering the organization structure, internal financial reporting system, and the risk-return profiles of the businesses. The Company's organisation structure and management processes are designated to support effective management of multiple businesses while retaining focus on each one of them.

The Consumer Durables segment includes Furniture and Interiors, Office Equipment, Home Appliances, Locks and Security Equipment.

The Industrial Products segment includes Process Plant and Equipment, Toolings, Special Purpose Machines, Precision Components/Engineering, Electricals and Electronics, Electric Motors, Storage Solutions and Material Handling Equipment. Estate leasing, Property Development and Ready-mix Concrete operations are included under the Others segment.

The Company's exports constitute less than 10% of its total revenue. All of the Company's manufacturing operations are conducted in India. The commercial risks and returns involved on the basis of geographic segmentation are relatively insignificant. Accordingly, segment disclosures based on geographic segments are not considered relevant.

(b) Segment Revenue, Results, Assets and Liabilities

Segment revenue and results are arrived at based on amounts identifiable to each of the segments. Inter-segment transfers are valued at cost or market-based prices, as may be negotiated between the segments with an overall optimization objective for the Company. Other unallocated expenses include corporate expenses, as well as expenses incurred on common shared-services provided to the segments. Segment assets include all operating assets used by the business segment and consist mainly of net fixed assets, debtors and inventories. Segment liabilities primarily include creditors and advances from customers. Unallocated assets mainly relate to the factory, administrative, employee welfare, and marketing infrastructure at Vikhroli, Mumbai and at up-country establishments, not directly identifiable to any business segment. Liabilities which have not been identified between the segments are shown as unallocated liabilities.

46. RELATED PARTY DISCLOSURES

(a) NAMES OF RELATED PARTIES AND NATURE OF RELATIONSHIPS:

(i) Subsidiaries (including step-down subsidiaries):

A. Subsidiaries (with the Company's direct equity holdings in excess of 50%):

1. Godrej Infotech Limited
2. Godrej (Singapore) Pte. Limited (a wholly-owned subsidiary incorporated in Singapore)
3. Veromatic International BV (a wholly-owned subsidiary incorporated in the Netherlands)
4. Godrej Americas Inc. (a wholly-owned subsidiary incorporated in the USA)
5. Sheetak Inc. (incorporated in USA)
6. Godrej Property Developers LLP

The following companies are step-down subsidiaries (where the Company's subsidiaries listed above, directly and/or indirectly through one or more subsidiaries, hold more than one-half of equity share capital):

B. Subsidiaries of Godrej Infotech Limited:

1. Godrej Infotech Americas Inc. (a wholly-owned subsidiary incorporated in North Carolina, USA)
2. Godrej Infotech (Singapore) Pte. Ltd. (a wholly-owned subsidiary incorporated in Singapore)
3. LVD Godrej Infotech NV (incorporated in Belgium)

C. Subsidiaries of Godrej (Singapore) Pte. Ltd.:

1. JT Dragon Pte. Ltd. (Incorporated in Singapore)
2. Godrej (Vietnam) Co. Ltd. (Incorporated in Vietnam) (a wholly owned subsidiary of JT Dragon Pte. Ltd.)
3. Godrej UEP (Singapore) Pte. Limited (incorporated in Singapore)
4. Godrej UEP Pvt. Limited [a wholly-owned subsidiary of Godrej UEP (Singapore) Pte. Limited]

D. Joint Ventures:

1. Godrej Consoveyo Logistics Automation Ltd. (formerly Godrej Efacec Automation & Robotics Ltd.)

(ii) Other Associates and Limited Liability Partnerships:

1. Godrej & Boyce Enterprises LLP (applied for closure)
2. Future Factory LLP
3. Urban Electric Power Inc.
4. Godrej & Khimji (Middle East) LLC (incorporated in Sultanate of Oman) [a Joint Venture of Godrej (Singapore) Pte. Limited]

(iii) Key Managerial Personnel:

(a) Whole-time Directors:

1. Mr. J. N. Godrej, Chairman & Managing Director
2. Mr. V. M. Crishna, Executive Director
3. Mr. A. G. Verma, Executive Director & President
4. Mrs. N. Y. Holkar Executive Director - Corporate Affairs

(b) Non-Executive Directors:

1. Mr. A. B. Godrej
2. Mr. N. B. Godrej
3. Mr. N. J. Godrej
4. Mr. K. N. Petigara
5. Mr. P. P. Shah
6. Ms. A. Ramchandran
7. Mr. K. M. Elavia

(c) Others:

1. Mr. P. E. Fouzdar, Executive Vice President and Company Secretary
2. Mr. P. K. Gandhi, Chief Financial Officer

(d) Close members of the family of Key Management Personnel:

1. Mrs. P. J. Godrej (spouse of Mr. J. N. Godrej)
2. Mr. N. J. Godrej (son of Mr. J. N. Godrej)
3. Ms. R. J. Godrej (daughter of Mr. J. N. Godrej)
4. Mrs. S. G. Crishna (spouse of Mr. V. M. Crishna)
5. Mrs. F. C. Bieri (daughter of Mr. V. M. Crishna)
6. Mrs. N. Y. Holkar (daughter of Mr. V. M. Crishna)

(iv) Companies under common control:

1. Godrej Industries Limited
2. Godrej Agrovet Limited
3. Godrej Consumer Products Limited
4. Godrej Properties Limited
5. Godrej Seeds and Genetics Limited

(v) Post Employment Benefit Trust with whom the Company has transactions:

1. Godrej and Boyce Manufacturing Co. Ltd. Employees' Provident Fund
2. Godrej and Boyce Manufacturing Co. Ltd. Employees' Gratuity Fund
3. Godrej and Boyce Manufacturing Co. Ltd. Managerial Superannuation Fund

(b) PARTICULARS OF TRANSACTIONS WITH RELATED PARTIES:

(Rupees in crore)

	Current Year		Previous Year	
	Subsidiaries [Item (a)(i)]	Associates / Common Ownership [Items (a)(ii), (iii), (iv) and (v)]	Subsidiaries [Item (a)(i)]	Associates / Common Ownership [Items (a)(ii), (iii), (iv) and (v)]
(i) Transactions carried out with the related parties, referred to in Items (a) above:				
(a) Purchase of Materials/Finished Goods/Services	73.74	23.89	62.12	31.02
(b) Sales, Services Rendered and Other Income	10.12	30.79	6.75	35.67
(c) Dividends Received	0.75	60.01	0.24	90.01
(d) Common Expenses shared with Subsidiaries	3.69	-	3.31	-
(e) Investments purchased	9.94	25.76	6.26	-
(f) Loans to Associate Company	-	17.98	-	13.21
(g) Trade and other Receivables	5.12	9.40	0.77	15.48
(h) Trade and other Payables	5.41	1.82	14.79	1.90
(i) Bank Guarantees given against counter-guarantees given by the Company, outstanding at year-end	0.22	-	0.22	-
(j) Corporate Guarantees given to bankers, outstanding at year-end	235.42	64.32	147.75	80.01

(Rupees in crore)

	Current Year	Previous Year
(ii) Transactions carried out with Mr. J. N. Godrej, Chairman & Managing Director		
(a) Dividends paid		
Individually *	0.00	0.00
As a Trustee of The Raika Godrej Family Trust	2.08	2.08
As a Trustee of JNG Family Trust	6.54	6.54
As a Trustee of Raika Lineage Trust	5.07	5.07
As a Trustee of Navroze Lineage Trust	5.07	5.07
(b) Unsecured Deposits outstanding	28.50	30.00
(c) Interest paid on Deposits taken	2.53	1.74
(iii) Transactions carried out with Mr. V. M. Crishna, Executive Director:		
(a) Dividends paid *	0.00	0.00
(b) Interest paid on Deposits taken	-	0.18
(iv) Transactions carried out with Ms. N. Y. Holkar, Executive Director:		
(a) Dividends paid	2.08	2.08
(b) Interest paid on Deposits taken	-	0.01
(v) (a) Remuneration paid/payable to Key Managerial Personnel:		
(i) Whole-time Directors	13.50	17.14
(ii) Other Key Managerial Personnel	4.40	3.94

	(Rupees in crore)	
	Current Year	Previous Year
(v) (b) Retiral benefits paid/payable to Key Managerial Personnel:		
(i) Whole-time Directors	1.08	0.98
(ii) Other Key Managerial Personnel	0.16	0.15
(vi) Transactions carried out with the relatives of Whole-time Directors:		
(a) Mrs. P. J. Godrej:		
Remuneration	0.27	0.27
Dividend paid	0.01	0.01
Unsecured Deposits outstanding	-	2.00
Interest paid on Deposits taken	0.01	0.19
(b) Ms. R. J. Godrej		
Dividend paid *	0.00	0.00
Unsecured Deposits outstanding	63.50	46.50
Interest paid on Deposits taken	4.59	2.61
(c) Mrs. S. G. Crishna:		
Remuneration	0.27	0.27
Dividend paid		
Individually *	0.00	0.00
As a Trustee of SGC Family Trust	7.06	7.06
As a Trustee of FVC Family Trust	4.81	4.81
As a Trustee of NVC Family Trust	4.81	4.81
(d) Mrs. F. C. Bieri:		
Dividend paid	2.08	2.08
(e) Mr. N. J. Godrej:		
Dividend paid	2.08	2.08
(vii) Transactions with Non-Executive Directors:		
Commission	-	0.53
Sitting Fees	0.61	0.53
Others	-	-
(viii) Contribution to post-employment benefit plans:		
(a) Advance received and repaid to the Company by:		
1. Godrej and Boyce Manufacturing Co. Ltd. Employees' Provident Fund	-	4.19
2. Godrej and Boyce Manufacturing Co. Ltd. Employees' Gratuity Fund	-	-
3. Godrej and Boyce Manufacturing Co. Ltd. Managerial Superannuation Fund	-	-
(b) Towards Employer's contribution:		
1. Godrej and Boyce Manufacturing Co. Ltd. Employees' Provident Fund	23.16	19.29
2. Godrej and Boyce Manufacturing Co. Ltd. Employees' Gratuity Fund	9.71	19.09
3. Godrej and Boyce Manufacturing Co. Ltd. Managerial Superannuation Fund	9.14	7.83
(c) Balance payable by the Company to:		
1. Godrej and Boyce Manufacturing Co. Ltd. Employees' Provident Fund	2.22	1.79
2. Godrej and Boyce Manufacturing Co. Ltd. Employees' Gratuity Fund	15.36	9.71
3. Godrej and Boyce Manufacturing Co. Ltd. Managerial Superannuation Fund	9.38	8.78

*(Amount less than Rs.50,000)

47. DISCLOSURE IN RESPECT OF JOINT VENTURES

Pursuant to the Indian Accounting Standard (Ind AS 28) – Investments in Associates and Joint Ventures, the disclosures relating to the Company's Indian Joint Venture (JV) Godrej Consoveyo Logistics Automation Limited, (formerly, Godrej Efacec Automation and Robotics Limited) are as follows:

- (a) The financial interest of the Company in the JV is by way of equity participation with Consoveyo S.A. (formerly, Efacec Handling Solutions S.A.) in the ratio of 49:51
- (b) The aggregate amounts of assets, liabilities, income and expenses related to the Company's share in the JV.

	(Rupees in crore)	
	Current Year	Previous Year
(i) Assets at close	26.65	28.70
(ii) Liabilities at close	21.30	24.73
(iii) Income	32.05	26.48
(iv) Expenses	29.24	31.91

- (c) The JV does not have any contracts remaining to be executed on Capital Account or any contingent liabilities at close.

48. DISCLOSURE IN RESPECT OF LEASES

- (a) Lease income from operating leases where the Company is a lessor, is recognised in the Statement of Profit and Loss. Initial direct costs incurred specifically to earn revenues from operating leases of fixed assets are charged to the Statement of Profit and Loss as incurred. These assets pertain to land, commercial/residential premises, forklifts and vending machines given on lease on varying tenure and other terms.

In respect of assets given on operating leases, the gross book value and the accumulated depreciation at the end of the year, aggregate to Rs.400.30 crore and Rs. 46.24 crore, respectively (as at 31-3-2019: Rs.399.33 crore and Rs. 36.79 crore, respectively); and the depreciation charge for the year corresponding to the period of lease rentals, is estimated at Rs.9.23 crore (previous year: Rs. 9.21 crore).

The future minimum lease rentals receivable under non-cancellable operating leases within a period of one year are estimated at Rs. 130.09 crore (as at 31-3-2019: Rs. 92.38 crore), those due later than one year but not later than five years at Rs. 140.62 crore (as at 31-3-2019: Rs. 147.76 crore), and those due later than five years at Rs. Nil (as at 31-3-2019: Rs. Nil).

48. DISCLOSURE IN RESPECT OF LEASES (contd.)**(b) Leases (Company as a lessee)**

The Company has significant leasing arrangements where the Company is lessee, which are in respect of motor cars, laptop, computers and premises (office, godown, showroom, retail store, residential etc) occupied by the Company. The average lease term is 6.65 years.

The lease contract does not provide any purchase option to the Company at the end of the lease term. The Company's obligations are secured by the lessors' title to the leased assets for such leases.

Rent includes expense towards short term lease payments amounting to Rs. 32.03 crore, expense towards low value lease assets amounting to Rs. 26.59 crore and maintenance for leased properties amounting to Rs. 9.98 crore during the year ended 31st March, 2020.

Some of the property leases in which the Company is the lessee contain variable lease payment terms that are linked to sales generated from the leased stores. Variable payment terms are used to link rental payments to store cash flows and reduce fixed cost. The breakdown of lease payments for these stores is as follows.

	(Rupees in crore)
	2019-20
Fixed payments	1.21
Variable payments	-
Total payments	<u>1.21</u>

There are no variable lease payments made by the Company. The variable payments depend on sales and consequently on the overall economic development over the next few years. Taking into account the development of sales expected over the next 2 years, variable rent expenses are expected to change in the future.

The total cash outflow for leases amount to Rs.184.49 crore (Rs.160.72 crore for FY. 2018-19).

The discount rate used by the Company 9% (incremental borrowing rate) which is applied to all lease liabilities recognised in the balance sheet.

	(Rupees in crore)
Lease liabilities - Maturity analysis	31-03-2020
Not later than 1 year	90.79
Later than 1 year and not later than 5 years	342.64
Later than 5 years	152.63
	<u>586.06</u>

The Company does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Company's treasury function.

The Company has considered all future expected cash outflows to which the lessee is potentially exposed and are reflected in the measurement of lease liabilities:

Reconciliation between the future minimum lease rental commitments towards non-cancellable operating leases and finance leases reported as at 31st March, 2019 compared to the lease liability as accounted as at 1st April, 2019.

	(Rupees in crore)
	01-Apr-19
Operating lease commitments disclosed as at 31 March, 2019	23.64
Discounted using the lessee's incremental borrowing rate of at the date of initial application (1 April 2019)	(23.64)
Add: Finance lease liabilities recognised as at 31 March 2019	-
(Less): Short-term leases not recognised as a liability	(32.03)
(Less): Maintenance on leased premises not recognised as a liability	(9.98)
(Less): Low-value leases not recognised as a liability	(22.64)
Add/(Less): Contracts reassessed as lease contracts	462.05
Add/(Less): Adjustments as a result of a different treatment of extension and termination options	-
Add/(Less): Adjustments relating to changes in the index or rate affecting variable payments	-
Lease liability recognised as at 1 April 2019	<u>397.40</u>
Of which are:	
Current lease liabilities	70.10
Non-current lease liabilities	327.30
	<u>397.40</u>



Godrej & Boyce Manufacturing Company Limited

ENCLOSURE 1

Referred to in paragraph 1 of the
Board's Report

CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31st March, 2020





GODREJ & BOYCE MANUFACTURING COMPANY LIMITED

Established 1897

(Incorporated with limited liability on 3rd March, 1932 under the Indian Companies Act, 1913)

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

CORPORATE INFORMATION

Board of Directors

JAMSHYD N. GODREJ, Chairman & Managing Director
ADI B. GODREJ
NADIR B. GODREJ
VIJAY M. CRISHNA, Executive Director
KAVAS N. PETIGARA
PRADIP P. SHAH
Ms. ANITA RAMACHANDRAN
ANIL G. VERMA, Executive Director & President
KEKI M. ELAVIA
Ms. NYRIKA HOLKAR, Executive Director
NAVROZE J. GODREJ

Company Secretary

PERCY E. FOUZDAR

Chief Financial Officer

PURVEZ K. GANDHI

Auditors

DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Bankers

CENTRAL BANK OF INDIA	ICICI BANK LTD.
UNION BANK OF INDIA	AXIS BANK LTD.
DBS BANK INDIA LTD.	HDFC BANK LTD.
CITIBANK N.A.	KOTAK MAHINDRA BANK LTD.
EXPORT-IMPORT BANK OF INDIA	

Registered Office and Head Office

Pirojshanagar, Vikhroli, Mumbai 400 079
Telephone: (022) 6796 5656, 6796 5959; Fax: (022) 6796 1518
E-mail: info@godrej.com | Website: <http://www.godrejandboyce.com>

Corporate Identity Number (CIN)

U28993MH1932PLC001828



INDEPENDENT AUDITOR'S REPORT

To
The Members Of
Godrej & Boyce Manufacturing Company Limited

Report On The Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of Godrej & Boyce Manufacturing Company Limited (hereinafter referred to as "the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which includes the Group's share of profit / loss in its associates and joint ventures, which comprise the Consolidated Balance Sheet as at 31st March 2020, Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements / financial information of the subsidiaries, associates and joint ventures referred to in the Other Matters section below, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March 2020, and their consolidated profit, their consolidated total comprehensive loss, their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act ("SA"s). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Information Other than the Financial Statements and Auditor's Report Thereon ("Other Information")

The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report and its annexures but does not include the Consolidated Financial Statements, Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries, associates and joint ventures audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, associates and joint ventures, is traced from their financial statements audited by other auditors.

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 Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associates and joint ventures in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and its joint ventures 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Parent, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the Group and its associates and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are also responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial 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 Parent, subsidiary companies, associate companies and joint venture company, which are companies incorporated in India has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures 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 Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and joint ventures to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the standalone financial statements of the Parent included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

We communicate with those charged with governance of the Parent and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Other Matters

- (a) We did not audit the financial statements / financial information of twelve subsidiaries, whose financial statements / financial information reflect total assets of Rs.392.88 crores as at 31st March, 2020, total revenues of Rs.337.27 crores and net cash outflows amounting to Rs.1.89 crores for the year ended on that date, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the Group's share of net loss of Rs.12.27 crores for the year ended 31st March, 2020, as considered in the Consolidated Financial Statements, in respect of two associates and one joint venture, whose financial statements have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates, and joint venture, and our report in terms of Section 143(3) of the Act, in so far as it relates to the aforesaid subsidiaries, associates and joint venture is based solely on the reports of the other auditors.

Ten of these subsidiaries and two associates are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Parent's management has converted the financial statements of such subsidiaries and associates located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Parent's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries and associates located outside India is based solely on the report of other auditors and the conversion adjustments prepared by the management of the Parent and audited by us.

- (b) We did not audit the financial statements / financial information of one subsidiary, whose financial statements / financial information reflect total assets of Rs. 0.06 crores as at 31st March, 2020, total revenues of Rs. Nil and net cash inflows amounting to Rs.Nil for the year ended on that date, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the Group's share of net loss of Rs.0.07 crores for the year ended 31st March, 2020, as considered in the Consolidated Financial Statements, in respect of two associates whose financial statements / financial information have not been audited by us. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and these associates, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

Our opinion on the Consolidated Financial Statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report On Other Legal And Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of other auditors on the separate financial statements and other financial information of the subsidiary companies, associate companies and joint venture company, which are companies incorporated in India, referred to in the Other Matters paragraph above 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 of the aforesaid Consolidated Financial Statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
- d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS prescribed under section 133 of the Act.
- e) On the basis of the written representations received from the Directors of the Parent as on 31st March, 2020 taken on record by the Board of Directors of the Company and the reports of the other auditors of its subsidiary companies, associate companies and joint venture company, which are companies incorporated in India, none of the Directors of the Parent, subsidiary companies, associate companies and joint venture company, which are companies incorporated in India is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent, subsidiary companies, associate companies and joint venture company, which are companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies for the reasons stated therein.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its Directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures.
 - ii. The Group, its associate companies and joint venture companies have made provision in the Consolidated Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies, associate companies and joint venture company, which are companies incorporated in India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No: 117366W/W-100018

N. K. Jain
Partner
Membership No: 045474
UDIN: 20045474AAAABX7064

Mumbai
26th August, 2020

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") of Godrej & Boyce Manufacturing Company Limited.

