

CREATING VALUE THROUGH  
**INNOVATION & TRANSFORMATION**



## **Creating Value Through Innovation & Transformation**

As we aggressively continue our 10 x 10 journey, aiming to grow 10 times in 10 years, our growth plans focus on premium quality products created specifically to cater to the Global Consumer through strategic approach and a design led innovation. Powered by the CREATE strategy, we aim to transform Godrej into a uniquely differentiated consumer-centric global entity. This will enable us to consolidate and expand our achievements and create value for all our esteemed stakeholders.



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# BOARD OF



**A. B. Godrej**  
Chairman



**N. B. Godrej**  
Managing Director



**T. A. Dubash**  
Executive Director &  
Chief Brand Officer



**A. B. Choudhury**



**S. A. Ahmadullah**



**K. K. Dastur**

# DIRECTORS



J. N. Godrej



V. M. Crishna



N. S. Nabar  
Executive Director &  
President (Chemicals)



K. M. Elavia



K. N. Petigara



A. D. Cooper

# Corporate Information

**AUDITORS** : Kalyaniwalla & Mistry LLP, Chartered Accountants

## **BOARD COMMITTEES**

Audit Committee : K. K. Dastur (Chairman)  
S. A. Ahmadullah  
K. N. Petigara  
A. B. Choudhury

Nomination & Compensation Committee : S. A. Ahmadullah (Chairman)  
A. B. Choudhury  
K. N. Petigara

Stakeholders Relationship/  
Shareholders Committee : A. B. Godrej (Chairman)  
N. B. Godrej  
T. A. Dubash  
N. S. Nabar

Corporate Social Responsibility Committee: : N. B. Godrej (Chairman)  
T. A. Dubash  
K. N. Petigara  
A. B. Choudhury

Risk Management Committee : N. B. Godrej (Chairman)  
T. A. Dubash  
N. S. Nabar

Management Committee : A. B. Godrej (Chairman)  
N. B. Godrej  
T. A. Dubash  
N. S. Nabar

**CHIEF FINANCIAL OFFICER** : Clement Pinto

**COMPANY SECRETARY** : Nilufer Shekhawat

**REGISTERED OFFICE** : Godrej One, Pirojshanagar, Eastern Express  
Highway, Vikhroli (East), Mumbai 400 079.  
Phone: 022-2518 8010, 2518 8020, 2518 8030  
Fax: 022-2518 8066  
website: [www.godrejindustries.com](http://www.godrejindustries.com)  
CIN No.: L24241MH1988PLC097781

**REGISTRARS & TRANSFER AGENT** : Computech Sharecap Ltd.  
147, Mahatma Gandhi Road,  
Fort, Mumbai 400 001.  
Phone: 022 - 2263 5000, 2263 5001  
Fax: 022 - 2263 5005  
E-Mail: helpdesk@computechsharecap.in  
Website: www.computechsharecap.com

## **FACTORIES**

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

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

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

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

## **BANKERS**

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



**Adi Godrej**  
Chairman

## CHAIRMAN'S STATEMENT

Dear Shareholders,

I am delighted to share with you the events and developments of your Company during course of financial year 2016-17. The overall performance of your Company has witnessed a healthy growth in profits with consolidated Net Profit increasing by 59%. We continued to do well in most of our core businesses. The year gone is representative of the value Godrej Industries continues to create for all its stakeholders.

As a conglomerate with diverse business interest, growth at consolidated level is pursued through competitively growing your Company's core businesses, building an environment to achieve transformation while also nurturing and investing in emergent businesses of the future.

This approach of your Company's business strategy is captured in the approach called CREATE which stands for:





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

## **C – Consumer and Chemicals**

### **Consumer (GCPL)**

Godrej Consumer Products Ltd. is a leading emerging markets company. In FY2017 GCPL delivered another year of competitive and profitable growth. Despite some category and geography specific challenges, GCPL has delivered good sales growth, which is a reflection of its clear strategic portfolio choices, backed by strong execution. Moreover, GCPL also delivered robust operating profits across businesses, while investing in its brands and in innovations. On a consolidated basis, GCPL reported 58% growth in its Net Profit at ₹ 1,304 crore as compared to ₹ 828 crore of the previous year.

One of GCPL's most important imperatives is to extend leadership in our core categories - home care, personal wash and hair care. We remain focused on delivering superior ahead of the market growth, driving consumption and penetration in our core categories, as well as extending into attractive adjacencies. The strategic pillars of GCPL is to sustain leadership position in its core categories, strengthen presence in emerging categories, drive growth in international business, accelerate the pace of innovation, strengthen brand portfolio, create a future ready sales organization, build a global best-in-class supply chain and continue to execute different initiatives to foster an agile and high performance culture. I am pleased to share that GCPL was ranked the number 1 FMCG company to work for in 'Great Place to Work – Best Workplaces in India 2016' list; its thirteenth consecutive year on the list. It was also ranked number 12 on the 'Great Place to Work – Best Workplaces in Asia 2017' list and ranked among the

top 19 'Aon Hewitt Best Employers in India - 2017' survey.