In conjunction with our audit of the Consolidated Financial Statements of the Group as of and for the year ended 31st March, 2020, we have audited the internal financial controls over financial reporting of Godrej & Boyce Manufacturing Company Limited (hereinafter referred to as "the Parent") and its subsidiary companies, its associate companies and joint venture company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary companies, its associate companies and joint venture company incorporated in India, are responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting 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"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies, its associate companies and its joint venture company, which are companies incorporated in India, 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. The Guidance Note and those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, associate companies and joint venture company, which are companies incorporated in India, in terms of the reports of the other auditors referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies, its associate companies and its joint venture company, which are companies incorporated in India.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Parent and based on the consideration of the reports of the other auditors referred to in the Other Matter paragraph below, the Parent and its subsidiary companies, associate companies and joint venture company, which are companies incorporated in India have, in all material respects, maintained adequate internal financial controls over financial reporting as of 31st March, 2020, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to its subsidiary companies, associate companies and joint venture company, which are companies incorporated in India, is based solely on the corresponding reports of the statutory auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No: 117366W/W-100018

N. K. Jain
Partner
Membership No: 045474

Mumbai
26th August, 2020

GODREJ & BOYCE MANUFACTURING COMPANY LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2020

(Rupees in crore)

	Note		As at 31-03-2020	As at 31-03-2019
ASSETS				
(1) NON-CURRENT ASSETS				
(a) Property, Plant and Equipment	2 A	2,365.00		2,048.80
(b) Capital Work-in-progress	2 A	875.97		797.39
(c) Investment Property	2 B	354.06		362.54
(d) Intangible Assets	2 A	70.45		52.68
(e) Intangible Assets under Development	2 A	0.53		6.40
(f) Right of Use Assets	2 C	582.23		-
		4,248.24		3,267.81
(g) Financial Assets				
(i) Investments				
(a) Investments in associates	3A	12.10		16.39
(b) Investments in joint ventures	3A	5.34		4.43
(c) Other Non-Current Investments	3B	4,563.04		6,087.43
(ii) Loans	4	51.79		58.65
		4,632.27		6,166.90
(h) Deferred Tax Assets (Net)	5	4.62		4.04
(i) Income Tax Asset		5.26		-
(j) Other Non-current Assets	6	64.91		54.94
		8,955.30		9,493.69
(2) CURRENT ASSETS				
(a) Inventories	7	2,632.07		2,402.42
(b) Financial Assets				
(i) Investments	8	23.21		13.26
(ii) Trade Receivables	9	2,163.97		2,282.29
(iii) Cash and Cash Equivalents	10 A	254.40		315.93
(iv) Bank Balances other than (iii) above	10 B	94.65		131.41
(v) Loans	11	9.57		7.04
(vi) Other Financial Assets	12	64.24		56.20
		2,610.04		2,806.13
(c) Current Tax Assets (net)		104.51		49.64
(d) Other Current Assets	13	1,193.16		967.72
		6,539.78		6,225.91
Total Assets			15,495.08	15,719.60
EQUITY AND LIABILITIES				
(1) EQUITY				
(a) Equity Share Capital	14	6.78		6.78
(b) Other Equity	15	7,664.78		9,194.24
Equity attributable to equity holders of the parent		7,671.56		9,201.02
(c) Non-controlling interests		(28.99)		(15.37)
Total Equity		7,642.57		9,185.65
LIABILITIES				
(2) NON-CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Borrowings	16	1,316.21		812.05
(ii) Lease Liability		508.00		-
(iii) Other Financial Liabilities	17	189.53		183.10
		2,013.74		995.15
(b) Provisions	18	97.12		87.99
(c) Other Non-Current Liabilities	19	29.87		15.05
(d) Deferred Tax Liabilities (Net)	5	52.78		0.15
		2,193.51		1,098.34
(3) CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Borrowings	20	1,758.23		1,827.32
(ii) Trade Payables	21	1,813.11		1,539.09
(iii) Lease Liability		91.50		-
(iv) Other Financial Liabilities	22	951.36		1,083.66
		4,614.20		4,450.07
(b) Other Current Liabilities	23	1,003.24		947.61
(c) Provisions	24	41.36		37.63
(d) Current Tax Liabilities (Net)		0.20		0.30
		5,659.00		5,435.61
Total Equity and Liabilities			15,495.08	15,719.60
Statement of Significant Accounting Policies and Notes to the Financial Statements	1-48			

The accompanying notes are an integral part of the financial statements

As per our Report of even date
For **DELOITTE HASKINS & SELLS LLP**
CHARTERED ACCOUNTANTS
Firm Registration No.: 117366W/W-100018

For and on behalf of the Board of Directors

N. K. JAIN
PARTNER
Membership No.: 045474
Mumbai, 26th August, 2020

J. N. GODREJ
Chairman &
Managing Director
DIN: 00076250

A. G. VERMA
Executive Director
& President
DIN: 02366334

P. K. GANDHI
Chief Financial
Officer

P. E. FOUZDAR
Executive Vice President
(Corporate Affairs)
& Company Secretary

GODREJ & BOYCE MANUFACTURING COMPANY LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2020

	Note		Current Year	(Rupees in crore) Previous Year
I. REVENUE FROM OPERATIONS	26	11,438.12		11,231.87
II. OTHER INCOME	27	90.44		117.78
TOTAL INCOME			11,528.56	11,349.65
III. EXPENSES				
(1) Cost of Materials consumed	28	2,507.22		2,549.20
(2) Purchases of Stock-in-Trade	29	3,180.80		3,529.23
(3) Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade	30	(87.59)		17.46
(4) Property Development and Construction Expenses	31	1,454.10		1,040.38
(5) Employee Benefits Expense	32	1,365.17		1,292.60
(6) Finance Costs	33	232.00		171.05
(7) Depreciation and Amortization Expense	2	371.88		223.19
(8) Other Expenses	34	2,212.45		2,177.93
Less: Expenditure transferred to Capital Accounts		(2.12)		(3.24)
TOTAL EXPENSES			11,233.91	10,997.80
IV. PROFIT BEFORE SHARE IN PROFIT OF EQUITY ACCOUNTED INVESTEEES, EXCEPTIONAL ITEMS AND TAX			294.65	351.85
V. SHARE IN LOSS OF EQUITY ACCOUNTED INVESTEEES (NET OF INCOME TAX)			(12.82)	(16.58)
VI. EXCEPTIONAL ITEMS	35		(0.04)	-
VII. PROFIT BEFORE TAX			281.79	335.27
VIII. TAX EXPENSE				
(1) Current tax		103.82		110.89
(2) Prior years' current tax adjustments		28.63		15.44
(3) Deferred tax charge/(credit)		(13.65)		(2.41)
(4) Prior years' deferred tax adjustments		4.85		8.00
			123.65	131.92
IX. PROFIT FOR THE YEAR			158.14	203.35
X. OTHER COMPREHENSIVE INCOME (OCI)				
(i) Items that will not be reclassified to Statement of Profit and Loss				
(a) Remeasurement of defined employee benefit plans			(4.97)	3.16
(b) Change in fair value of equity instruments through OCI			(1,524.39)	(252.91)
(c) Tax on above items			0.19	(1.19)
(ii) Items that will be reclassified to Statement of Profit and Loss				
(a) Exchange differences in translating financial statements of foreign operations			2.81	1.19
(b) Change in fair value of other instruments through OCI			-	1.87
(c) Tax on above items			0.09	(0.02)
TOTAL OTHER COMPREHENSIVE (LOSS) / INCOME			(1,526.27)	(247.90)
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR			(1,368.13)	(44.55)
PROFIT FOR THE YEAR ATTRIBUTABLE TO:				
Owners of the Company			168.75	207.52
Non-controlling interest			(10.61)	(4.17)
OTHER COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:				
Owners of the Company			(1,526.27)	(247.90)
Non-controlling interest			-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:				
Owners of the Company			(1,357.52)	(40.38)
Non-controlling interest			(10.61)	(4.17)
XII. EARNINGS PER EQUITY SHARE				
Basic and Diluted Earnings per Equity Share of Rs. 100 each	37		Rs. 2,487	Rs. 3,059
XIII. Statement of Significant Accounting Policies and Notes to the Financial Statements	1-48			
The accompanying notes are an integral part of the financial statements				

As per our Report of even date
For **DELOITTE HASKINS & SELLS LLP**
CHARTERED ACCOUNTANTS
Firm Registration No.: 117366W/W-100018

For and on behalf of the Board of Directors

N. K. JAIN
PARTNER
Membership No.: 045474
Mumbai, 26th August, 2020

J. N. GODREJ
Chairman &
Managing Director
DIN: 00076250

A. G. VERMA
Executive Director
& President
DIN: 02366334

P. K. GANDHI
Chief Financial
Officer

P. E. FOUZDAR
Executive Vice President
(Corporate Affairs)
& Company Secretary

GODREJ & BOYCE MANUFACTURING COMPANY LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2020

(a) Equity share capital

	For the year ended 31-03-20	For the year ended 31-03-19
Balance at the beginning of the year	6.78	6.78
Changes in equity share capital during the year	-	-
Balance at the end of the year	6.78	6.78

Rupees in Crore

(b) Other equity

Particulars	Reserves and Surplus								Items of Other Comprehensive Income				Total Other Equity	
	Securities Premium Reserve	General Reserve	Retained earnings	Debenture Redemption Reserve	Capital Reserve	Capital Reserve on Business Combinations	Legal and Statutory Reserves	Non-controlling interest	Remeasurements of the net defined benefit plans	Revaluation surplus	Foreign Currency Translation Reserve	Foreign Operations Foreign Currency Translation difference		Revaluation surplus
Balance as at 31/03/2018	20.10	652.92	7,081.43	66.67	72.70	(19.95)	0.34	(16.77)	(12.17)	1,489.20	58.98	-	(1.87)	9,391.58
Profit / (Loss) after tax for the year	-	-	207.52	-	-	-	-	(4.17)	-	-	-	-	-	203.35
Fair valuation of investments in equity instruments	-	-	-	-	-	-	-	-	-	(252.91)	-	-	1.87	(251.04)
Remeasurement of defined employee benefit plans net of deferred tax	-	-	-	-	-	-	-	-	1.97	-	1.17	-	-	3.14
Total comprehensive income for the year 2018-19	20.10	652.92	7,288.95	66.67	72.70	(19.95)	0.34	(20.94)	(10.20)	1,236.29	60.15	-	-	9,347.03
Adjustments to Opening Retained Earnings Ind AS 115	-	-	(3.49)	-	-	-	-	-	-	-	-	-	-	(3.49)
Interim Equity Dividend declared and paid during the year	-	-	(135.70)	-	-	-	-	-	-	-	-	-	-	(135.70)
Dividend Distribution Tax (DDT) on Interim Dividend	-	-	(27.89)	-	-	-	-	-	-	-	-	-	-	(27.89)
Transfer to Debenture Redemption Reserve	-	-	(8.33)	8.33	-	-	-	-	-	-	-	-	-	-
Reclassification of excess amount transferred in earlier years	-	-	(196.12)	-	-	-	-	-	-	196.12	-	-	-	-
Realised gain on sale of equity shares reclassified to retained earnings	-	-	54.25	-	-	-	-	-	-	(54.25)	-	-	-	-
Additions / (Deletions) during the year	-	-	(5.57)	-	-	-	0.01	5.57	-	-	(1.09)	-	-	(1.08)
Balance as at 31/03/2019	20.10	652.92	6,966.10	75.00	72.70	(19.95)	0.35	(15.37)	(10.20)	1,378.16	59.06	-	-	9,178.87
Profit / (Loss) after tax for the year	-	-	168.75	-	-	-	-	(10.61)	-	-	-	-	-	158.14
Fair valuation of investments in equity instruments	-	-	-	-	-	-	-	-	-	(1,524.39)	-	-	-	(1,524.39)
Remeasurement of defined employee benefit plans net of deferred tax	-	-	-	-	-	-	-	-	(4.78)	-	2.90	-	-	(1.88)
Total comprehensive income for the year 2019-20	20.10	652.92	7,134.85	75.00	72.70	(19.95)	0.35	(25.98)	(14.98)	(146.23)	61.96	-	-	7,810.74
Interim Equity Dividend declared and paid during the year	-	-	(136.68)	-	-	-	-	-	-	-	-	-	-	(136.68)
Dividend Distribution Tax (DDT) on Interim Dividend	-	-	(27.91)	-	-	-	-	-	-	-	-	-	-	(27.91)
Transfer from Debenture Redemption Reserve	-	-	50.00	(50.00)	-	-	-	-	-	-	-	-	-	-
Additions / (Deletions) during the year	-	0.97	(7.79)	-	-	-	-	(3.01)	-	-	(0.52)	-	-	(10.36)
Balance as at 31/03/2020	20.10	653.89	7,012.47	25.00	72.70	(19.95)	0.35	(28.99)	(14.98)	(146.23)	61.44	-	-	7,635.79

Notes forming part of the financial statements 1-48

As per our Report of even date
For DELOITTE HASKINS & SELLS LLP
CHARTERED ACCOUNTANTS
Firm Registration No.: 117366W/W-100018

For and on behalf of the Board of Directors

N. K. JAIN
PARTNER
Membership No.: 045474
Mumbai, 26th August, 2020

J. N. GODREJ
Chairman & Managing Director
DIN: 00076250

A. G. VERMA
Executive Director & President
DIN: 02366334

P. K. GANDHI
Chief Financial Officer

P. E. FOUZDAR
Executive Vice President (Corporate Affairs)
& Company Secretary

GODREJ & BOYCE MANUFACTURING COMPANY LIMITED
CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31st MARCH, 2020

	Current Year	(Rupees in crore) Previous Year
A. CASH FLOWS FROM OPERATING ACTIVITIES		
PROFIT BEFORE TAXES	281.79	335.27
ADJUSTMENTS TO RECONCILE PROFIT BEFORE TAX TO NET CASH USED IN:		
Depreciation and Amortization	371.88	223.19
Provisions for Doubtful Debts/Advances/Deposits	33.69	13.17
Bad Debts written off	16.41	13.03
Impairment of Assets	2.19	-
Profit on Sale of Investments in Associate	(2.15)	-
Profit on Sale of Investments (Net)	(0.12)	(1.63)
Loss / (Profit) on Sale of Property, Plant and Equipment (Net)	(0.48)	0.48
Interest Received	(18.43)	(21.38)
Dividend Received	(60.50)	(93.29)
Interest and Finance Costs	232.00	171.05
Loss on conversion from Joint Venture to Subsidiary	7.46	-
Impairment of Assets	4.79	-
Unrealised Foreign Currency (Gain)/Loss	24.40	(10.58)
Share of Loss of Associates and Joint Ventures	12.82	16.58
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	905.75	645.89
MOVEMENT IN CURRENT ASSETS AND LIABILITIES:		
Inventories	(229.65)	(44.38)
Trade and other Receivables	(186.57)	(34.38)
Trade and other Payables	420.65	50.62
CASH GENERATED FROM OPERATIONS	910.18	617.75
Direct Taxes paid	(131.63)	(119.66)
NET CASH FROM OPERATING ACTIVITIES	778.55	498.09
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Property, Plant and Equipment acquired	(592.15)	(654.50)
Proceeds from Sale of Property, Plant and Equipment	4.71	1.48
Sale / (Purchase) of Investments	(43.69)	156.84
Net (Increase) / Decrease in bank deposits	36.76	16.46
Interest Income	16.53	21.38
Dividend Income	60.50	93.29
NET CASH (USED IN) / FROM INVESTING ACTIVITIES	(517.34)	(365.05)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Net Increase / (Decrease) in short-term borrowings	(196.50)	(251.46)
Fresh Loans and Deposits taken	5,089.77	3,918.32
Loans and Deposits repaid	(4,536.82)	(3,309.21)
Redemption of Debentures	(150.00)	(100.00)
Repayment of Lease Liabilities	(71.82)	-
Interest and Finance Costs	(292.78)	(229.23)
Dividend paid, including Dividend Distribution Tax	(164.59)	(163.59)
NET CASH USED IN FINANCING ACTIVITIES	(322.74)	(135.17)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(61.53)	(2.13)
Cash and Cash Equivalents at the beginning of the year	315.93	318.06
Cash and Cash Equivalents at the end of the year	254.40	315.93
Add: Other Bank Balances (not considered as cash and cash equivalents):		
Fixed Deposits with Banks	89.63	112.52
Other Bank Balances (including share in jointly controlled entities)	5.02	18.89
CLOSING CASH AND BANK BALANCES (NOTE 10)	349.05	447.34
D. COMPONENTS OF CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
Cash on hand	1.41	1.29
Cheques on hand	44.81	207.66
Balances with Banks in Current Accounts	208.18	106.98

Notes forming part of the financial statements

1-48

NOTES:

1. The Statement of Cash Flow has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard 7 (Ind AS-7) on "Statement of Cash Flows," and presents cash flows by operating, investing and financing activities.
2. Figures in brackets are outflows/deductions.
3. Cash and cash equivalents for the purposes of this Statement comprise of cash in hand, cash at bank and fixed deposits with maturity of three months or less.

As per our Report of even date

For DELOITTE HASKINS & SELLS LLP

CHARTERED ACCOUNTANTS

Firm Registration No.: 117366W/W-100018

For and on behalf of the Board of Directors

N. K. JAIN

PARTNER

Membership No.: 045474

Mumbai, 26th August, 2020

J. N. GODREJ

Chairman &
Managing Director

DIN: 00076250

A. G. VERMA

Executive Director
& President

DIN: 02366334

P. K. GANDHI

Chief Financial
Officer

P. E. FOUZDAR

Executive Vice President
(Corporate Affairs)
& Company Secretary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

A. General Information

Godrej & Boyce Manufacturing Company Limited ('the Company') incorporated on 3rd March, 1932 is a major company of the Godrej Group. The Company has diverse business divisions offering a wide range of consumer, office, and industrial products and related services of the highest quality to customers in India and abroad. The Company is domiciled in India and its registered office is at Pirojshanagar, Vikhroli, Mumbai 400 079.

The Consolidated Financial Statements comprise financial statements of Godrej and Boyce Manufacturing Company Limited and its subsidiaries (collectively, 'the Group') and includes share of loss of associates and joint ventures for the year ended 31st March, 2020.

B. Basis of preparation of financial statements

These consolidated financial statements as at, and for the year ended, 31st March, 2020 have been prepared in accordance with Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

The consolidated financial statements have been prepared and presented under the historical cost convention, on accrual and going concern basis except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

The consolidated financial statements of the Company for the year ended 31st March, 2020 were approved for issue in accordance with the Resolution passed by the Board of Directors at their meeting held on 26th August, 2020.

C. Functional and presentation currency

These consolidated financial statements are presented in Indian rupees, which is the Group's functional currency. All amounts have been rounded to the nearest crore, unless otherwise indicated; a crore is equal to ten million. Where changes in presentation are made, comparative figures for the previous year are restated/regrouped accordingly.

D. Uses of Estimates and Judgements

The preparation of consolidated financial statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the Balance Sheet and Statement of Profit and Loss. The actual amounts realised may differ from these estimates.

Estimates and assumptions are required in particular for:

(i) Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalised.

Useful lives of tangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support. Assumptions also need to be made, when the Parent assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised.

(ii) Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, vested future benefits and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. The same is disclosed in Note 39.