GCPL remains focused on its 3x3 strategy of building a presence in 3 emerging markets (Asia, Africa and Latin America) across 3 categories (home care, personal wash and hair care). This, we believe, will provide us immense opportunities across all our geographies and categories. GCPL will continue to invest competitively in its brands and enhance go-to-market infrastructure. We remain excited about the enormous growth potential in India and other emerging market, given low penetration and consumption rates in our core categories. I am confident that with our clear strategic focus, differentiated product portfolio, superior execution and top-notch team, we will continue to deliver industry-leading results in the future.

### **Chemicals**

Our Chemicals business recorded a growth of 17% in revenue in FY2016-17. The chemicals business continued its strong focus on cost control and energy efficiencies. This coupled with a strategic approach to front-end sales contributed to the good performance across product categories.

I am happy to share that our Chemicals business has received the prestigious 'Award of Excellency' from Chemexcil (an industry council setup by the Ministry of Commerce and Industry) for its outstanding export performance. I am also happy to share that our Valia plant was awarded the 'Energy Efficient Unit' for a second time in a row at CII National Awards for Excellence in Energy Management 2016. Additionally,

the plant also won the 'Innovative Project' award for their consistent effort in introducing new energy efficiency technologies. Further to share with you, your company's managing director Mr. Nadir Godrej was honoured with CHEMTECH leadership & excellence award 2017- Hall of Fame.

## **R E – Real Estate (GPL)**

FY2016-17 has been a strong year for business development, GPL added 7 new projects with a saleable area of 18 million sq.ft. GPL entered the Noida market and sold more than 1 million sq.ft. despite weak market conditions. GPL's new launches received an encouraging response despite weak market conditions. Total booking volume registered for FY2016-17 stood at 3.1 million sq. ft. and booking value of ₹ 2,020 Cr. GPL's Total Income stood at ₹ 1,733 crore. EBITDA increased by 42% to ₹ 401 crore and Net Profit increased by 30% to ₹ 207 crore. Strong profit growth was contributed by our flagship project 'The Trees' which attained revenue recognition much ahead of schedule.

In FY2016-17 GPL delivered 4.6 million sq.ft, which includes 3.3 million sq.ft of residential and 1.3 million square feet of commercial space across four cities. I am happy to share with you that GPL was ranked 2nd in Asia & 5th globally by GRESB (Global Real Estate Sustainability Benchmark) - An industry-driven organization which assesses Environmental, Social and Governance (ESG) performance of real estate assets globally.

As you know, the sector is going through a significant transition at the moment. The process of consolidation that was already underway will now gather pace with both demonetization and more importantly, the Real Estate Regulatory Act. While these reforms may create some short-term uncertainty and delay, they will eventually help improve governance standards in the sector thereby improving consumer confidence and real estate demand. The government has put in place many policy reforms to encourage real estate development, especially in the affordable housing space, and we believe these reforms will lead to sustained improvements in the sector. We expect 2017 to be a transition year but the years ahead are

likely to be very exciting ones for the sector. We believe our brand, national presence, demonstrated track record, and capabilities put us in a strong position to disproportionately benefit from any improvement in the environment and will allow us to remain on a high growth trajectory in the years ahead.

## **A – Agri Business (GAVL)**

A normal monsoon after two back to back poor monsoons provided much needed boost to the agri sector. GAVL was also positively impacted by these conditions as evident in our financial performance. In FY2016-17 GAVL recorded consolidated revenue of ₹ 4,985 crore as against ₹ 3,819 crore, a growth of 31% over the previous year. Profit Before Tax for the year grew by 12% to ₹ 375 crore as compared to ₹ 335 crore in FY2015-16.

The company successfully integrated Astec Life Sciences Ltd. (Astec) and Creamline Dairy Products Limited (Creamline), with FY2016-17 financials reflecting the full year performance of these two companies. We continue our focus on operational efficiencies, R&D initiatives and building a strong relationship with our customers especially the farmers. The Animal feeds vertical had a steady performance in FY2016-17 despite headwinds in few categories, its revenue for FY2016-17 grew by 3% as compared to FY2015-16.

GAVL's joint venture in Bangladesh (ACI Godrej) recorded a sales growth of 13% in FY2016-17. The business continues to consolidate and grow its market share in the categories of Feed. The Oil Palm vertical business recorded a sales of ₹ 507 crore a growth of 25% over the previous financial year. Remunerative prices of Fresh Fruit Bunches (FFB) for the farmers helped in bringing sizeable area under Oil Palm this year. Good south west monsoons during the year helped the crop protection business to clock a growth of 54% in sales as compared to the previous year. The business continues to focus on building synergies with Astec LifeSciences Ltd.

Astec LifeSciences Ltd, a subsidiary of GAVL recorded a Total Income of ₹ 316 crore in FY2016-17 a growth of 24% over FY2015-16. The sales growth