(iii) Income Taxes

Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

A deferred tax asset is recognised for all the deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. The management assumes that taxable profits will be available while recognising deferred tax assets.

(iv) Recognition and measurement of provisions

The recognition and measurement of provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the Balance Sheet date. The actual outflow of resources at a future date may therefore vary from the figure included in other provisions.

(v) Determining whether an arrangement contains a lease

Critical judgements required in the application of Ind AS 116:

(a) Critical judgements in determining the lease term:

At inception of an arrangement, the Company determines whether the arrangement is or contains a lease. At inception or on reassessment of an arrangement that contains a lease, the Company separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Company's incremental borrowing rate. And in case of operating lease, all payments under the arrangement are treated as lease payments.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

(b) Critical judgements in determining the discount rate:

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

(c) Lease classification as Lessor

The Company's assets subject to operating leases in its Estate Leasing Operations are included in Investment Property. Lease income is recognised and included in Revenue from Operations in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Statement of Profit and Loss.

(vi) Rebates and sales incentives

Rebates are generally provided to distributors or customers as an incentive to sell the Group's products. Rebates are based on purchases made during the period by distributor / customer. The Group determines the estimates of rebate accruals primarily based on the contracts entered into with their distributors / customers and the information received for sales made by them.

(vii) Fair value of financial instruments

Derivatives are carried at fair value. Derivatives includes Foreign Currency Forward Contracts and Interest Rate Swaps. Fair value of Foreign Currency Forward Contracts are determined using the fair value reports provided by the respective merchant bankers. Fair value of Interest Rate Swaps are determined with respect to current market rate of interest.

(viii) Impairment of Financial Assets

The Group reviews its carrying value of investments in subsidiaries and associates on an annual basis or more frequently when there is an indication of other than temporary impairment in the carrying value of its investments. The recoverable amount is measured using future cash flows projections provided by the management. A significant degree of judgment is required in establishing these recoverable values. Judgments include considerations such as change in business strategy, liquidity risk, credit risk and volatility which provide objective evidence of an impairment which is other than temporary in the long term inherent value of the investment.

(ix) Assurance Product Warranty Obligations

The estimates for product warranty obligations are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidences.

(x) Expected Cost of Completion of Contracts

For the purpose of arriving at revenues from construction contracts, the Company's Management estimates the cost of completion for each project. Management systematically reviews further projected cost and compares the aggregate of cost incurred to date and future costs projections against budgets, on the basis of which, proportionate revenue (or anticipated losses), if any, are recognised.

E. Measurement of fair values

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

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

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

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

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

Level 3 : inputs for the asset or liability that are not based on observable market data (unobservable inputs). Fair values are determined in whole or part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

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

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

F. Significant accounting policies

i. Property, plant and equipment

a. Recognition and measurement

Property, plant and equipment is recognised when it is probable that future economic benefit associated with the asset will flow to the Group, and the cost of the asset can be measured reliably.

Items of property, plant and equipment are measured at original cost less accumulated depreciation and any accumulated impairment losses.

The cost of an item of property, plant and equipment comprises:

- a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in the Statement of Profit and Loss.

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, and depreciated over their respective useful lives.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the Statement of Profit and Loss.

All property, plant and equipment received in exchange for non-monetary assets are measured at fair value unless the exchange transaction lacks commercial substance or the fair value of neither the asset received nor the asset given up is reliably measurable. Measurement of an exchange at fair value will result in the recognition of a gain or loss based on the carrying amount of the asset surrendered. If a fair value can be determined reliably for either the asset received or the asset given up, then the fair value of the asset given up should be used unless the fair value of the asset received is more clearly evident. Accordingly, Transferable Development Rights (TDR's) obtained by the Group in respect of its freehold lands situated at Mumbai, are carried at fair value of land given up unless the fair value of TDR received is more clearly evident, and are shown under Freehold Land. Any gain or loss arising from such exchange is immediately recognised in the Statement of Profit and Loss.

Any transfer of such TDR's / land from fixed asset to inventory is done at cost.

b. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

c. Depreciation / Amortisation

The Group has followed the Straight Line method for charging depreciation on all items of property, plant and equipment, at the rates specified in Schedule II to the Act; these rates are considered as the minimum rates. If management's estimate of the useful life of the property, plant and equipment is shorter than that envisaged in Schedule II, depreciation is provided at a higher rate based on management's estimate of the useful life. Accordingly, in respect of the commercial construction projects, on some items of equipment at the project sites, depreciation is provided at a higher rate based on useful life of the assets estimated at 5 years, compared to 15 years specified in Schedule II.

Moreover, in respect of special-purpose machinery used in the contract-manufacturing of precision components and systems, depreciation is charged over the period of such manufacturing contracts. In respect of additions to/deductions from the assets, the depreciation on such assets is calculated on a pro rata basis from/upto the month of such addition/deduction. Assets costing less than Rs. 5,000 are fully depreciated in the year of purchase/acquisition. Leasehold Land and Buildings are amortised over the period of the lease. The cost of property, plant and equipment not ready for their intended use at the balance sheet date is disclosed under capital work-in-progress.

Intangible assets comprising of Technical Know-how and Trade Marks are amortised on straight-line basis at the rate of 16.67%; capitalised Computer Software costs relating to the ERP system, are amortised on straight line basis at the rate of 20%.

ii. Investment properties

Properties held to earn rentals and / or capital appreciation (including property under construction for such purposes) are classified as investment properties.

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.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

The Group follows the straight line method for charging depreciation on investment property over estimated useful lives prescribed in Schedule II to the Companies Act, 2013.

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes.

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 profit or loss in the period of derecognition.

iii. Intangible assets

a. Recognition and measurement

Intangible assets, including patents and trademarks, which are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

b. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

c. Amortisation

Intangible assets are amortised over their estimated useful life on straight line method.

iv. Investment in Joint Ventures and Associates

Non-current investments in associates and joint ventures are carried at their book values, which are higher than their fair values, the diminution in the value of such investments is considered to be of a temporary nature, in view of the Group's long-term financial involvement in such investee companies.

v. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A. Financial Assets

(a) Initial recognition and measurements:

The Group recognises a financial asset in its balance sheet when it becomes party to the contractual provisions of the instrument. All financial assets are recognised initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset.

Where the fair value of the financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognised as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognised as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to change in factor that market participants take into account when pricing the financial asset.

However, trade receivables that do not contain a significant financing component are measured at transaction price.

(b) Subsequent measurement:

For subsequent measurement, the Group classifies a financial asset in accordance with the below criteria:

- (i) The Group's business model for managing the financial asset and
- (ii) The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Group classifies its financial assets into the following categories:

- (i) Financial assets measured at amortised cost
- (ii) Financial assets measured at fair value through other comprehensive income (FVTOCI)
- (iii) Financial assets measured at fair value through profit or loss (FVTPL)

- (i). Financial assets measured at amortised cost:

A financial asset is measured at the amortised cost if both the following conditions are met:

- a) The Group's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Group (Refer Note 40 for further details). Such financial assets are subsequently measured at amortised cost using the effective interest method.

Under the effective interest method, the future cash receipts are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal/repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at the amortised cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognised as interest income over the relevant period of the financial asset. The same is included under other income in the Statement of Profit and Loss.

The amortised cost of financial asset is also adjusted for loss of allowance, if any.

- (ii). Financial asset measured at FVTOCI:

A financial asset is measured at FVTOCI if both of the following conditions are met:

- a) The Group's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial asset, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

This category applies to certain investments in debt instruments (Refer Note 3 for further details). Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognised in the other Comprehensive Income (OCI). However, the Group recognises interest income and impairment losses and its reversals in the Statement of Profit and Loss.

On Derecognition of such financial assets, cumulative gain or loss previously recognised in OCI is reclassified from equity to the Statement of Profit and Loss.

Further, the Group, through an irrevocable election at initial recognition, has measured certain investments in equity instruments at FVTOCI (Refer Note 40 for further details). The Group has made such election on an instrument by instrument basis. These equity instruments are neither held for trading nor are contingent consideration recognised under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognised in OCI. However, the Group recognises dividend income from such instruments in the Statement of Profit and Loss.

On derecognition of such financial assets, cumulative gain or loss previously recognised in OCI is not reclassified from the equity to the Statement of Profit and Loss. However, the Group may transfer such cumulative gain or loss into retained earnings within equity.

(iii). Financial asset measured at FVTPL:

A financial asset is measured at FVTPL unless it is measured at amortised cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the Group excluding investments in associates and joint ventures (Refer Note 40 for further details). Such financial assets are subsequently measured at fair value at each reporting date.

Fair value changes are recognised in the Statement of Profit and Loss.

(c) Derecognition:

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

- (i) The contractual rights to cash flows from the financial asset expires;
- (ii) The Group transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset.
- (iii) The Group retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);
- (iv) The Group neither transfers nor retains substantially all risk and rewards of ownerships and does not retain control over the financial assets.

In cases where Group has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Group continues to recognise such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Group also recognises an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

On Derecognition of a financial asset, (except as mentioned in ii above for financial assets measured at FVTOCI), the difference between the carrying amount and the consideration received is recognised in the Statement of Profit and Loss.

(d) Impairment of financial assets:

The Group applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- i. Trade receivables, Contract Assets and lease receivables.
- ii. Financial assets measured at amortised cost (other than trade receivables, contract assets and lease receivables)
- iii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

In case of trade receivables contract assets and lease receivables, the Group follows a simplified approach wherein a amount equal to lifetime ECL is measured and recognised as loss allowance.

In case of other assets (listed as ii and iii above), the Group determines if there has been a significant increase in credit risk of the financial assets since initial recognition, if the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognised as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured as recognised as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Group reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12 month ECL, are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcome, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Group uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and contract assets and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the Statement of Profit and Loss under the head 'Other expenses'.

B. Financial Liabilities

(a) Initial recognition and measurement:

The Group recognises a financial liability in its balance sheet when it becomes party to the contractual provisions of the instrument. All financial liabilities are recognised initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial liability.

Where the fair value of a financial liability at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognised as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognised as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial liability.

(b) Subsequent measurement:

All financial liabilities of the Group are subsequently measured at amortised cost using the effective interest method (Refer Note 40 for further details).

Under the effective interest method, the future cash payments are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liability over the relevant period of the financial liability to arrive at the amortised cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognised as interest expense over the relevant period of the financial liability. The same is included under finance cost in the Statement of Profit and Loss.

(c) Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When the existing financial liability is replaced by another from the same lender or substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the Derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in the Statement of Profit and Loss.

C. Derivative financial instruments

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

vi. Inventories

Trade Inventories:

Raw Materials, Loose Tools, Stores, Spares, etc. are valued at lower of weighted average cost and estimated net realisable value. Estimated net realisable value of raw materials is determined on the basis of the price of the finished products in which they will be used are expected to be sold.

Work-in-Process (other than Construction Projects) is valued at lower of estimated cost (consisting of direct material and direct labour costs plus appropriate factory overheads) and estimated net realisable value.

Finished Goods, goods in transit and goods with third parties are valued at lower of weighted average cost and estimated net realisable value; cost includes purchase, conversion, appropriate factory overheads, any taxes or duties and other costs incurred for bringing the inventories to their present location and condition. Spares and Components for after-sales service are valued at lower of average cost and estimated net realisable value on an item-by-item basis.

Obsolete and damaged inventories, and other anticipated losses are adequately provided for, wherever considered necessary.

Net realisable value is the estimated selling price in the ordinary course of business less estimated cost of completion and selling expenses.

Construction Projects:

In respect of the commercial construction projects promoted / developed on the Group's land, construction work-in-progress is valued at estimated cost consisting of the cost of land (forming part of the project), development, construction and other related costs. Construction Work in progress includes projects for Industrial Products / Equipment.

Work in process is valued at lower of specifically identified costs or net realisable value.

vii. Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash and cash equivalents. Cash and cash equivalents in the Balance Sheet comprises of cash on hand, bank balances which are unrestricted for withdrawal and usage and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

viii. Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction 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 ready for its intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

ix. Provisions and Contingent Liabilities and Contingent Assets

A provision is recognised only when there is a present legal / constructive obligation as a result of a past event that probably requires an outflow of resources to settle the obligation and in respect of which a reliable estimate can be made. Provision is not discounted to its present value and is determined based on the best estimate required to settle the obligation at the balance sheet date. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions and Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date. Contingent Assets and related income are recognised when there is virtual certainty that inflow of economic benefit will arise.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

x. Revenue Recognition

Effective 1st April, 2018, the Company has applied Ind AS 115 'Revenue from Contracts with Customers' which establishes a comprehensive framework, for determining whether, how much and when revenue is to be recognised. The Company elected to transition retrospectively with cumulative effect of initially applying the standard recognised as an adjustment to the opening balance sheet as at 1st April, 2018 on the contracts that are not completed contracts as at that date.

Performance obligation and transaction price (Fixed and variable)

At inception of the contract, the Company assesses the goods or services promised in a contract with a customer and identifies each promise to transfer to the customer as a performance obligation which is either:

- (a) a good or service (or a bundle of goods or services) that is distinct; or
- (b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price allocated to that performance obligation. The transaction price of sale of products and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of the outflow. Revenue is recognised only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

(a) Sale of products

The Company recognizes revenue on the sale of products, net of discounts, sales incentives and rebates granted when control of the goods is transferred to the customer. The performance obligation in case of sale of products is satisfied at a point of time i.e. when the goods are shipped to the customer or on delivery to the customer, as may be specified in the contract. Control is considered to be transferred to customer when customer has ability to direct the use of such goods, obtain substantially all the benefits and bears all risks in respect of such goods.

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

(b) Lease Rentals

The Company has determined that the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Accordingly rental income arising from operating leases on investment properties is accounted for on an accrual basis as per the terms of the lease contract and is included in Revenue from Operations in the Statement of Profit and Loss due to its operating nature.

(c) Revenue from construction contracts for industrial products / equipments

Industrial products / equipments are constructed based on specifically negotiated contracts with customers. Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably.

If the outcome of such contracts can be estimated reliably, then contract revenue is recognised in the Statement of Profit and Loss in proportion to the stage of completion. The stage of completion is based on percentage of actual cost incurred upto the reporting date to the total estimated cost of the contract. Otherwise, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

In the case of certain industrial products, the stage of completion is based on either survey of the work performed or completion of a physical proportion of contract work.

An expected loss on a contract is recognised immediately in the Statement of Profit and Loss.

(d) Revenue from rendering of services

Revenue from service transactions is recognised as per agreements / arrangements with the customer when the related services are rendered / provided. If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated on a time proportion basis. Each distinct service, results in a simultaneous benefit to the corresponding customer and the Company has an enforceable right to payment from the customer for the performance completed to date.

(e) Revenue from Real Estate Transaction

The Company develops and sells residential properties. The Company enters into arrangements with customers for sale of units of such residential properties. These arrangements generally meet the criteria for considering the sale of units as distinct performance obligation. The Company recognises revenue when its performance obligations are satisfied and customer obtains control of the asset. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service.

Income from operation of commercial complexes is recognised over the tenure of the lease / service agreement.

Revenues in excess of invoicing are classified as contract assets while invoicing in excess of revenues are classified as contract liabilities. Contract Assets are classified as non-financial assets.

On account of adoption of Ind AS 115, opening reserves as on 1st April, 2018 was adjusted for impact on revenue recognition in earlier years with corresponding effect to unbilled revenue and inventories.

xi. Employee benefits**a. Defined contribution plans**

Obligations for contributions to defined contribution plans are expensed as the related service is provided. The Group's contributions paid/payable to Managerial Superannuation Fund, Employees' State Insurance Scheme, Employees' Pension Schemes, 1995 and other funds, are determined under the relevant approved schemes and/or statutes, and are recognised as expense in the Statement of Profit and Loss during the period in which the employee renders the related service. There are no further obligations other than the contributions payable to the approved trusts/appropriate authorities.

b. Defined benefit plans

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

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

Short-term employee benefits (payable within twelve months of rendering the service)

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Remeasurement of net defined benefit liability

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in 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), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.

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

Further, the Rules of the Company's Provident Fund (PF) administered by an approved Trust, require that if the Board of Trustees is unable to pay interest at the rate declared for the Employees' Provident Fund by the Government under para 60 of the Employees' Provident Fund Scheme, 1952, for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Company.

Other long-term employee benefits

The Group's net obligation in respect of 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. That benefit is discounted to determine its present value. Re-measurement are recognised in profit or loss in the period in which they arise. Other employee benefits include leave encashment/long-term compensated absences schemes.

xii. Other Operating Revenue

Other Operating Revenue represents income earned from the activities incidental to business and is recognised when the right to receive is established as per the terms of the contract.

xiii. Finance costs

Finance costs are recorded using the effective interest rate method.

xiv. Other Income

The Group's other income includes interest and dividend income.

Interest income is recognised using the effective interest rate method. Dividend income is recognised in the Statement of Profit and Loss on the date on which the Group's right to receive is established.

xv. Foreign currency transactions

Income and expenses in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

xvi. Income Taxes

Income tax expense comprises current tax expense and the net change in deferred taxes recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

a. 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. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if, the Group:

- (i) has a legally enforceable right to set off the recognised amounts; and
- (ii) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

b. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- (i) temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and

(ii) temporary differences related to investments in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be 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 realised; such reductions are reversed when the probability of future taxable profits improves.

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

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

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

Deferred tax assets and liabilities are offset only if:

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

Deferred tax asset / liabilities in respect of temporary differences which originate and reverse during the tax holiday period are not recognised. Deferred tax assets / liabilities in respect of temporary differences that originate during the tax holiday period but reverse after the tax holiday period are recognised. Deferred tax assets on unabsorbed tax losses and tax depreciation are recognised only to the extent that there is virtual certainty supported by convincing evidence of their realisation and on other items when there is reasonable certainty of realisation. The tax effect is calculated on the accumulated timing differences at the year-end based on the tax rates and laws enacted or substantially enacted on the balance sheet date.

Minimum Alternate Tax (MAT) Credit Entitlement is recognised as a Deferred Tax Asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period in which such credit can be carried forward for set-off within the time frame prescribed by the Income Tax Act, 1961. The carrying amount of MAT Credit Entitlement is reviewed at each Balance Sheet date.

xvii. Leases (where the Group is the lessor)

The Group's assets subject to operating leases in its Estate Leasing Operations are included in Investment Property. Lease income is recognised and included in Revenue from Operations in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Statement of Profit and Loss.

xviii. Leases (where the Group is the lessee)

Effective 1st April, 2019 (date of initial application), the Company has adopted, Indian Accounting Standard 116 on Leases. With effect from 1st April, 2019 the Company has adopted Ind AS 116 "Leases" using the modified retrospective method, applied to lease contracts as on the transition date. In accordance with this transition method, the comparatives have not been adjusted. The following is revised significant accounting policy related to leases. The effect on adoption of Ind AS 116 was significant.

Company as lessee

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise of fixed lease payments (less any lease incentives), variable lease payments, penalties, etc

The lease liability is presented as a separate line in the Balance sheet

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under Ind AS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset.

The right-of-use assets are presented as a separate line in Balance sheet. The Company applies Ind AS 36 Impairment of Assets to determine whether a right-of-use asset is impaired.

xix. Product warranty expense under service warranty obligation

In respect of products sold by the Group, which carry a specified warranty, future costs that will be incurred by the Group in carrying out its contractual warranty obligations are estimated and accounted for on accrual basis.

xx. Research And Development Expenses:

Research and product development costs incurred are recognised as intangible assets when feasibility has been established and it is probable that the asset will generate probable future economic benefits. Other research costs are charged to the Statement of Profit and Loss under the respective natural head of expense.

xxi. Earnings per share

Basic and diluted earnings per share is computed by dividing the profit/(loss) after tax by the weighted average number of equity shares outstanding during the year.

xxii. Segment Reporting

Operating Segments are defined as components of the Group for which discrete financial information is available and are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM is responsible for allocating resources and assessing performance of the operating segments of the Group. The Group's CODM is the Managing Director and President.

xxiii. Business Combinations of entities under common control

Business combinations involving entities under common control are accounted for using the pooling of interest method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of acquisition subject to necessary adjustments required to harmonise accounting policies. Any excess or shortfall of the consideration paid over the share capital or the transferor entity or business is recognised as capital reserve under equity.

The financial information in the consolidated financial statements in respect of prior periods shall be restated as if the business combination had occurred from the beginning of the preceding period.

xxiv. Goodwill

Goodwill represents the cost of acquired business as established at the date of acquisition of the business in excess of the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities less accumulated impairment losses, if any. Goodwill is tested for impairment annually or when events or circumstances indicate that the implied fair value of Goodwill is less than its carrying amount.

xxv. Impairment

Assets that are subject to depreciation and amortisation and assets representing investments in subsidiary and associate companies are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in the arm's length transaction between knowledgeable, willing parties, less the cost of disposal.

Impairment losses, if any, are recognised in the Statement of Profit and Loss and included in depreciation and amortisation expense. Impairment losses, on assets other than goodwill are 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 if no impairment loss had previously been recognised.

xxvi. Events after reporting date

Where events occurring after the balance sheet date till the date when the consolidated financial statements are approved by the Board of Directors of the Group, provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the reporting balance sheet date of material size or nature are only disclosed.

The outbreak of COVID-19 pandemic across the globe including India has contributed to a significant decline in economic activity and a volatility in financial markets. The Company's operations are impacted since mid-March 2020 and have resulted in shutdowns and limited productivity including from adverse impacts on supply chain. Given the uncertainty over the potential macro-economic impact, the Company's management has considered internal and external sources of information to assess the possible effects that may results from COVID-19 on the carrying amount of its assets such as property, plant and equipment, inventories, trade receivables, and other assets. Based on the current indicators of future economic conditions, the Company expects to recover the carrying amount of its assets as at 31st March, 2020. The impact of the global health pandemic may be different from that estimated as at the date of approval of this financial information and would be considered to be recognised in the financial statements on a material adverse change to economic conditions.

G. Current / Non-Current Classification

Any asset or liability is classified as current if it satisfies any of the following conditions:

- i. the asset/liability is expected to be realised/settled in the Group's normal operating cycle;
- ii. the asset is intended for sale or consumption;
- iii. the asset/liability is held primarily for the purpose of trading;
- iv. the asset/liability is expected to be realised/settled within twelve months after the reporting period;
- v. the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for atleast twelve months after the reporting date;
- vi. in the case of a liability, the Group does not have an unconditional right to defer settlement of the liability for atleast twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

For the purpose of current / non-current classification of assets and liabilities, the Group has ascertained its normal cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

2A. PROPERTY, PLANT AND EQUIPMENT

(Rupees in crore)

Particulars	Tangible Assets								Total
	Freehold Land	Leasehold Land	Freehold Buildings	Leasehold Buildings & Improvements	Plant & Equipment	Vehicles/Vessels	Furniture & Fixtures	Office Equipment	
COST OF ASSETS									
Gross Block as at 1/4/2019	339.94	89.49	850.09	41.68	1,267.58	18.95	68.89	78.80	2,755.41
Additions	1.53	-	83.22	9.31	439.05	0.67	8.54	21.62	563.94
Deductions	-	-	(1.22)	(1.95)	(8.62)	(0.46)	(0.69)	(2.57)	(15.51)
Other Adjustments (including foreign exchange on translation)	-	-	-	0.78	0.77	0.11	0.01	0.03	1.69
Gross Block as at 31/3/2020	341.47	89.49	932.09	49.82	1,698.77	19.26	76.75	97.87	3,305.53
DEPRECIATION									
Total Depreciation as at 1/4/2019	-	6.18	85.18	13.83	516.99	4.78	33.45	46.21	706.62
Depreciation for the year	-	2.37	35.76	5.80	173.95	1.61	7.70	14.52	241.71
Depreciation on Deductions	-	-	(0.30)	(1.11)	(6.54)	(0.43)	(0.32)	(2.36)	(11.06)
Other Adjustments (including foreign exchange on translation)	-	-	-	0.49	0.56	0.05	(0.06)	0.03	1.07
Total Depreciation upto 31/3/2020	-	8.55	120.64	19.01	684.96	6.01	40.77	60.59	940.53
Impairment of Assets								(2.19)	
NET BOOK VALUE									
Net Block as at 31/3/2020	341.47	80.94	811.45	30.81	1,013.81	13.26	35.98	37.28	2,365.00
Capital Work-in-progress	-	-	773.13	-	91.15	-	0.23	11.46	875.97
Total as at 31/3/2020	341.47	80.94	1,584.58	30.81	1,104.96	13.26	36.21	48.74	3,240.97
Intangible Assets (other than internally generated)									
Particulars	Land Use Rights	Intellectual Property Rights	Computer Software	Technical Know-how	Trademarks	Total			
COST OF ASSETS									
Gross Block as at 1/4/2019	1.35	-	69.05	0.96	0.13	71.49			
Additions	-	28.02	12.24	-	-	40.26			
Deductions	-	-	-	-	-	-			
Other Adjustments	0.06	-	-	-	-	0.06			
Gross Block as at 31/3/2020	1.41	28.02	81.29	0.96	0.13	111.81			
AMORTIZATION									
Total Amortization as at 1/4/2019	0.17	-	17.55	0.96	0.13	18.81			
Charge for the year	1.00	5.60	10.27	-	-	16.87			
Deductions during the year	-	-	-	-	-	-			
Other Adjustments	0.05	5.60	0.01	-	-	5.67			
Total Amortization as at 31/3/2020	1.22	11.20	27.84	0.96	0.13	41.35			
Net Block as at 31/3/2020	0.19	16.82	53.45	-	-	70.45			
Intangible Assets under development	-	-	0.53	-	-	0.53			

Refer Note No 25 for disclosure of contractual commitments for the acquisition of Property, Plant and Equipments.

2A. PROPERTY, PLANT AND EQUIPMENT

(Rupees in crore)

Particulars	Tangible Assets								Total
	Freehold Land	Leasehold Land	Freehold Buildings	Leasehold Buildings & Improvements	Plant & Equipment	Vehicles/Vessels	Furniture & Fixtures	Office Equipment	
COST OF ASSETS									
Gross Block as at 1/4/2018	331.32	89.49	711.60	35.65	1,103.33	16.38	63.44	65.36	2,416.57
Additions	8.62	-	138.96	5.38	167.93	3.22	6.93	14.29	345.33
Deductions	-	-	(0.47)	(0.76)	(5.59)	(0.67)	(1.54)	(0.89)	(9.92)
Other Adjustments (including foreign exchange on translation)	-	-	-	1.41	1.91	0.02	0.06	0.04	3.44
Gross Block as at 31/3/2019	339.94	89.49	850.09	41.68	1,267.58	18.95	68.89	78.80	2,755.41
DEPRECIATION									
Total Depreciation as at 1/4/2018	-	3.83	54.57	8.71	373.72	3.77	26.00	35.00	505.60
Depreciation for the year	-	2.35	30.72	4.65	145.48	1.55	8.76	12.71	206.22
Depreciation on Deductions	-	-	(0.11)	(0.39)	(3.96)	(0.65)	(1.33)	(1.54)	(7.98)
Other Adjustments (including foreign exchange on translation)	-	-	-	0.86	1.75	0.10	0.02	0.04	2.78
Total Depreciation upto 31/3/2019	-	6.18	85.18	13.83	516.99	4.78	33.45	46.21	706.62
NET BOOK VALUE									
Net Block as at 31/3/2019	339.94	83.31	764.91	27.85	750.59	14.18	35.44	32.59	2,048.80
Capital Work-in-progress	-	-	629.80	-	162.51	-	0.75	4.33	797.39
Total as at 31/3/2019	339.94	83.31	1,394.71	27.85	913.10	14.18	36.19	36.92	2,846.19

Intangible Assets (other than internally generated)

Particulars	Intangible Assets (other than internally generated)				Total
	Land Use Rights	Computer Software	Technical Know-how	Trademarks	
COST OF ASSETS					
Gross Block as at 1/4/2018	1.19	29.80	0.96	0.13	32.08
Additions	-	39.69	-	-	39.69
Deductions	-	(0.17)	-	-	(0.17)
Other Adjustments	0.16	(0.26)	-	-	(0.10)
Gross Block as at 31/3/2019	1.35	69.05	0.96	0.13	71.49
AMORTIZATION					
Total Amortization as at 1/4/2018	0.05	9.96	0.96	0.12	11.09
Charge for the year	0.04	7.73	-	0.01	7.78
Deductions during the year	-	(0.15)	-	-	(0.15)
Other Adjustments	0.08	0.01	-	-	0.09
Total Amortization as at 31/3/2019	0.17	17.55	0.96	0.13	18.81
Net Block as at 31/3/2019	1.18	51.50	-	-	52.68
Intangible Assets under development	-	6.40	-	-	6.40

Refer Note No 25 for disclosure of contractual commitments for the acquisition of Property, Plant and Equipments.

2.B. INVESTMENT PROPERTY**COST OF ASSETS**

	As at 31/3/2020	(Rupees in crore) As at 31/3/2019
Opening Gross Block	399.33	398.82
Additions	0.97	0.51
Deductions	-	-
Adjustments on consolidation	-	-
Closing Gross Block	400.30	399.33

ACCUMULATED DEPRECIATION

Opening Accumulated Depreciation	36.79	27.58
Depreciation for the year	9.23	9.21
Depreciation pursuant to loss of control of subsidiaries	0.22	-
Depreciation on Deductions	-	-
Closing Accumulated Depreciation	46.24	36.79

NET BOOK VALUE

Net Block	354.06	362.54
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(Rupees in crore)

	2019-20	2018-19
Rental Income derived from investment properties	269.91	226.92
Direct operating expenses (including repairs and maintenance) generating rental income	61.33	67.07
Profit arising from investment properties	208.58	159.85

As at 31st March, 2020 and 31st March, 2019, the fair values of the properties are Rs. 2,618.96 crore and Rs. 2,275.87 crore.

These valuations are based on discounted cash flow method

Reconciliation of fair value:

Balance as at 31/03/2019	2,275.87
Fair value differences	343.09
Purchases	-
Balance as at 31/03/2020	2,618.96

The Company has applied the method of Discounted Cash Flow projections based on reliable estimates of future cash flows.

Description of valuation technique and key inputs to valuation on investment properties:**Valuation technique**

Discounted Cash Flow

Significant unobservable inputs**Range (weighted average)**

Rent growth p.a.	5%
Long term vacancy rate	10%
Discount rate	15%

2.C. RIGHT OF USE ASSETS

(Rupees in crore)

Particulars	Buildings	Vehicles	Total
COST OF ASSETS			
Gross Block as at 1/4/2019	409.49	1.51	411.00
Additions	306.95	1.10	308.05
Deductions	(35.97)	-	(35.97)
Gross Block as at 31/3/2020	680.47	2.61	683.08
DEPRECIATION			
Total Depreciation as at 1/4/2019	-	-	-
Depreciation for the year	103.23	0.84	104.07
Depreciation on Deductions / Adjustments	(3.22)	-	(3.22)
Other Adjustments (including foreign exchange on translation)	-	-	-
Total Depreciation as at 31/3/2020	100.01	0.84	100.85
NET BOOK VALUE			
Net Block as at 31/3/2020	580.46	1.77	582.23

	(Rupees in crore)	
	As at 31-03-2020	As at 31-03-2019
3A. INVESTMENTS (Refer Note 42)		
TRADE INVESTMENTS (valued at cost unless stated otherwise):		
INVESTMENTS IN ASSOCIATES		
(a) UNQUOTED		
(1) Investments in Equity Shares in Associate Companies		
(i) 5,78,200 Fully Paid Shares of RO 1 each in Godrej & Khimji (Middle East) LLC. Oman	8.65	11.22
(ii) 28,83,077 (as at 31-03-2019: 17,75,385) common units at USD 3.25 each in Urban Electric Power Inc. USA	-	1.79
(2) Investments in Limited Liability Partnership Firms		
(i) Contribution towards 50% of the Fixed Capital of Godrej & Boyce Enterprises LLP*	-	-
(ii) Contribution towards 20% of the Capital of Future Factory LLP (including share of profit of Rs. 0.36 crore booked during the year)	3.45	3.38
(a) Total capital of the Firm: Rs. 10.31 crore		
(b) Names of other Partners and % share in Capital: Mr. Jashish Navin Kambli - 56% and Mrs. Geetika Kambli - 24%		
* (Amount less than Rs.50,000)	3.45	3.38
	12.10	16.39
INVESTMENTS IN JOINT VENTURES		
(a) UNQUOTED		
(1) Investments in Equity Shares in Joint Ventures		
(i) 7,50,000 Equity Shares of Rs.10 each in Godrej Consoveyo Logistics Automation Limited (formerly, Godrej Efacec Automation and Robotics Limited)	5.34	3.96
(ii) 1,00,000 Equity Shares of SGD. 1 each in Godrej UEP (Singapore) Pte. Ltd. (Joint venture with UEP, USA) *	-	0.47
	5.34	4.43
Total Unquoted Non-current Trade Investments	17.44	20.82
(a) Aggregate amount of Quoted Investments	-	-
(b) Aggregate amount of Unquoted Investments	17.44	20.82
Aggregate Book Value of Investments	17.44	20.82
3B. OTHER INVESTMENTS		
(a) Quoted Investment		
(At Fair Value Through Other Comprehensive Income):		
(1) Investments in Equity Shares (Fully Paid up unless stated otherwise)		
(i) 7,50,11,445 Equity Shares of Re. 1 each in Godrej Consumer Products Ltd. (2,50,03,815 Bonus shares issued during the year)	3,906.97	5,154.43
(ii) 1,06,50,688 Equity Shares of Rs. 5 each in Godrej Properties Limited	642.50	867.34
(iii) 12,000 Equity Shares of Rs. 10 each in Central Bank of India	0.01	0.04
(iv) 52,590 Equity Shares of Rs. 2 each in Housing Development Finance Corporation Limited	8.59	10.35

	(Rupees in crore)	
	As at 31-03-2020	As at 31-03-2019
(2) Investments in Tax-Free Bonds		
(i) 1,236 National Highway Authority of India Bonds of Rs.1,000 each	0.13	0.13
Total Quoted Non-current Non-Trade Other Investments	4,558.20	6,032.29
(b) Unquoted Investment		
1. Investments in Equity Shares		
(At Fair Value through Other Comprehensive Income)		
(i) 50 Equity Shares of Rs. 50 each in Godrej & Boyce Employees' Co-operative Consumer Society Limited*	-	-
(ii) 1,000 Equity Shares of Rs. 10 each in Super Bazar Cooperative Stores Limited*	-	-
(iii) 1,000 Equity Shares of Rs. 10 each in Saraswat Co-operative Bank Limited*	0.02	0.02
(iv) 4,000 Equity Shares of Rs. 25 each in The Zoroastrian Co-operative Bank Limited	0.12	0.11
(v) 2 Equity Shares of Rs. 10 each in Brihat Trading Private Limited*	-	-
(vi) 100 Equity Shares of Rs. 100 each in Gharda Chemicals Limited (Shares have not been registered in the Holding Company's name)	0.10	0.10
(vii) 1,823 Equity Shares of Rs.10 each in Edayar Zinc Limited (erstwhile Binani Zinc Limited) - At Book Value*	-	-
(viii) 15,000 Equity Shares of Rs. 1,000 each in Global Innovation and Technology Alliance, (a Limited Company under the purview of Section 8 of the Companies Act, 2013)	1.56	1.48
(ix) 84,375 Equity Shares of Rs. 10 each in Nimbua Greenfield (Punjab) Limited	1.11	1.12
(x) Contribution towards 19.61% of the Capital of Proboscis Inc., USA (25,000 shares of par value USD 0.01)	-	-
(xi) 1,400 Shares of Rs. 10 each in Godrej One Premises Management Private Limited*	-	-
(xii) 68,65,666 Common Shares of par value USD 0.001 in Verseon Corporation USA	1.93	52.31
Total Unquoted Non-current Non-Trade Other Investments	4.84	55.14
Grand Total	4,563.04	6,087.43
<i>*(Amount less than Rs.50,000)</i>		
C. DISCLOSURE		
(a) Aggregate Amount of Quoted Investments	4,558.20	6,032.29
(b) Aggregate Amount of Unquoted Investments	4.84	55.14
	4,563.04	6,087.43
(c) Aggregate Amount of Impairments in value of Investments	-	-
4. LOANS (Unsecured, Considered Good)		
(a) Deposits	51.79	58.65
Total	51.79	58.65

	(Rupees in crore)	
	As at 31-03-2020	As at 31-03-2019
5. DEFERRED TAX ASSETS / LIABILITIES AND TAX EXPENSE		
(A) Income Taxes		
Tax expense recognised in the Statement of Profit and Loss:		
Current tax on profits for the year	103.82	110.89
Prior years' current tax adjustments	28.63	15.44
Deferred tax (net)	(13.65)	(2.41)
Prior years' deferred tax adjustments	4.85	8.00
Total Income Tax expense	123.65	131.92
(B) Tax expense related to items recognised in Other Comprehensive Income:	0.28	(1.21)
(C) Reconciliation of effective tax rate:		
Profit before tax	281.79	335.27
Tax rate	34.94%	34.94%
Tax at the Company's domestic tax rate	98.47	117.16
Tax effect of:		
Tax impact of income not subject to tax	(21.74)	(32.76)
Impact of 80IC	-	(4.68)
Disallowance u/s.14A of expenses (not interest)	0.10	0.12
Adjustment of current tax of prior period	28.63	15.44
Tax impact of expenses subject to tax	5.27	0.72
Tax impact of realised gain on sale of equity shares through OCI	-	15.23
Adjustment for deferred tax of prior period	-	8.00
Tax on share of (Profit)/loss of equity accounted investees	8.45	4.68
Effects of different tax rates in the components	6.08	(1.51)
Change in Tax Rates	(22.24)	-
Effect on account of Ind AS 116	11.27	-
Others	9.36	9.53
	123.65	131.92
A subsidiary benefits from the tax holiday available to units set up under section 80IC and 80IE of Income Act of 1961. These tax holidays are available for a period of 10 years from the date of commencement of operations		
Deferred Tax Liabilities:		
Deferred tax liabilities on account of:		
(a) Property, Plant and Equipment	(140.98)	(169.67)
	(140.98)	(169.67)
Deferred tax assets on account of:		
(a) Provision for Leave Encashment	12.37	16.34
(b) Provisions for Expenses	10.77	13.14
(c) Provision for Doubtful Debts/Advances	54.41	63.97
(d) MAT Credit	-	61.18
(e) Other Deferred Tax Assets	2.86	5.90
(f) Remeasurement of Defined Benefit Liability	4.64	5.18
(g) Tax Adjustment of prior years	3.15	8.00
	88.20	173.71
Net Deferred Tax Liabilities as per Balance Sheet	(52.78)	4.04
Deferred Tax Liability:		
Deferred tax assets on account of:		
(a) Provision for Leave Encashment	0.71	-
(b) Property, Plant and Equipment	0.04	-
(c) Other Deferred Tax Assets	3.87	-
	4.62	-
Deferred tax liabilities on account of:		
(a) Property, Plant and Equipment	-	0.15
	4.62	0.15
Deferred Tax Liabilities (Net):	(48.16)	3.89

5. DEFERRED TAX ASSETS / LIABILITIES AND TAX EXPENSE (contd.)

Note: The Company intends to adopt the lower tax rate under Section 115BAA of the Income Tax Act, 1961 with effect from the financial year 2020-21 and accordingly the deferred tax liabilities as at 31st March, 2020 have been restated at the lower rate with the adjustment on change in tax rate accounted in the Statement of Profit and Loss.

(D) Movement in Deferred Tax balances:

Particulars	Net balance	Movement during the year				As at 31/03/2020		
	01-04-19	Recognised in Statement of profit and loss	Recognised in OCI	Recognised in Equity	Foreign Currency Translation	Net	Deferred Tax Asset	Deferred Tax Liability
Property Plant and Equipment	(169.82)	28.88	-	-	-	(140.94)	-	(140.94)
Provision for Leave Encashment	16.34	(3.26)	-	-	-	13.08	13.08	-
Provision for Doubtful Debts/ Advances	-	-	-	-	-	-	-	-
Advances	63.97	(9.56)	-	-	-	54.41	54.41	-
Provisions for Expenses	13.14	(2.37)	-	-	-	10.77	10.77	-
Other Deferred Tax Assets	5.90	0.69	0.09	-	0.05	6.73	6.73	-
Tax Adjustment of prior years	8.00	(4.85)	-	-	-	3.15	3.15	-
Remeasurement of Defined Benefit Liability	5.18	(0.73)	0.19	-	-	4.64	4.64	-
	(57.29)	8.80	0.28	-	0.05	(48.16)	92.78	(140.94)
MAT Credit Entitlement *	61.18	(61.18)	-	-	-	-	-	-

* MAT utilised during the year is Rs. 42.90 crore (previous year: Rs.33 crore) and adjustment on account of prior years is Rs. 18.28 crore (previous year: Rs.16.00 crore).

Particulars	Net balance	Movement during the year				As at 31/03/2019		
	01-04-18	Recognised in Statement of profit and loss	Recognised in OCI	Recognised in Equity	Foreign Currency Translation	Net	Deferred Tax Asset	Deferred Tax Liability
Property Plant and Equipment	(163.93)	(5.89)	-	-	-	(169.82)	-	(169.82)
Provision for Leave Encashment	16.01	0.33	-	-	-	16.34	16.34	-
Provision for Doubtful Debts/ Advances	-	-	-	-	-	-	-	-
Advances	57.60	6.37	-	-	-	63.97	63.97	-
Provisions for Expenses	9.21	3.93	-	-	-	13.14	13.14	-
Other Deferred Tax Assets	6.34	(2.33)	(0.02)	1.87	0.04	5.90	5.90	-
Tax Adjustment of prior years	-	8.00	-	-	-	8.00	8.00	-
Remeasurement of Defined Benefit Liability	6.37	-	(1.19)	-	-	5.18	5.18	-
	(68.40)	10.41	(1.21)	1.87	0.04	(57.29)	112.53	(169.82)
MAT Credit Entitlement *	110.18	(16.00)	-	-	-	61.18	61.18	-

* MAT utilised during the year is Rs. 33 crore (previous year: Rs.Nil) and adjustment on account of prior years is Rs. 16 crore (previous year: Rs. Nil).

	(Rupees in crore)	
	As at 31-03-2020	As at 31-03-2019
6. OTHER NON-CURRENT ASSETS		
(a) Capital Advances	13.25	18.42
(b) Prepaid Expenses	8.46	3.46
(c) Other Advances	43.20	33.06
Total	<u>64.91</u>	<u>54.94</u>
7. INVENTORIES (At lower of Cost and Net Realisable Value)		
(a) Raw Materials (includes raw materials in transit: Rs.106.30 crore; as at 31-03-2019: Rs. 36.72 crore)	656.25	537.83
(b) Work-in-Process	124.50	124.79
(c) Finished Goods	768.93	722.68
(d) Stock in Trade (includes goods in transit: Rs.57.48 crore; as at 31-03-2019: Rs. 68.66 crore)	565.13	533.65
(e) Spares and Components for after-sales services	104.91	94.76
(f) Consumable Stores and Spares	68.25	94.51
(g) Loose Tools	23.30	23.61
(h) Construction Work-in-Progress [includes goods in transit Rs. Nil (as at 31-03-2019: Rs. Nil)]	320.80	270.59
Total	<u>2,632.07</u>	<u>2,402.42</u>
The cost of inventories recognised as an expense includes Rs. 157.08 crore (Rs. 112.81 crore as at 31st March, 2019) in respect of write-downs of inventory to net realisable value.		
8. CURRENT INVESTMENTS		
(a) Investments in Mutual Funds (At fair value through Statement of Profit and Loss)	23.21	13.26
Total	<u>23.21</u>	<u>13.26</u>
9. TRADE RECEIVABLES		
Unsecured & Considered Good	2,163.97	2,282.29
Doubtful	171.74	144.11
Less: Allowance for bad and doubtful debts	(171.74)	(144.11)
Total	<u>2,163.97</u>	<u>2,282.29</u>
Note: Secured by Security Deposits collected from customers, letter of credit or bank guarantees held against them.		

	As at 31-03-2020	(Rupees in crore) As at 31-03-2019
10. CASH AND BANK BALANCES		
(A) Cash and Cash Equivalents		
(i) Balances with Banks		
- Current accounts	201.76	89.82
- Fixed Deposits with Banks having a maturity of less than 3 months	6.42	17.16
(ii) Cheques on hand	44.81	207.66
(iii) Cash on Hand	1.41	1.29
Total Cash and Cash Equivalents	254.40	315.93
(B) Bank Balances other than Cash and Cash Equivalents		
(i) Deposit Accounts with maturity period of more than 3 months, but less than 12 months	89.63	112.52
(ii) Other earmarked Accounts (Earmarked for Statutory Fixed Deposit Repayment Reserve and Others net of amounts utilised for repayment of public deposits.)	5.02	18.89
Total Bank Balance	94.65	131.41
Total	349.05	447.34
11. LOANS		
Unsecured, Considered Good		
(a) Loans And Advances:		
(i) to Associate	8.76	5.77
(ii) to Others - Considered Good	0.13	0.09
(b) Loans to Employees	0.33	0.34
(c) Other Advances and Deposits	0.35	0.84
Total	9.57	7.04
12. OTHER CURRENT FINANCIAL ASSETS (Unsecured, Considered Good)		
(a) Deposits	31.12	37.37
(b) Derivative Asset	15.14	5.62
(c) Convertible Promissory Note subscribed - Urban Electric Power Inc. (Associate) (Refer Note 44)	17.98	13.21
Total	64.24	56.20
13. OTHER CURRENT ASSETS (Unsecured, Considered Good)		
(a) Advances to Suppliers	132.06	112.67
(b) Balances with Customs, Central Excise, Port Trust and other Authorities	261.53	259.79
(c) Prepaid Expenses	34.49	15.22
(d) Unamortised Guarantee Commission	2.48	2.30
(e) Contract Assets (Refer Note 38)	695.63	460.21
Less: Expected Credit Loss	36.88	31.28
Net Contract Assets	658.75	428.93
(f) Other Current Assets	103.85	148.81
Total	1,193.16	967.72

Note: There were no impairment losses recognised on any contract asset in the reporting period.

(Rupees in crore)

14. EQUITY SHARE CAPITAL

	As at 31-03-2020	As at 31-03-2019
(a) Authorised:		
(i) 1,100,000 Equity Shares of Rs. 100 each	11.00	11.00
(ii) 900,000 Cumulative Redeemable Preference Shares of Rs. 100 each	9.00	9.00
	20.00	20.00
(b) Issued, Subscribed and Paid Up:		
678,445 Equity Shares of Rs. 100 each fully paid up	6.78	6.78

(c) Reconciliation of shares outstanding at the beginning and at the end of the year:

	As at 31/03/2020		As at 31/03/2019	
	No. of Shares	Rs. in crore	No. of Shares	Rs. in crore
Fully paid Equity Shares				
At the beginning of the year	6,78,445	6.78	6,78,445	6.78
Add: Issued during the year	-	-	-	-
Less: Cancelled during the year	-	-	-	-
At the end of the year	6,78,445	6.78	6,78,445	6.78

(1) The Company does not have any holding company.

(2) Details of Equity Shareholders holding more than 5% shares in the Company are given below:

	As at 31/03/2020		As at 31/03/2019	
	Number	% holding	Number	% holding
(i) Mr. A.B. Godrej individually and as a Trustee of ABG Family Trust	41,100	6.06%	41,100	6.06%
(ii) Mr. N.B. Godrej individually and as a Trustee of NBG Family Trust, BNG Family Trust, SNG Family Trust and HNG Family Trust	1,02,679	15.13%	1,02,679	15.13%
(iii) Ms. S.G. Crishna individually and as a Trustee of SGC Family Trust and FVC Family Trust	59,373	8.75%	59,373	8.75%
(iv) Ms. Nyrika Holkar individually and as a Trustee of NVC Family Trust	34,421	5.07%	34,421	5.07%
(v) Mr. J.N. Godrej individually and as a Trustee of JNG Family Trust, Raika Lineage Trust, The Raika Godrej Family Trust and Navroze Lineage Trust	93,775	13.82%	93,770	13.82%
(vi) Mr. R.K. Naoroji individually and as a Partner of M/s. RKN Enterprises	1,04,186	15.36%	1,04,186	15.36%
(vii) Trustees, Pirojsha Godrej Foundation - a public charitable trust	1,57,500	23.21%	1,57,500	23.21%

(3) Terms/rights attached to Equity Shares: The Company has only one class of Equity Shares having a par value of Rs.100 per share. Each holder of Equity Shares is entitled to one vote per share. Accordingly, all Equity Shares rank equally with regard to dividend and share in the Company's residual assets. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts, in proportion to the number of Equity Shares held.

	(Rupees in crore)	
	As at 31-03-2020	As at 31-03-2019
15. OTHER EQUITY		
(a) Capital Reserve	52.75	52.75
(b) Securities Premium Reserve	20.10	20.10
(c) General Reserve	653.89	652.92
(d) Debenture Redemption Reserve	25.00	75.00
(e) Foreign Currency Translation Reserve	61.44	59.06
(f) Legal and Statutory Reserves	0.35	0.35
(g) Retained Earnings	7,012.47	6,966.10
(h) Items of Other Comprehensive Income (FVTOCI)	(161.21)	1,367.96
Total	<u>7,664.78</u>	<u>9,194.24</u>
A. Nature and purpose of reserves		
1. Capital Reserve on Account of Business Combination:		
Capital reserves is created on Amalgamation. During amalgamation, the excess of net assets taken, over the cost of consideration paid is treated as capital reserve. Capital Reserve is also created on Sale of treasury Shares.		
2. Securities Premium Reserve:		
The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. The reserve can be utilised in accordance with the provisions of the Act.		
3. General Reserve:		
The Company 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. Transfer to general reserve is not mandatory under the Act.		
4. Debenture Redemption Reserve:		
Reserve has been created out of profits of the Company available for payment of dividend at 10% of the value of debentures, apportioned over the tenure of the debentures pursuant to the provisions of the Act. The amounts credited to Debenture Redemption Reserve may not be utilised by the Company except to redeem debentures.		
5. Foreign Currency Translation Reserve:		
The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.		
6. Retained Earnings:		
Retained earnings are the profits that the Group has earned till date, less any transfers to / from general reserve, and other comprehensive income, and distribution of dividend and dividend distribution tax thereon.		
16. NON-CURRENT BORROWINGS		
(a) Secured Term Loans		
(i) Term Loans From Banks	316.76	13.51
	<u>316.76</u>	<u>13.51</u>
(b) Debentures - Secured Redeemable Non-Convertible Debentures (NCDs)		
(i) 8.90% (3 Years) 2019 Series I Debentures (allotted on 01/03/2016)	-	-
(ii) 9.00% (5 Years) 2021 Series II Debentures (allotted on 08/03/2016)	249.79	249.59
	<u>249.79</u>	<u>249.59</u>
(c) Unsecured		
(i) Interest-free Loans under the Sales Tax Deferral Schemes of various State Governments	10.33	19.11
(ii) Fixed Deposits	739.33	529.84
	<u>749.66</u>	<u>548.95</u>
Total	<u>1,316.21</u>	<u>812.05</u>

The Group does not have any default as on the Balance Sheet date in repayment of loan or Interest.

- (i) Privately-placed NCDs issued by the Company are secured by a first ranking charge by way of a registered mortgage on the specified immovable properties of the Company situated at Mumbai. These NCDs are redeemable at par on 22-04-2021 Rs. 250 crore (Series II). Interest on these NCDs is payable quarterly. As per the Companies (Share Capital and Debentures) Rules, 2014, para 18(7), the Company is required to create a Debenture Redemption Reserve of 10% of the value of debentures; it is also required to invest as earmarked 15% of the amount of its debentures maturing during the next financial year. The Company has created a debenture redemption reserve of Rs. 25 crore.
- (ii) Term Loan from HDFC Bank Limited was secured by way of hypothecation of specified machinery and equipment. It carried a fixed interest rate of 7.75% p.a. payable monthly and repayable in 1st installment of Rs. 34 crore and remaining 8 equal quarterly installments of Rs. 33.25 crore.
- (iii) Interest-free Loans under the Sales Tax Deferral Schemes of Maharashtra State Government is payable in annual instalments as may be prescribed in the Schemes, beginning from 21-04-2019 and continuing upto 21-04-2023.
- (iv) Fixed Deposits from employees and public carry interest rates ranging from 7.85% p.a. to 8.75% p.a. payable monthly or half-yearly, and have a maturity period of 3 years from the respective dates of deposit.
- (v) Current maturities of Long-term Borrowings are disclosed under the head "Other Current Financial Liabilities" (Note 22)
- (vi) Term loans from banks obtained by subsidiary companies are secured by corporate guarantee given by the Company. Other long-term loans pertain to a subsidiary and carry an interest rate of 1.75% p.a.

	(Rupees in crore)	
	As at 31-03-2020	As at 31-03-2019
17. OTHER NON-CURRENT FINANCIAL LIABILITIES		
(a) Dealers' Deposits	47.47	45.28
(b) Sundry Deposits and Advances	141.77	135.29
(c) Other Liabilities	0.29	2.53
Total	189.53	183.10
Note: Sundry deposits and advances include a. Rs. 24.80 crore (as at 31-03-2019: Rs. 24.80 crore) received towards hand-over of possession of land to a public utility, and b. Rs. 0.75 crore (as at 31-03-2019: Rs. 0.75 crore) received towards compensation against land acquired. These amounts have not been adjusted in the accounts in view of pending suit/proceedings.		
18. NON-CURRENT PROVISIONS		
(a) Provision for Free Service under Product Warranties	54.02	47.05
(b) Provision for Employee Benefits	43.10	40.94
Total	97.12	87.99
(i) Current provisions are disclosed under the head "Current Provisions" (Note 24)		
(ii) Movement of Provisions (Non-current and Current) during the year:		
(1) Provision for Free Service under Product Warranties:		
Opening Balance	72.23	66.15
Add: Provision during the year	71.80	64.61
	144.03	130.76
Less: Utilisation during the year	67.35	58.53
Closing Balance	76.68	72.23

	(Rupees in crore)	
	As at 31-03-2020	As at 31-03-2019
19. OTHER NON-CURRENT LIABILITIES		
Revenue received in advance	29.87	15.05
Total	<u>29.87</u>	<u>15.05</u>
20. CURRENT BORROWINGS		
Secured		
(i) Working Capital Facilities from Banks (Net)	8.33	328.78
(ii) Export Credits from Export-Import Bank of India under a revolving credit limit	397.55	184.00
(iii) Term Loan from Banks	178.52	113.87
	<u>584.40</u>	<u>626.65</u>
Unsecured		
(i) Deposits from Companies	0.25	0.25
(ii) Deposits from Shareholders	217.50	176.00
(iii) Short-term Loans from Banks	52.79	120.00
(iv) Unsecured Negotiable Commercial Paper	600.00	600.00
(v) Acceptances	68.69	89.04
(vi) Other Borrowings	234.60	215.38
	<u>1,173.83</u>	<u>1,200.67</u>
Total	<u>1,758.23</u>	<u>1,827.32</u>
The Group does not have any default as on the Balance Sheet date in repayment of loan or Interest.		
(i) Working Capital Facilities from Banks are secured by a first pari passu charge by way of hypothecation of inventories and book debts. They carry interest rates ranging from 8.20% p.a. to 9.15% p.a. and are generally renewable each year.		
(ii) Export Credits from Export-Import Bank of India are secured by first equitable mortgage of specified immovable properties situated at Mumbai. They carry an interest rate ranging from 7.50% to 8.00% p.a (excluding interest subvention of 3%) and are payable/renewable within 90 days.		
(iii) Deposits/Short-term Loans from Companies carry an interest rate of 8.00% p.a. payable quarterly, and have a maturity period of 6 months from the respective dates of deposit.		
(iv) Deposits from Shareholders have a maturity period of 3 months from the respective dates of deposit, and carry an interest rate of 8.25% to 8.50% p.a. payable at the month-end and at maturity.		
(v) In respect of Negotiable Commercial Paper, the maximum balance outstanding during the year was Rs. 600 crore (Previous Year: Rs. 600 crore).		
(vi) Short-term Loan from Banks carry an interest rate of 7.85% payable after 90 days.		
(vii) Other Borrowings are Buyers Credit from Banks, due and payable in foreign currency, and carry interest rates ranging from 1.33% to 3.12% p.a.		
(viii) Term loans from Bank, due and payable in foreign currency, carry an interest rate ranging from 2.39% to 3.01% p.a.		
21. TRADE PAYABLES		
(a) Due to Micro and Small Enterprises (Refer note below)	79.40	100.86
(b) Other Trade Payables	1,733.71	1,438.23
Total	<u>1,813.11</u>	<u>1,539.09</u>

Disclosure Under the Micro, Small and Medium Enterprises Developments Act, 2006 are provided as under for the year 2019-2020, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.

	(Rupees in crore)	
	As at 31-03-2020	As at 31-03-2019
(i) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due dates as per the MSMED Act) Principal amount due to micro and small enterprise Interest due on above	79.40	100.86
(ii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period	-	-
(iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	0.04	0.70
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	0.04	0.70
(v) Interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises	-	-
22. OTHER CURRENT FINANCIAL LIABILITIES		
(a) Current maturities of long-term borrowings	110.87	322.99
(b) Interest accrued but not due on borrowings	4.15	11.99
(c) Employee benefits payable	241.90	255.62
(d) Unclaimed Fixed Deposits (matured deposits not claimed on due dates)	7.07	10.30
(e) Derivative Liability	10.33	8.62
(f) Other payables	577.04	474.14
Total	<u>951.36</u>	<u>1,083.66</u>
Note:		
(i) There is no amount due and outstanding to be credited to the Investor Education and Protection Fund, in respect of matured but unclaimed fixed deposits and any unclaimed interest.		
(ii) Other payables include accrued expenses and creditors for capital procurement		
23. OTHER CURRENT LIABILITIES		
(a) Contract Liability (Advances from Customers and Deferred Revenue)	926.67	857.54
(b) Statutory dues including provident fund and tax deducted at source	70.42	86.94
(c) Others	6.15	3.13
Total	<u>1,003.24</u>	<u>947.61</u>
Note: The above amount of Deferred Revenue of Rs.7.61 crore (previous year Rs. 12.28 crore) is the revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period.		
24. CURRENT PROVISIONS		
(a) Provision for Employee Benefits	10.18	8.94
(b) Provision for Free Service under Product Warranties	22.66	25.19
(c) Provision for loss on onerous contracts	8.52	3.50
Total	<u>41.36</u>	<u>37.63</u>

	(Rupees in crore)	
	Current Year	Previous Year
26 A. DISAGGREGATION OF REVENUE		
(a) Consumer Durables		
At a point in time	6,878.90	6,915.06
Over time	203.30	216.76
Total	7,082.20	7,131.82
(b) Industrial Products		
At a point in time	1,842.01	1,534.37
Over time	1,666.60	1,801.83
Total	3,508.61	3,336.20
(c) Others		
At a point in time	627.61	577.64
Over time	-	-
Total	627.61	577.64
27. OTHER INCOME		
(a) Interest Income	18.43	21.38
(b) Dividend Income	60.50	93.29
(c) Profit on Sale of Current Investments (Net)	0.12	1.63
(d) Share of Profit in a firm (LLP)	0.07	0.35
(e) Profit on Sale/Disposal of Fixed Assets (Net)	0.48	-
(f) Net gain on Fair Value changes on Financial Instruments classified as FVTPL	0.58	-
(g) Net foreign exchange gains	9.92	-
(h) Miscellaneous non-operating Income	0.34	1.13
Total	90.44	117.78
28. COST OF MATERIALS CONSUMED		
Stocks of Raw Materials at the beginning of the year	548.34	554.29
Add: Raw Materials purchased during the year	2,765.15	2,722.06
	3,313.49	3,276.35
Less: Sale of Raw Materials	150.02	178.81
Less: Stocks of Raw Materials at the close of the year	656.25	548.34
Total	2,507.22	2,549.20
29. PURCHASES OF STOCK-IN-TRADE (TRADED GOODS)		
(a) Consumer Durables	2,581.79	2,827.07
(b) Industrial Products	398.45	603.00
(c) Licenses	11.08	11.63
(d) AMC Services	2.00	1.07
(e) Others	187.48	86.46
Total	3,180.80	3,529.23
30. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE		
(a) Stocks at the beginning of the year:		
(i) Finished Goods*	817.45	738.68
(ii) Stock-in-Trade	533.65	543.35
(iii) Work-in-Process	124.79	211.32
	1,475.89	1,493.35
Less: Stock Adjustment for subsidiaries merged	-	-
	1,475.89	1,493.35

	(Rupees in crore)	
	Current Year	Previous Year
(b) Less: Stocks at the end of the year:		
(i) Finished Goods*	873.86	817.45
(ii) Stock-in-Trade	565.13	533.65
	1,438.99	1,351.10
(iii) Work-in-Process	124.49	124.79
	1,563.48	1,475.89
(c) Less: Finished goods damaged/destroyed by fire	-	-
	(87.59)	17.46
Net change in Excise Duty on Finished Goods	-	-
Total	(87.59)	17.46
* including stocks of Traded Goods, Spares and Components for after-sales service		
31. PROPERTY DEVELOPMENT AND CONSTRUCTION EXPENSES (COMMERCIAL PROJECTS)		
(a) Construction Work-in-Progress at the beginning of the year	270.59	239.90
(b) Add: Project Expenses incurred during the year:		
(i) Development and Construction Expenses	1,315.45	988.71
(ii) Employee Remuneration and Benefits	94.01	53.27
(iii) Professional Charges	-	-
(iv) Others	94.85	29.09
	1,504.31	1,071.07
(c) Less: Construction Work-in-Progress at the end of the year	(320.80)	(270.59)
Total	1,454.10	1,040.38
32. EMPLOYEE BENEFITS EXPENSE		
(a) Salaries, Wages and Bonus	1,259.38	1,194.09
(b) Company's contribution to Employees' Provident and other Funds	62.66	55.02
(c) Company's contribution to Employees' Gratuity Trust Fund	13.92	15.27
(d) Workmen and Staff Welfare Expenses	29.12	27.99
(e) Voluntary Retirement Compensation	0.09	0.23
Total	1,365.17	1,292.60
33. FINANCE COSTS		
(a) Interest on Term Loans	39.24	48.65
(b) Interest on Fixed Deposits and other Unsecured Loans	65.94	57.67
(c) Interest Expense on Lease Liability	44.80	-
(d) Other Interest costs	110.08	116.89
	260.06	223.21
(e) Less: Adjustments for Interest Capitalised	52.55	55.29
	207.51	167.92
(f) Finance Charges	5.95	12.16
(g) Net loss /(gain) on foreign currency transactions/translations (attributable to finance costs)	18.54	(9.03)
Total	232.00	171.05

		(Rupees in crore)	
		Current Year	Previous Year
34. OTHER EXPENSES			
(a)	Stores, Spare Parts and Other Materials consumed	172.08	179.95
(b)	Power and Fuel	158.86	148.51
(c)	Rates and Taxes	42.76	36.45
(d)	Insurance	15.81	15.18
(e)	Repairs and Maintenance of Buildings	49.44	44.61
(f)	Repairs and Maintenance of Machinery	18.06	11.81
(g)	Repairs & Maintenance - Others (Net)	0.56	0.41
(h)	Technical Fees	13.79	10.62
(i)	Royalty	1.37	2.45
(j)	Rent [Note 45 (a)]	43.64	137.52
(k)	Establishment and Other Expenses [Note 45 (a)]	545.92	505.51
(l)	Donations and Contributions	1.07	1.40
(m)	Motor Car and Lorry Expenses [Note 45 (a)]	14.76	15.87
(n)	Freight, Transport and Delivery Charges	499.56	507.23
(o)	Advertisement and Publicity	333.05	294.71
(p)	Commission	49.10	51.29
(q)	Professional Fees	170.66	154.12
(r)	CSR Expenses	6.78	5.78
(s)	Bad Debts/Advances written off	16.41	13.03
(t)	Allowances for doubtful debts, advances and contract assets	33.69	13.17
(u)	Provision for Free Service under Product Warranties	6.23	5.02
(v)	Loss on Sale/Disposal of Fixed Assets (Net)	-	0.48
(w)	Selling and Distribution Expenses	3.98	3.42
(x)	Impairment of Goodwill (refer Note 2)	4.79	-
(xi)	Loss on conversion from Joint Venture to Subsidiary	7.46	-
(y)	Net foreign exchange losses	1.95	15.40
(z)	Loss due to natural causes	0.67	3.99
	Total	2,212.45	2,177.93
Note: 1.	Research and Development expenses for the year amounting to Rs. 66.19 crore (previous year: Rs. 70.41 crore) have been charged to the Statement of Profit and Loss under the various heads of account.		
2.	Impairment of Goodwill pertains to Goodwill arising on consideration paid for acquiring control in a joint venture by virtue of which the entity is converted to a subsidiary.		
35. EXCEPTIONAL ITEMS			
(a)	Impairment of Assets (refer Note below)	(2.19)	-
(b)	Profit on Sale of an Associate Company	2.15	-
	Total	(0.04)	-
Note:	The Company has made an assessment of the recoverable value of assets of a business within a division taking into account past performance, prevailing business conditions and revised expectations of the future performance. Based on such assessment, an impairment loss has been recognised.		
36. DISCLOSURE IN RESPECT OF PROPERTY DEVELOPMENT PROJECTS AND CONSTRUCTION CONTRACTS			
(a)	Contract revenue recognised and shown under Sales for the year	1,780.57	1,146.25
(b)	For all contracts in progress at the year-end:		
(i)	Aggregate amount of costs incurred and profits recognised (less recognised losses) upto the balance sheet date	1,390.36	1,798.46
(ii)	Advances received from customers as at the balance sheet date	433.02	441.37
(iii)	Work-in-Progress at the end of the year	320.74	270.53
(iv)	Excess of revenue recognised over actual bills raised	695.63	455.90
(v)	Gross amount due from customers as at the balance sheet date	695.63	451.61

- (c) The Company follows the Percentage of Completion Method to determine the project revenue to be recognised for the year.
- (d) The Company follows the Project Costs Incurred Method to determine the stage of completion of each project.

	(Rupees in crore)	
	Current Year	Previous Year
37. EARNINGS PER SHARE		
(a) Profit after Taxes for the Year attributable to Equity Shareholders	168.75	207.52
(b) Number of Equity Shares of Rs.100 each issued and outstanding:		
(i) At the end of the year	6,78,445	6,78,445
(ii) Weighted average number of Shares outstanding during the year	6,78,445	6,78,445
(c) Basic and Diluted Earnings per Share (a/b) (Statement of Profit and Loss, item XII)	Rs. 2,487	Rs. 3,059
38. CONTRACT COSTS		
(a) Change in Contract Assets		
Opening Balance of Contract Assets (net of expected credit loss)	460.21	348.36
Less: Adjustment on account of Ind AS 115 transition	-	35.71
Revenues recognised during the year	1,780.57	1,280.78
Less: Progress Billing during the year	1,545.15	1,133.22
Closing Balance of Contract Assets	<u>695.63</u>	<u>460.21</u>
(b) The aggregate value of unexecuted Order Book. (Out of this, the Company expects to recognise revenue of around 51% within next one year and the remaining thereafter).	2,517.06	2,982.74
(c) Cost to Obtain the Contract:		
I. Amount of amortisation recognised in the Statement of Profit and Loss during the year	8.37	2.95
II. Amount recognised as an asset	12.57	4.20
The Company has not adjusted the promised amount of consideration for the efforts of a significant financing component if the Company expects, at contract inception, that the period between when the Company transfers a promised good or service to a customer and when the customer pays for that good or service will be less than one year.		
The Company has recognised the incremental costs of obtaining a contract as an expense in the Statement of Profit and Loss when incurred, if the amortisation period of the asset that the Company otherwise would have recognised is one year or less.		
(d) Reconciliation of revenue recognised in the Statement of Profit and Loss with contracted price		
Revenue from contracts with customers (as per Statement of Profit and Loss)	1,780.57	1,146.25
Add: Discounts, Rebates, Refunds, Credits, Price Concessions	-	-
Less: Incentives, performance bonuses	-	-
Contracted price with customers	<u>1,780.57</u>	<u>1,146.25</u>
(e) Applying the practical expedient given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures as the revenue recognised corresponds directly with the value to the customer of the Company's performance obligation till date.		

	(Rupees in crore)	
	Current Year	Previous Year
39. DETAILS OF EMPLOYEE BENEFITS:		
(a) DEFINED BENEFIT PLAN - PROVIDENT FUND:		
Amount contributed by the Company to the Employees' Provident and other Funds recognized as an expense and included under Employee Benefits Expense	55.17	48.56
The amount recognised in the Group Financial Statements as at the year end are as under :		
(a) DEFINED BENEFIT PLAN – GRATUITY:		
<u>(i) Change in Defined Benefit Obligation :</u>		
Liability at the beginning of the year	199.02	187.14
Liability transferred in / acquisitions	0.03	-
Interest cost	15.24	14.66
Current service cost	13.00	13.77
Benefit paid	(17.54)	(13.75)
Actuarial (gain)/loss on obligations	6.04	(2.80)
Liability at the end of the year	<u>215.79</u>	<u>199.02</u>
<u>(ii) Changes in Fair Value of Plan Assets:</u>		
Fair value of plan assets at the beginning of the year	186.30	166.08
Assets transferred in / Acquisitions	0.02	0.11
Expected return on plan assets	13.36	13.06
Contributions by Employer	13.38	20.42
Benefit paid	(17.54)	(13.75)
Actuarial (gain)/loss on plan assets	0.82	0.38
Fair value of plan assets at the end of the year	196.34	186.30
Total actuarial gain/(loss) to be recognized	<u>(5.22)</u>	<u>3.18</u>
<u>(iii) Amount recognised in the Balance Sheet:</u>		
Liability at the end of the year	215.79	199.02
Fair value of plan assets at the end of the year	196.34	186.30
Funded status - Deficit / (Surplus)	(19.45)	(12.72)
Amount recognised in the Balance Sheet	<u>(19.45)</u>	<u>(12.72)</u>
<u>(iv) Expense recognised in the Statement of Profit and Loss:</u>		
Current service cost	13.00	13.77
Interest cost	15.24	14.66
Expected return on plan assets	(13.36)	(13.06)
Total Expense recognised in the Statement of Profit and Loss	<u>14.88</u>	<u>15.37</u>
<u>(v) Amounts Recognised in other comprehensive income for the year:</u>		
Actuarial (gain)/loss on obligations	6.04	(2.81)
Return on plan assets excluding interest income	(1.07)	(0.42)
Amount recognised in other comprehensive income	4.97	(3.23)
<u>(vi) Actuarial Assumptions:</u>		
Discount rate	6.83%	7.69%
Rate of return on plan assets	6.83%	7.69%
Salary escalation		7.50%
<u>(vii) Estimated Contribution to be made in next financial year</u>	29.08	23.25

(b) GENERAL DESCRIPTION OF DEFINED BENEFIT PLAN – GRATUITY:

Gratuity is payable to all eligible employees of the Company on superannuation, death or permanent disablement, in terms of the provisions of the Payment of Gratuity Act, 1972, or as per the Company's Scheme, whichever is more beneficial.

(c) SENSITIVITY ANALYSIS

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

	Current Year		Previous Year	
Discount Rate (1% movement)	(12.77)	14.69	(12.56)	14.53
Future Salary Growth (1% movement)	14.73	(13.03)	14.41	(12.69)
Rate of Employee Turnover (1% movement)	0.08	(0.10)	0.08	(0.10)

**(d) DEFINED BENEFIT OBLIGATIONS -
YEAR ENDING 31-MARCH**

	(Rupees in crore)
2021	37.79
2022	16.75
2023	19.30
2024	18.53
2025	17.95
Thereafter	83.16

Gratuity is a defined benefit plan and company is exposed to the following risks:

Interest rate risk:

A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary Risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment Risk:

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset Liability Matching Risk:

The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk:

Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

40. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

(I). A. Accounting classification and fair values

(Rupees in crore)

As at 31/03/2020	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total Carrying Value	Level 1	Level 2	Level 3	Total
Financial assets								
Non-current								
Other investments *								
Quoted Equity Shares	-	4,558.20	-	4,558.20	4,558.20	-	-	4,558.20
Unquoted Equity Shares	-	4.84	-	4.84	-	-	4.84	4.84
Loans	-	-	51.79	51.79	-	-	-	-
Current								
Current Investments	23.21	-	-	23.21	23.21	-	-	23.21
Trade Receivables	-	-	2,163.97	2,163.97	-	-	-	-
Cash and cash equivalents	-	-	254.40	254.40	-	-	-	-
Bank balances others	-	-	94.65	94.65	-	-	-	-
Loans	-	-	9.57	9.57	-	-	-	-
Other Current Financial Assets	-	-	49.10	49.10	-	-	-	-
Derivative asset	15.14	-	-	15.14	-	15.14	-	15.14
	38.35	4,563.04	2,623.48	7,224.87	4,581.41	15.14	4.84	4,601.39
Financial liabilities								
Non-current								
Borrowings	-	-	1,316.21	1,316.21	-	-	-	-
Lease Liability	-	-	508.00	508.00	-	-	-	-
Other financial liabilities	-	-	189.53	189.53	-	-	-	-
Current								
Borrowings	-	-	1,758.23	1,758.23	-	-	-	-
Trade Payables	-	-	1,813.11	1,813.11	-	-	-	-
Lease Liability	-	-	91.50	91.50	-	-	-	-
Other financial liabilities	-	-	941.03	941.03	-	-	-	-
Derivative liability	10.33	-	-	10.33	-	10.33	-	10.33
	10.33	-	6,617.61	6,627.94	-	10.33	-	10.33

40. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (continued)

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

(Rupees in crore)								
As at 31/03/2019	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total Carrying Value	Level 1	Level 2	Level 3	Total
Financial assets								
Non-current								
Other investments *								
Quoted Equity Shares	-	6,032.29	-	6,032.29	6,032.29	-	-	6,032.29
Unquoted Equity Shares	-	55.14	-	55.14	-	-	55.14	55.14
Loans	-	-	58.65	58.65	-	-	-	-
Current								
Current Investments	13.26	-	-	13.26	13.26	-	-	13.26
Trade Receivables	-	-	2,282.29	2,282.29	-	-	-	-
Cash and cash equivalents	-	-	315.93	315.93	-	-	-	-
Bank balances others	-	-	131.41	131.41	-	-	-	-
Loans	-	-	7.04	7.04	-	-	-	-
Other Current Financial Assets	-	-	50.58	50.58	-	-	-	-
Derivative asset	5.62	-	-	5.62	-	5.62	-	5.62
	18.88	6,087.43	2,845.90	8,952.21	6,045.55	5.62	55.14	6,106.31
Financial liabilities								
Non-current								
Borrowings	-	-	812.05	812.05	-	-	-	-
Other financial liabilities	-	-	183.10	183.10	-	-	-	-
Current								
Borrowings	-	-	1,827.32	1,827.32	-	-	-	-
Trade Payables	-	-	1,539.09	1,539.09	-	-	-	-
Other financial liabilities	-	-	1,075.04	1,075.04	-	-	-	-
Derivative liability	8.62	-	-	8.62	-	8.62	-	8.62
	8.62	-	5,436.60	5,445.22	-	8.62	-	8.62

40. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (continued)

FVTPL - Fair Value Through Profit and Loss

FVTOCI - Fair Value Through Other Comprehensive Income

* 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.

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

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

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

The put option liability is fair valued at each reporting date through equity.

Reconciliation of level 3 fair values

Particulars	(Rupees in crore)
As at 31/3/2019	55.14
Net change in fair value (unrealised)	<u>(50.30)</u>
As at 31/3/2020	<u><u>4.84</u></u>

(1) Assets that are not financial assets (such as receivables from statutory authorities, export benefit receivables, prepaid expenses, advances paid and certain other receivables) amounting to Rs. 1,258.07 crore as at 31-03-2020 and Rs. 1,022.66 crore as at 31-03-2019, respectively, are not included.

(2) Other liabilities that are not financial liabilities (such as statutory dues payable, deferred revenue, advances from customers and certain other accruals) amounting to Rs. 1,033.11 crore as at 31-03-2020 and Rs. 962.66 crore as at 31-03-2019, respectively, are not included.

(I). B. Measurement of fair values

Valuation techniques and significant unobservable inputs:

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

Financial instruments measured at fair value

Type	Valuation technique
Non-Current Investments - quoted	The use of quoted market prices
Non-Current Investments - unquoted	Net book value based on the last available financial statements
Forward contracts	The fair value is determined using forward exchange rates at the reporting dates.

(I). C. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the 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 Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

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 ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

40. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (continued)**(II). Liquidity risk**

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

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Group also monitors the level of expected cash inflows on trade receivables together with expected cash outflows on trade payables.

Exposure to liquidity risk

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Group also monitors the level of expected cash inflows on trade receivables together with expected cash outflows on trade payables.

This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

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

(Rupees in crore)

As at 31/03/2020	Contractual cash flows						
	Carrying amount	Total	Less than 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Borrowings	2,824.65	2,824.65	1,321.82	408.03	754.50	340.30	-
Debentures	249.79	249.79	-	-	249.79	-	-
Lease Liabilities	599.50	599.50	90.79	0.71	100.64	254.73	152.63
Trade Payables	1,813.11	1,813.11	1,813.11	-	-	-	-
Other Financial Liabilities	1,140.89	1,140.89	1,140.89	-	-	-	-

(Rupees in crore)

As at 31/03/2019	Contractual cash flows						
	Carrying amount	Total	Less than 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Borrowings	2,389.78	2,389.78	1,713.60	127.23	545.25	3.70	-
Debentures	249.59	249.59	-	-	249.59	-	-
Trade Payables	1,539.09	1,539.09	1,539.09	-	-	-	-
Other Financial Liabilities	1,266.76	1,266.76	1,083.66	-	183.10	-	-

(III). Market risk

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

A. Price risk

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

40. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (continued)**B. Currency risk**

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

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at 31/03/2020 and 31/03/2019 are as below:

	(Rupees in crore)			
	USD	EURO	GBP	Others
As at 31/03/2020				
Financial Assets				
Trade Receivables	143.80	8.17	2.50	8.95
Less: Forward contracts for trade receivables	(39.52)	(0.35)	-	-
Cash and Cash Equivalents	16.99	-	-	0.87
	<u>121.27</u>	<u>7.82</u>	<u>2.50</u>	<u>9.82</u>
Financial liabilities				
Trade Payables	523.08	38.74	1.61	4.96
Less: Forward contracts for trade payables	(473.47)	(2.04)	-	-
Term Loans	40.09	-	-	-
Accruals	1.12	-	-	0.05
	<u>90.82</u>	<u>36.70</u>	<u>1.61</u>	<u>5.01</u>
As at 31/03/2019				
Financial Assets				
Trade Receivables	148.74	6.65	3.19	7.00
Less: Forward contracts for trade receivables	(24.24)	(0.77)	-	-
Cash and Cash Equivalents	17.97	-	-	-
	<u>142.47</u>	<u>5.88</u>	<u>3.19</u>	<u>7.00</u>
Financial liabilities				
Trade Payables	326.16	41.01	1.20	2.61
Less: Forward contracts for trade payables	(235.76)	-	-	-
Term Loans	5.58	-	-	-
	<u>95.98</u>	<u>41.01</u>	<u>1.20</u>	<u>2.61</u>

	Year-end spot rate	
(Rupees)	31-03-20	31-03-19
USD 1	75.67	69.16
EUR1	82.77	77.67
GBP1	93.50	90.53

Sensitivity analysis

A reasonably possible 3% strengthening (weakening) of the Indian Rupee against USD/GBP/Euro at 31st March would have affected the measurement of financial instruments denominated in USD/GBP/Euro and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	(Rupees in crore)			
	as at 31/03/2020		as at 31/03/2019	
Effect	Profit or loss		Profit or loss	
	Strengthening	Weakening	Strengthening	Weakening
USD - 3% movement	0.91	(0.91)	1.39	(1.39)
EUR - 3% movement	(0.87)	0.87	(1.05)	1.05
GBP - 3% movement	0.03	(0.03)	0.06	(0.06)

40. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (continued)**(IV) Interest rate risk**

The Group's exposure to market risk for changes in interest rates relates to fixed deposits and borrowings from financial institutions. It is the Company's policy to obtain the most favourable interest rate available, and to retain flexibility of fund-raising options in future between fixed and floating rates of interest, across maturity profiles and currencies.

Exposure to interest rate risk

The Group's interest rate risk arises from borrowings. Borrowings issued at floating rates exposes to fair value interest rate risk. The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows:

Nominal amount	Rupees in Crore	
	As at 31-03-2020	As at 31-03-2019
Borrowings		
Fixed-rate borrowings	2,927.06	2,567.09
Variable-rate borrowings	147.37	72.28
Total	3,074.43	2,639.37

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

(Rupees in crores)	Profit or loss	
	100 bp increase	100 bp decrease
As at 31/03/2020		
Variable-rate instruments	(1.47)	1.47
Cash flow sensitivity (net)	(1.47)	1.47

(Rupees in crores)	Profit or loss	
	100 bp increase	100 bp decrease
As at 31/03/2019		
Variable-rate instruments	(0.72)	0.72
Cash flow sensitivity (net)	(0.72)	0.72

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.

40. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (continued)**(V). Credit Risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities.

The carrying amount of financial assets represents the maximum credit exposure.

Credit risk refers to the risk of default on its obligations by a counterparty to the Group resulting in a financial loss to the Group. The Group is exposed to credit risk from its operating activities (trade receivables) and from its investing activities including investments in mutual funds, deposits with banks and financial institutions and NCD's, foreign exchange transactions and financial instruments.

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

Credit risk from investments of surplus funds is managed by the Group's treasury in accordance with the Board approved policy and limits. Investments of surplus funds are made only with those counterparties who meet the minimum threshold requirements prescribed by the Board. The Group monitors the credit ratings and financial strength of its counter parties and adjusts its exposure accordingly.

Trade receivables

Credit risk arises from the possibility that customers may not be able to settle their obligations as agreed. To manage this, the businesses periodically assess the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable.

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade receivables.

Impairment

The ageing of trade receivables that were not impaired was as follows.

	(Rupees in crore)	
	As at 31-03-20	As at 31-03-19
Neither past due nor impaired	1,545.58	1,678.33
More than 6 months and less than 1 year	174.35	111.96
More than 1 year	<u>444.04</u>	<u>492.00</u>
	<u><u>2,163.97</u></u>	<u><u>2,282.29</u></u>

Management believes that the unimpaired amounts that are past due by more than 6 months are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, on a case to case basis, with reference to the customer's credit quality and prevailing market conditions. Based on past experience, the Company does not expect any material loss on these receivables and hence no allowance is deemed necessary on account of Expected Credit Loss (ECL).

Additionally, considering the COVID-19 situation, the Company has also assessed the performance and recoverability of trade receivables. The Company believes that the current value of trade receivables reflects the fair value/recoverable values.

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

Loans and advances given are monitored by the Group on a regular basis and these are neither past due nor impaired.

	(Rupees in crore)
	Collective impairments
Balance as at 31/03/2019	228.73
Allowance for doubtful receivables recognised during the year ended 31st March, 2020.	<u>33.69</u>
Balance as at 31/03/2020	<u><u>262.42</u></u>
Bad debts written off during the year ended 31st March, 2020.	16.41
Bad debts written off during the year ended 31st March, 2019.	13.03

Cash and cash equivalents

The Company maintains its cash and cash equivalents with credit worthy banks and financial institutions and reviews it on ongoing basis. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be good.

41. CAPITAL MANAGEMENT

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Group monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings less cash and cash equivalents. The Group's adjusted net debt to equity ratio for 2 years is given below:

	(Rupees in crore)	
	As at 31-03-2020	As at 31-03-2019
Non-current borrowings	1,316.21	812.05
Current borrowings	1,758.23	1,827.32
Current maturity of long-term borrowings	110.87	322.99
Gross Debt	3,185.31	2,962.36
Less : Cash and cash equivalent	254.40	315.93
Less : Other bank deposits	94.65	131.41
Less : Current Investments	23.21	13.26
Adjusted net debt	2,813.05	2,501.76
Total equity	7,642.57	9,185.65
Adjusted net debt to equity ratio	0.37	0.27

42. ADDITIONAL INFORMATION ABOUT BUSINESS SEGMENTS

	Current Year					Previous Year				
	Consumer Durables	Industrial Products	Others	Corporate/ Unallocated	Total Company	Consumer Durables	Industrial Products	Others	Corporate/ Unallocated	Total Company
REVENUE										
Domestic Sales	6,854.86	3,007.55	622.76	-	10,485.17	6,885.23	2,823.13	570.44	-	10,278.80
Export Sales	227.34	501.06	4.85	-	733.25	246.59	513.07	7.20	-	766.86
SALE OF PRODUCTS AND SERVICES (Gross)	7,082.20	3,508.61	627.61	-	11,218.42	7,131.82	3,336.20	577.64	-	11,045.66
Inter-Segment Transfers	9.19	123.61	1.89	-	134.69	11.76	111.52	3.24	-	126.52
Other Operating Revenue	111.64	107.45	0.61	-	219.70	89.70	94.11	2.40	-	186.21
SEGMENT REVENUE	7,203.03	3,739.67	630.11	-	11,572.81	7,233.28	3,541.83	583.28	-	11,358.39
Less: Inter-Segment Revenue					(134.69)					(126.52)
TOTAL REVENUE					11,438.12					11,231.87
RESULTS FROM OPERATIONS										
Profit before Corporate / Common Expenses, Interest, Depreciation and Amortization	706.23	296.56	271.51	-	1,274.30	642.87	240.88	286.39	-	1,170.14
Less: Non Cash Expenses-Depreciation	249.67	84.18	38.04	-	371.89	119.55	72.74	30.91	-	223.20
SEGMENT RESULTS (Profit before Corporate / Common Expenses and Interest)	456.56	212.38	233.47	-	902.41	523.32	168.14	255.48	-	946.94
Add: Income from Dividends					60.50					93.29
Total Profit/(Loss) on Sale of Fixed Assets (Net)					0.48					-
Total Profit on Sale of Investments (Net)					0.12					-
					963.51					1,040.23
Less: Interest (Net of Interest Income)					213.57					149.67
Less: Other Unallocated Corporate / Common Expenses					(455.29)					(538.71)
Add/(Less): Exceptional Items					(0.04)					-
Less: Share of Profit/(Loss) in Associate					(12.82)					(16.58)
PROFIT BEFORE TAX					281.79					335.27
Provision for Taxes					123.65					131.92
PROFIT FOR THE YEAR					158.14					203.35
CAPITAL EMPLOYED (at the end of the year)										
Segment Assets	4,905.09	2,782.61	165.12	3,033.95	10,886.77	3,940.33	2,576.28	162.82	2,914.62	9,594.05
Segment Liabilities	1,970.88	1,213.29	66.15	4,549.41	7,799.73	1,253.04	1,092.62	61.62	4,126.52	6,533.80
SEGMENT CAPITAL EMPLOYED (Segment Assets - Segment Liabilities)	2,934.21	1,569.32	98.97	(1,515.46)	3,087.04	2,687.29	1,483.66	101.20	(1,211.90)	3,060.25
Investments					4,603.69					6,121.51
Add/(Less): Deferred Tax Asset / (Liabilities) (Net)					(48.16)					3.89
TOTAL CAPITAL EMPLOYED (NET ASSETS) (as per Balance Sheet)					7,642.57					9,185.65
CAPITAL EXPENDITURE										
TOTAL CAPITAL EXPENDITURE (as per Balance Sheet)	359.01	89.57	1.46	183.07	633.11	269.56	87.84	5.00	244.97	607.37

Business Segments

The Indian Accounting Standard 108 (Ind AS-108) on "Segment Reporting" requires disclosure of segment information to facilitate better understanding of the performance of an enterprise's business operations.

The Company has identified Business Segments to comply with the operating segment disclosures as per Ind AS-108, considering the organization structure, internal financial reporting system, and the risk-return profiles of the businesses. The Company's organisation structure and management processes are designed to support effective management of multiple businesses while retaining focus on each one of them.

(a) Identification of Business Segments

The Consumer Durables segment includes Furniture, Office Equipment, Home Appliances, Locks and Security Equipment. The Industrial Products segment includes Process Plant and Equipment, Toolings, Special Purpose Machines, Precision Components/Engineering, Electricals and Electronics, Electric Motors, Storage Solutions and Material Handling Equipment. Estate leasing, Property Development and Ready-mix concrete operations are included in Other Segment.

(b) Segment Revenue, Results, Assets and Liabilities

Segment revenue and results are arrived at based on amounts identifiable to each of the segments. Inter-segment transfers are valued at cost or market-based prices, as may be negotiated between the segments with an overall optimization objective for the Company. Other unallocated expenses include corporate expenses, as well as expenses incurred on common shared-services provided to the segments. Segment assets include all operating assets used by the business segment and consist mainly of net fixed assets, debtors and inventories. Segment liabilities primarily include creditors and advances from customers. Unallocated assets mainly relate to the factory, administrative, employee welfare, and marketing infrastructure at Vikhroli, Mumbai and at up-country establishments, not directly identifiable to any business segment. Liabilities which have not been identified between the segments are shown as unallocated liabilities.

43. DISCLOSURES OF JOINT VENTURES AND ASSOCIATES :

1 Equity accounted investees

Financial information of joint ventures and associates that are material to the Group is provided below :

(Rupees in crore)

Name of the entity	Place of business	% of ownership interest	Relationship	Accounting method	Carrying Amounts	
					31-03-20	31-03-19
Godrej Consoveyo Logistics Automation Ltd.	India	49.00%	Joint Venture	Equity method	5.34	3.96
Urban Electric Power Inc., USA	USA	30.22%	Associate	Equity method	-	1.79
Godrej and Khimji (ME) LLC	Oman	49.00%	Associate	Equity method	8.65	11.22
Godrej and Boyce Enterprises LLP	India	50.00%	Associate	Equity method	-	-
Future Factory LLP	India	20.00%	Associate	Equity method	3.45	3.38
Total equity accounted investments					17.44	20.35

(Rupees in crore)

Particulars	Godrej Consoveyo Logistics Automation Ltd.		Urban Electric Power Inc., USA	
	As at 31/03/2020	As at 31/03/2019	As at 31/12/2019	As at 31/12/2018
Ownership	49%	49%	30.22%	23.76%
Cash and cash equivalent	0.78	0.06	2.41	2.50
Other current assets	40.71	46.51	4.00	4.70
Total current assets	41.49	46.57	6.41	7.20
Total non-current assets	12.89	12.01	17.55	19.17
Total assets	54.38	58.58	23.96	26.37
Current liabilities				
Financial liabilities (excluding trade payables and provisions)	4.27	15.81	61.26	45.16
Other liabilities	37.78	34.04	44.94	28.06
Total current liabilities	42.05	49.85	106.20	73.22
Non Current liabilities				
Financial liabilities (excluding trade payables and provisions)	0.92	-	0.02	-
Other liabilities	0.50	0.61	1.57	1.24
Total non current liabilities	1.42	0.61	1.59	1.24
Total liabilities	43.47	50.46	107.79	74.46
Net assets	10.91	8.12	(83.83)	(48.08)
Groups' share of net assets	5.35	3.98	(25.33)	(11.42)
Carrying amount of interest in Associate / Joint Venture	5.34	3.96	-	1.79

(Rupees in crore)

Particulars	Godrej Consoveyo Logistics Automation Ltd.		Urban Electric Power Inc., USA	
	Year ended 31/03/2020	Year ended 31/03/2019	Year ended 31/12/2019	Year ended 31/12/2018
Revenues	64.26	53.94	0.66	22.09
Interest income	-	0.10	-	-
Depreciation and amortisation	2.52	0.29	4.72	5.43
Interest expense	1.43	1.84	4.37	2.90
Income tax expense	2.93	2.52	-	-
Profit/Loss for the year	2.80	(8.57)	(35.78)	(34.80)
Other comprehensive income	(0.01)	0.04	-	-
Total comprehensive income	2.79	(8.53)	(35.78)	(34.80)
Group's share of profit	1.37	(4.20)	(10.81)	(8.27)
Group's share of Other comprehensive income	(0.00)	0.02	-	-
Group's share of Total comprehensive income	1.37	(4.18)	(10.81)	(8.27)

43. DISCLOSURES OF JOINT VENTURES AND ASSOCIATES : (continued)

(Rupees in crore)

Particulars	Godrej Khimji (M.E.) LLC.		Future Factory LLP		Godrej and Boyce Enterprises LLP	
	As at 31/12/2019	As at 31/12/2018	As at 31/03/2020	As at 31/03/2019	As at 31/03/2020	As at 31/03/2019
Ownership	49%	49%	20%	20%	50%	50%
Cash and cash equivalent	2.24	0.27	7.45	8.21	-	-
Other current assets	15.99	16.89	4.33	4.78	-	-
Total current assets	18.23	17.15	11.78	12.99	-	-
Total non-current assets	26.52	29.17	3.20	0.82	-	-
Total assets	44.75	46.32	14.98	13.81	-	-
Current liabilities						
Financial liabilities (excluding trade payables and provisions)	19.87	16.41	0.85	0.89	-	-
Other liabilities	3.67	3.77	0.91	1.19	-	-
Total current liabilities	23.54	20.18	1.76	2.08	-	-
Non Current liabilities						
Financial liabilities (excluding trade payables and provisions)	-	-	-	-	-	-
Other liabilities	3.57	3.25	-	-	-	-
Total non current liabilities	3.57	3.25	-	-	-	-
Total liabilities	27.11	23.43	1.76	2.08	-	-
Net assets	17.64	22.89	13.22	11.73	-	-
Groups' share of net assets	8.64	11.22	2.64	2.35	-	-
Carrying amount of interest in Associate / Joint Venture	8.65	11.22	3.45	3.38	-	-

(Rupees in crore)

Particulars	Godrej Khimji (M.E.) LLC.		Future Factory LLP		Godrej and Boyce Enterprises LLP	
	As at 31/12/2019	As at 31/12/2018	As at 31/03/2020	As at 31/03/2019	As at 31/03/2020	As at 31/03/2019
Revenues	31.08	25.00	6.34	8.69	-	-
Interest income	-	-	0.36	0.41	-	-
Depreciation and amortisation	3.48	3.56	0.08	0.09	-	-
Interest expense	1.27	0.87	0.02	0.02	-	-
Income tax expense	-	-	0.17	0.90	-	-
Profit / (Loss) from continuing operations	(5.77)	(7.94)	(0.37)	1.77	-	-
Profit from discontinued operations	-	-	-	-	-	-
Profit / (Loss) for the year	(5.77)	(7.94)	(0.37)	1.77	-	-
Other comprehensive income				0.04	-	-
Total comprehensive income / expense	(5.77)	(7.94)	(0.37)	1.81	-	-
Group's share of profit / (loss)	(2.83)	(3.89)	(0.07)	0.35	-	-
Group's share of Other comprehensive income	-	-	-	0.01	-	-
Group's share of Total comprehensive income / (expense)	(2.83)	(3.89)	(0.07)	0.36	-	-

44. RELATED PARTY DISCLOSURES

(a) NAMES OF RELATED PARTIES AND NATURE OF RELATIONSHIPS:

(i) Subsidiaries (including step-down subsidiaries):

A. Subsidiaries (with the Company's direct equity holdings in excess of 50%):

1. Godrej Infotech Limited
2. Godrej (Singapore) Pte. Limited (a wholly-owned subsidiary incorporated in Singapore)
3. Veromatic International BV (a wholly-owned subsidiary incorporated in the Netherlands)
4. Godrej Americas Inc. (a wholly-owned subsidiary incorporated in the USA)
5. Sheetak Inc. (incorporated in USA)

The following companies are step-down subsidiaries (where the Company's subsidiaries listed above, directly and/or indirectly through one or more subsidiaries, hold more than one-half of equity share capital):

B. Subsidiaries of Godrej Infotech Limited:

1. Godrej Infotech Americas Inc. (a wholly-owned subsidiary incorporated in North Carolina, USA)
2. Godrej Infotech (Singapore) Pte. Limited (a wholly-owned subsidiary incorporated in Singapore)
3. LVD Godrej Infotech NV (incorporated in Belgium)

C. Subsidiaries of Godrej (Singapore) Pte. Ltd.:

1. JT Dragon Pte. Ltd. (Incorporated in Singapore)
2. Godrej (Vietnam) Co. Ltd. (Incorporated in Vietnam) (a wholly owned subsidiary of JT Dragon Pte. Ltd.)
3. Godrej UEP (Singapore) Pte. Ltd.
4. Godrej UEP Pvt. Ltd. [a wholly-owned subsidiary of Godrej UEP (Singapore) Pte. Ltd.]

D. Joint Ventures:

1. Godrej Consoveyo Logistics Automation Ltd. (formerly Godrej Efacec Automation & Robotics Ltd.)

(ii) Other Associates and Limited Liability Partnerships:

A. ASSOCIATES AND LLP'S OF GODREJ AND BOYCE MFG. CO. LTD.:

1. Godrej & Boyce Enterprises LLP
2. Godrej Properties Developers LLP
3. Future Factory LLP
4. Urban Electric Power Inc.
5. Godrej & Khimji (Middle East) LLC (incorporated in Sultanate of Oman) [a Joint Venture of Godrej (Singapore) Pte. Ltd.]

(iii) Key Managerial Personnel:

(a) Whole-time Directors:

1. Mr. J. N. Godrej, Chairman & Managing Director
2. Mr. V. M. Crishna, Executive Director (Lawkim Motors Group)
3. Mr. A. G. Verma, Executive Director & President
4. Ms. N. Y. Holkar, Executive Director - Corporate Affairs

(b) Non-Executive Directors:

1. Mr. A. B. Godrej
2. Mr. N. B. Godrej
3. Mr. N. J. Godrej
4. Mr. K. N. Petigara
5. Mr. P. P. Shah
6. Ms. A. Ramchandran
7. Mr. K. M. Elavia

(c) Others:

1. Mr. P. K. Gandhi, Chief Financial Officer
2. Mr. P. E. Fouzdar, Executive Vice President and Company Secretary
3. Mr. A. R. Pimparkar, CEO, Godrej Infotech Ltd.
4. Ms. S. M. Mane, Company Secretary, Godrej Consoveyo Logistics Automation Ltd.

(d) Close members of the family of Key Management Personnel:

1. Mrs. P. J. Godrej (spouse of Mr. J. N. Godrej)
2. Mr. N. J. Godrej (son of Mr. J. N. Godrej)
3. Ms. R. J. Godrej (daughter of Mr. J. N. Godrej)
4. Mrs. S. G. Crishna (spouse of Mr. V. M. Crishna)
5. Mrs. F. C. Bieri (daughter of Mr. V. M. Crishna)
6. Mrs. N. Y. Holkar (daughter of Mr. V. M. Crishna)

(iv) Companies under common control:

1. Godrej Industries Limited
2. Godrej Agrovet Limited
3. Godrej Consumer Products Limited
4. Godrej Properties Limited
5. Godrej Seeds and Genetics Limited

(v) Key Managerial Personnel having significant influence over the group:

1. Mr. A. B. Godrej, Non-Executive Director for the parent company
2. Mr. N. B. Godrej, Non-Executive Director for the parent company
3. Ms. Nisaba Godrej (daughter of Mr. A. B. Godrej)
4. Ms. Tanya Dubash (daughter of Mr. A. B. Godrej)
5. Mr. P. A. Godrej (son of Mr. A. B. Godrej)

(vi) Post Employment Benefit Trust with whom the Company has transactions:

1. Godrej and Boyce Manufacturing Co. Ltd. Employees' Provident Fund
2. Godrej and Boyce Manufacturing Co. Ltd. Employees' Gratuity Fund
3. Godrej and Boyce Manufacturing Co. Ltd. Managerial Superannuation Fund

(b) PARTICULARS OF TRANSACTIONS WITH RELATED PARTIES DURING THE YEAR:

	(Rupees in crore)	
	Current Year Companies [Items (a)(i), (iii), (iv), (v) and (vi)]	Previous Year Companies [Items (a)(i), (iii), (iv),(v) and (vi)]
(i) Transactions carried out with the related parties,		
(a) Purchase of Materials/Finished Goods/Services	25.06	31.13
(b) Sales, Services Rendered and Other Income	33.22	36.96
(c) Trade and other Receivables	10.60	15.86
(d) Trade and other Payables	2.21	2.57
(e) Guarantees given, outstanding at year end	64.32	80.01
(f) Dividend Received	60.01	90.01
(g) Unsecured Deposits placed	8.56	5.77
(h) Investments Purchased	25.76	-
(i) Loans to Associate Company	17.98	13.21
(ii) Transactions carried out with Mr. J. N. Godrej, Chairman & Managing Director		
(a) Dividends paid		
Individually	0.00	0.00
As a Trustee of The Raika Godrej Family Trust	2.08	2.08
As a Trustee of JNG Family Trust	6.54	6.54
As a Trustee of Raika Lineage Trust	5.07	5.07
As a Trustee of Navroze Lineage Trust	5.07	5.07
(b) Unsecured Deposits outstanding	28.50	30.00
(c) Interest paid on Deposits taken	2.53	1.74
(iii) Transactions carried out with Mr. V. M. Crishna, Executive Director:		
(a) Dividends paid *	0.00	0.00
(b) Unsecured Deposits outstanding	-	-
(c) Interest paid on Deposits taken	-	0.18
(iv) Transactions carried out with Ms. N. Y. Holkar, Executive Director:		
(a) Dividends paid	2.08	2.08
(b) Unsecured Deposits outstanding	-	-
(c) Interest paid on Deposits taken	-	0.01
(v) (a) Remuneration paid/payable to Key Management Personnel (Whole-time Directors)		
(i) Whole-time Directors	13.50	17.14
(ii) Other Key Managerial Personnel	7.00	6.20
(b) Retiral benefits paid/payable to Key Managerial Personnel:		
(i) Whole-time Directors	1.08	0.98
(ii) Other Key Managerial Personnel	0.16	0.36

	(Rupees in crore)	
	Current Year	Previous Year
(vi) Transactions with Relatives of Whole-time Directors		
(a) Mrs. P. J. Godrej		
Remuneration	0.27	0.27
Dividend Paid	0.01	0.01
Unsecured Deposits outstanding	-	2.00
Interest paid on deposits taken	0.01	0.19
(b) Ms. R. J. Godrej:		
Dividend Paid	0.00	0.00
Unsecured Deposits outstanding	63.50	46.50
Interest paid on deposits taken	4.59	2.61
(c) Mrs. S. G. Crishna		
Remuneration	0.27	0.27
Dividend Paid		
Individually	0.00	0.00
As a Trustee of SGC Family Trust	7.06	7.06
As a Trustee of FVC Family Trust	4.81	4.81
As a Trustee of NVC Family Trust	4.81	4.81
(d) Mrs. F. C. Bieri		
Dividend Paid	2.08	2.08
(e) Mr. N. J. Godrej		
Dividend Paid	2.08	2.08
(vii) Transactions with Non-Executive Directors		
Commission	-	0.53
Sitting Fees	0.69	0.53
Others		-
<i>*(Amount less than Rs.0.01 crore)</i>		
(viii) Contribution to post-employment benefit plans:		
(a) Advance received and repaid to the Company by:		
1. Godrej and Boyce Manufacturing Co. Ltd. Employees' Provident Fund	-	4.19
2. Godrej and Boyce Manufacturing Co. Ltd. Employees' Gratuity Fund	-	-
3. Godrej and Boyce Manufacturing Co. Ltd. Managerial Superannuation Fund	-	-
(b) Towards Employer's contribution:		
1. Godrej and Boyce Manufacturing Co. Ltd. Employees' Provident Fund	25.98	21.73
2. Godrej and Boyce Manufacturing Co. Ltd. Employees' Gratuity Fund	13.25	21.57
3. Godrej and Boyce Manufacturing Co. Ltd. Managerial Superannuation Fund	9.95	8.56
(c) Balance payable by the Company to:		
1. Godrej and Boyce Manufacturing Co. Ltd. Employees' Provident Fund	2.22	1.79
2. Godrej and Boyce Manufacturing Co. Ltd. Employees' Gratuity Fund	15.36	9.71
3. Godrej and Boyce Manufacturing Co. Ltd. Managerial Superannuation Fund	9.38	8.78

45. DISCLOSURE IN RESPECT OF LEASES**(a) Leases (Company as a lessor)**

Lease income from operating leases is recognised in the Statement of Profit and Loss. Initial direct costs incurred specifically to earn revenues from operating leases of fixed assets are charged to the Statement of Profit and Loss as incurred. These assets pertain to land, commercial/residential premises, forklifts and vending machines given on lease on varying tenure and other terms.

The future minimum lease rentals receivable under non-cancellable operating leases are estimated at:

	(Rupees in crore)	
	As at	As at
	31/03/2020	31/03/2019
Within one year	132.23	93.68
Later than one year not later than 5 years	142.71	150.01
Later than 5 years	-	-
Total	274.94	243.69

(b) Leases (Company as a lessee)

The Company has significant leasing arrangements where the Company is lessee, which are in respect of motor cars, laptop, computers and premises (office, godown, showroom, retail store, residential, etc) occupied by the Company. The average lease term is 6.65 years.

The lease contract does not provide any purchase option to the Company at the end of the lease term. The Company's obligations are secured by the lessors' title to the leased assets for such leases.

At 31 March 2020, the Company is committed Rs.42.68 crore for short-term leases and Rs.26.85 crore for low value items.

Some of the property leases in which the Company is the lessee contain variable lease payment terms that are linked to sales generated from the leased stores. Variable payment terms are used to link rental payments to store cash flows and reduce fixed cost. The breakdown of lease payments for these stores is as follows:

	(Rupees in crore)
	2019-20
Fixed payments	1.21
Variable payments	-
Total payments	1.21

There are no variable lease payments made by the Company. The variable payments depend on sales and consequently on the overall economic development over the next few years. Taking into account the development of sales expected over the next 2 years, variable rent expenses are expected to change in the future.

The total cash outflow for leases amount to Rs.184.52 crore (Rs.160.72 crore for FY. 2018-19).

The discount rate used by the Company is 9% (incremental borrowing rate) which is applied to all lease liabilities recognised in the balance sheet.

Lease liabilities - Maturity analysis

	(Rupees in crore)
	31-03-2020
Not later than 1 year	94.58
Later than 1 year and not later than 5 years	348.84
Later than 5 years	162.12
	605.54

The Company does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Company's treasury function.

The Company has considered all future expected cash outflows to which the lessee is potentially exposed and are reflected in the measurement of lease liabilities:

Reconciliation between the future minimum lease rental commitments towards non-cancellable operating

(Rupees in crore)

	01-Apr-19
Operating lease commitments disclosed as at 31 March, 2019	23.64
Discounted using the lessee's incremental borrowing rate of at the date of initial application	(23.64)
Add: Finance lease liabilities recognised as at 31 March 2019	-
(Less): Short-term leases not recognised as a liability	(32.03)
(Less): Maintenance on leased premises not recognised as a liability	(9.98)
(Less): Low-value leases not recognised as a liability	(22.64)
Add/(Less): Contracts reassessed as lease contracts	-
Add/(Less): Adjustments as a result of a different treatment of extension and termination options	462.05
Add/(Less): Adjustments relating to changes in the index or rate affecting variable payments	-
Lease liability recognised as at 1 April 2019	<u>397.40</u>

Of which are:

Current lease liabilities	70.10
Non-current lease liabilities	<u>327.30</u>
	<u>397.40</u>

46. Figures for the previous year have been regrouped / restated wherever necessary to conform to current year's presentation.

47. INFORMATION ON SUBSIDIARIES, JOINT VENTURE AND ASSOCIATES

Sr. No.	Name of the Company	Country of Incorporation	Proportion of ownership interest	Proportion of voting power held	Reporting date
(a) The investments in subsidiary Companies are:					
1	Godrej Infotech Limited	India	52.06%	52.06%	31-03-20
2	Godrej (Singapore) Pte Ltd	Singapore	100.00%	100.00%	31-12-19
3	Veromatic International B.V.	Netherlands	99.96%	99.96%	31-12-19
4	Godrej Americas Inc.	USA	100.00%	100.00%	31-03-20
5	Sheetak Inc.	USA	56.51%	56.51%	31-12-19
6	Godrej Property Developers LLP	India	68.00%	68.00%	31-03-20
(b) Interests in Joint Ventures :					
1	Godrej Consoveyo Logistics Automation Ltd. (formerly Godrej Efacec Automation & Robotics Limited)	India	49.00%	49.00%	31-03-20
(c) Investment in Associates:					
1	Future Factory LLP	India	20.00%	20.00%	31-03-20
2	Godrej & Boyce Enterprises LLP	India	50.00%	50.00%	31-03-20
3	Urban Electric, LLC.	USA	30.22%	30.22%	31-12-19
Sub-Subsidiaries of Godrej Infotech Ltd.					
1	LVD Godrej Infotech NV, Belgium	Belgium	46.85%	46.85%	31-12-19
2	Godrej Infotech (Singapore) Pte. Ltd.	Singapore	52.06%	52.06%	31-03-20
3	Godrej Infotech Americas Inc.	USA	52.06%	52.06%	31-03-20
Subsidiaries, Associates and Joint Venture of Godrej Singapore Pte Ltd					
1	JT Dragon Pte. Ltd.	Singapore	100.00%	100.00%	31-12-19
2	Godrej Vietnam Co. Ltd.	Vietnam	100.00%	100.00%	31-12-19
3	Godrej Khimji (ME) LLC	Sultanate of Oman	49.00%	49.00%	31-12-19
4	Godrej UEP Singapore Pte Ltd	Singapore	79.99%	79.99%	31-03-20
5	Godrej UEP Pvt. Ltd	India	79.99%	79.99%	31-03-20

48. ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013, OF ENTERPRISES CONSOLIDATED AS SUBSIDIARY / ASSOCIATES

Name of the Enterprise	Net Assets (i.e. total assets minus total liabilities)		Share in Profit / Loss account		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount (Rs. in crore)	As % of consolidated profits	Amount (Rs. in crore)	As % of consolidated profits	Amount (Rs. in crore)	As % of consolidated profits	Amount (Rs. in crore)
Parent								
Godrej and Boyce Manufacturing Company Limited	100.90%	7,740.89	141.73%	224.13	100.00%	(1,526.28)	95.18%	(1,302.15)
Subsidiaries								
Indian								
1 Godrej Infotech Ltd.	0.65%	50.11	7.51%	11.87	0.17%	(2.52)	-0.68%	9.36
2 Godrej Property Developers LLP	0.00%	(0.10)	-0.01%	(0.02)	-	-	0.00%	(0.02)
Foreign								
1 Godrej (Singapore) Pte. Ltd., Singapore	1.14%	87.24	-2.12%	(3.35)	-0.23%	3.47	-0.01%	0.12
2 Veromatic International BV, the Netherlands	0.04%	3.36	-5.56%	(8.79)	-0.01%	0.08	0.64%	(8.72)
3 Godrej Americas Inc., USA.	-0.05%	(3.71)	-1.92%	(3.04)	0.00%	0.02	0.22%	(3.02)
4 Sheetak Inc., USA.	-1.22%	(93.34)	-20.96%	(33.15)	0.07%	(1.05)	2.50%	(34.21)
5 Godrej UEP (Singapore) Pte. Ltd.	-0.19%	(14.92)	-5.79%	(9.15)	0.00%	0.01	0.67%	(9.14)
Eliminations	-1.28%	(97.97)	-12.87%	(20.36)			0.00%	(0.03)
Minority Interest in all subsidiaries	0.00%	-	0.00%	-			0.79%	(10.81)
Joint Venture and Associates (Investment accounted as per the equity method)								
Indian :								
1 Godrej Consoveyo Logistics Automation Ltd.	0.00%	-	0.87%	1.37			-0.10%	1.37
2 Future Factory LLP	0.00%	-	-0.05%	(0.07)			0.01%	(0.07)
Foreign:								
1 Urban Electric Power LLC, USA	0.00%	-	-6.84%	(10.81)			0.79%	(10.81)
Grand Total	100.00%	7,671.56	100.00%	158.14	100.00%	(1,526.27)	100.00%	(1,368.13)



Form AOC - 1

[PURSUANT TO FIRST PROVISIO TO SUB SECTION (3) OF SECTION 129 READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014]

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ASSOCIATE COMPANIES / JOINT VENTURES/ LIMITED LIABILITY PARTNERSHIPS

Part "A": Subsidiaries

Sr. No.	Name of Subsidiary	Reporting Period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and exchange rate as on the last date of the relevant financial year in case of foreign subsidiaries		Share capital	Reserves & surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of share-holding
			Reporting currency	Exchange rate											
			Rupees in Crore												
1	Godrej Infotech Ltd.	01-Apr-2019 To 31-Mar-2020	INR	1.00	0.10	42.48	78.54	35.96	24.88	122.90	13.84	3.75	10.09	-	52.06%
2	Godrej (Singapore)Pte. Ltd., Singapore	01-Jan-2019 to 31-Dec-2019	SGD	52.8279	9.44	54.69	89.31	25.18	24.79	24.24	(2.12)	0.16	(2.28)	-	100%
3	Veromatic International BV, the Netherlands	01-Jan-2019 to 31-Dec-2019	EURO	79.8230	46.04	(42.68)	32.00	28.64	-	58.41	(7.29)	1.51	(8.79)	-	99.96%
4	Godrej Americas Inc. USA.	01-Apr-2019 To 31-Mar-2020	USD	75.1021	2.25	(5.98)	41.79	45.51	-	16.26	(3.88)	(0.82)	(3.05)	-	100%
5	Sheetak Inc., USA	01-Jan-2019 to 31-Dec-2019	USD	71.2794	45.18	(138.52)	5.95	99.29	-	0.49	(33.15)	-	(33.15)	-	56.51%
6	Godrej Property Developers LLP	01-Apr-2019 To 31-Mar-2020	INR	1.00	-	(0.10)	0.06	0.16	-	-	(0.02)	-	(0.02)	-	68.00%
SUBSIDIARY AND SUB-SUBSIDIARY OF GODREJ SINGAPORE PTE LTD															
7	JT Dragon Pte. Ltd., Singapore	01-Jan-2019 to 31-Dec-2019	SGD	52.8279	27.50	3.26	30.80	0.05	27.35	-	0.72	-	0.72	-	100%
8	Godrej (Vietnam) Co. Ltd., Vietnam	01-Jan-2019 to 31-Dec-2019	VND	0.00307	12.66	23.37	41.06	5.03	-	40.44	0.53	0.16	0.37	-	100%
9	Godrej UEP (Singapore) Pte Ltd.	01-Apr-2019 To 31-Mar-2020	SGD	52.6789	1.05	(15.56)	18.19	32.70	-	-	(8.89)	-	(8.89)	-	79.99%
10	Godrej UEP Private Ltd.	01-Apr-2019 To 31-Mar-2020	INR	1.00	0.10	(0.40)	0.08	0.38	-	-	(0.25)	-	(0.25)	-	79.99%
SUBSIDIARY AND SUB-SUBSIDIARY OF GODREJ INFOTECH LTD															
11	LVD Godrej Infotech NV, Belgium	01-Jan-2019 to 31-Dec-2019	EURO	79.8230	0.49	3.40	7.66	3.77	1.88	18.13	2.53	0.77	1.76	-	46.85%
12	Godrej Infotech (Singapore) Pte Ltd., Singapore	01-Apr-2019 To 31-Mar-2020	SGD	52.6789	0.53	4.44	7.99	3.02	-	8.01	(0.02)	-	(0.02)	-	52.06%
13	Godrej Infotech Americas Inc., USA.	01-Apr-2019 To 31-Mar-2020	USD	75.1021	0.08	(0.04)	1.50	1.46	-	0.12	0.00	-	0.00	-	52.06%

*Amount less than Rs. 50,000

Part "B": Associates and Joint Ventures

Sr. No.	Name of Associate / Joint Venture	Latest audited Balance Sheet Date	Shares of Associate/ Joint Venture held by the Company on the year end			Description of how there is significant influence	Reason why the Associate / Joint Venture is not consolidated	Networth attributable to Shareholding as per latest audited Balance Sheet	Rupees in Crore	
			Number	Amount of Investment in Associate /Joint Venture	Extent of Holding %				Profit/ Loss for the year	
									Considered in Consolidation	Not Considered in Consolidation
A Joint Ventures:										
1	Godrej Consoveyo Logistics Automation Ltd. (formerly Godrej Efacec Automation and Robotics Ltd.) (Joint Venture)	01-Apr-2019 to 31-Mar-2020	7,50,000	0.75	49%	There is significant influence by virtue of joint control.	Godrej and Boyce Mfg. Co. Ltd stake is less than 51%	5.35	1.37	1.43
B Associates:										
2	Godrej and Khimji (Middle East) L.L.C. -Oman [Joint Venture of Godrej (Singapore) Pte. Ltd.]	01-Jan-2019 to 31-Dec-2019	5,78,200	8.65	49%	Godrej Singapore Pte.Ltd. is holding more than 20% of share capital	Godrej and Boyce Mfg. Co. Ltd stake is less than 51%	8.64	(2.83)	(2.94)
3	Godrej & Boyce Enterprise LLP *	01-Apr-2018 to 31-Mar-2019	NA	0.00	50%	Godrej and Boyce Mfg. Co. Ltd is holding more than 20% of share capital	Godrej and Boyce Mfg. Co. Ltd stake is less than 51%	0.00	0.00	0.00
4	Future Factory LLP	01-Apr-2019 to 31-Mar-2020	NA	3.45	20%	Godrej and Boyce Mfg. Co. Ltd is holding 20% of share capital	Godrej and Boyce Mfg. Co. Ltd stake is less than 51%	2.42	0.01	0.03
5	Urban Electric Power Inc., USA	01-Jan-2019 to 31-Dec-2019	28,83,077	-	30.22%	Godrej and Boyce Mfg. Co. Ltd is holding more than 20% of share capital	Godrej and Boyce Mfg. Co. Ltd stake is less than 51%	(25.33)	(10.81)	(24.97)

*(Amount less than Rs. 50,000)

Note: 1. Parazelsus Orient Ltd. has ceased to be an associate with effect from 23rd January, 2020.

2. Godrej & Boyce Enterprise LLP is under the process of strike off

For and on behalf of the Board of Directors

Mumbai, 26th August, 2020

J. N. GODREJ
Chairman &
Managing Director
DIN: 00076250A. G. VERMA
Executive Director
& President
DIN: 02366334P. K. GANDHI
Chief Financial
OfficerP. E. FOUZDAR
Executive Vice President
(Corporate Affairs) & Company Secretary



Godrej & Boyce Manufacturing Company Limited
Pirojshanagar, Vikhroli, Mumbai 400 079