

# CHAIRMAN'S STATEMENT

Dear Shareholders,

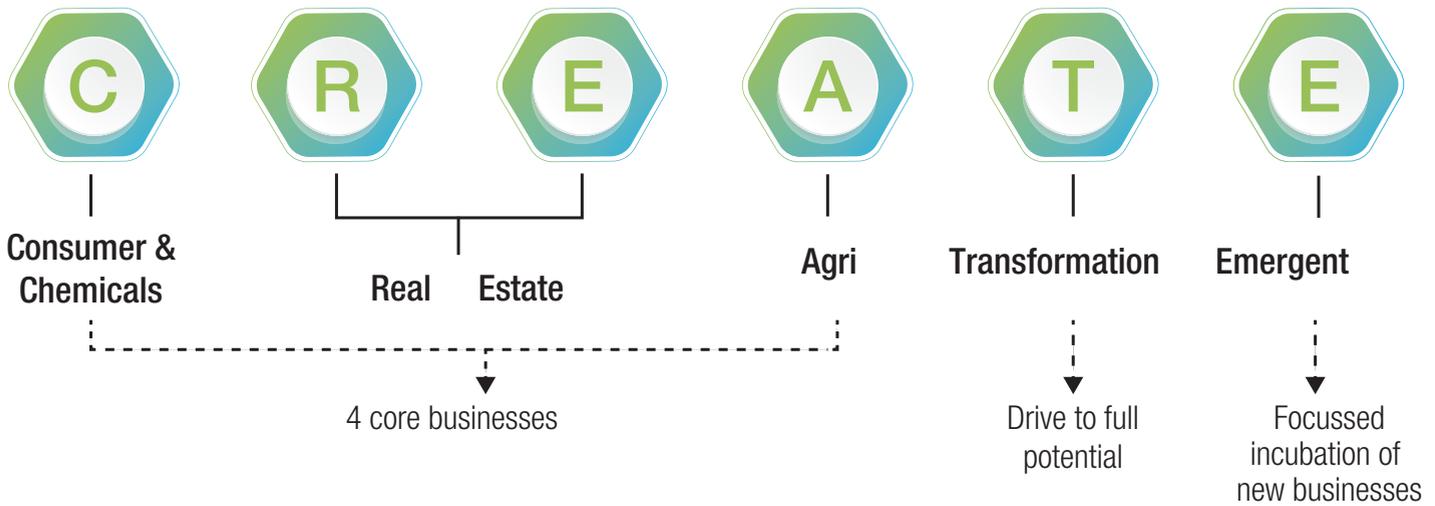
I am delighted to share with you the events and developments of your Company during the course of the financial year 2020-21. The year gone by is representative of the value Godrej Industries continues to create for all its stakeholders.

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



**Adi Godrej**  
Chairman

## VALUE RESEARCH PREMIUM



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

### C – Consumer and Chemicals

#### Consumer (GCPL)

GCPL is a leading emerging markets company. As part of the 124-year young Godrej Group, GCPL is fortunate to have a proud legacy built on the strong values of trust, integrity and respect for others. At the same time, it is growing fast and has exciting, ambitious aspirations. Besides its strong financial strength and innovative, much-loved products, GCPL remains a good company. GCPL is also bringing together the passion and purpose to make a difference through the 'Good & Green' approach to create a more inclusive and greener India.

From a category perspective, GCPL saw continued strong growth momentum in the Household Insecticides and Hygiene categories. Hygiene grew by 24%, Household Insecticides grew by 15% and Value For Money products grew by 14%.

From a geography perspective, GCPL India grew at 14%. Africa, USA and Middle East business grew at 8% in INR and 9% in constant currency terms. Its Indonesian business delivered growth of 4% in INR and 2% in constant currency terms, on a positive growth base.

GCPL continues to focus its growth efforts where the demand is – in Household Insecticides, Hygiene and Value For Money. They are using this time to find ways to move faster and experiment more, sharpen execution, build platforms for the future, double down on digitisation and sustainability, and create more delight for all consumers.

We remain confident of leveraging growth opportunities to drive sustainable, profitable sales growth across our portfolio in FY 2022. We will continue to carefully navigate the challenges of the second wave of COVID-19 in India by ensuring seamless supply chain deliveries, and closely tracking shifts in consumer behavior.

We remain committed to doing our very best to truly live The Godrej Way and serve our people and communities.

#### Chemicals

Our Chemicals business continued its strong performance, despite the COVID pandemic and lockdown restrictions during the year. The Total revenue of the Chemicals business stood at ₹ 1,666 Crore, with a healthy operating profit of ₹ 119 Crore. The business did well across its product categories with

good demand from hygiene related industries. Our Manufacturing Facilities worked very well during the Pandemic with the highest importance given to people safety and by following all COVID safety protocols. We continue to ensure that our growth is both sustainable as well as profitable, and that we continue to prioritise safety. Several initiatives taken by the Business resulting in energy and operating efficiencies has also helped the business to grow in a profitable and sustainable manner.

I am happy to share that the Chemicals Business received several awards and recognition. Our Valia (Gujarat) Factory has been awarded “GreenCo Star Performer Award, 2020” by Confederation of Indian Industry in the Annual CII Green Co Summit 2020. They were also awarded the ‘FGI Award’ for Excellence in Pollution Management & Sustainable Practices. Our Ambernath (Maharashtra) Factory was also awarded most environment friendly company by FICCI in 2021. I am also happy to share that our Chemicals Business has won the Organization with Best Employee Relations Practices - award at the Global HR Excellence Awards organized by World HRD Congress and Times Ascent.

### **R E – Real Estate (GPL)**

GPL delivered a strong performance this year in unprecedented circumstances. The team leveraged digital and physical channels to report a booking value of ₹ 6,725 Crore, the highest ever in the history of GPL.

On the operational front, GPL successfully delivered 6.5 million sq.ft across its projects. GPL has now delivered over 28.2 million sq. ft. of real estate in the last six years. GPL also successfully concluded the largest ever QIP by a real estate company in India raising ₹ 3,750 Crore.

GPL received several recognitions for the efforts on environment and safety, including being ranked #1 amongst listed global residential developers in the 2020 Global Real Estate Sustainability benchmark (GRESB) Assessment report – An industry-driven organization which assesses Environmental, Social and Governance (ESG) performance.

While the real estate sector like all parts of the economy has been impacted by the COVID pandemic, we expect the sector will continue the robust recovery it was witnessing once this crisis abates. Given our robust launch pipeline, strong balance sheet, and interesting new project acquisition opportunities, we expect a strong FY22.

### **A – Agri Business (GAVL)**

The fiscal year 2020-21 was an excellent year for GAVL in terms of business profitability. The consolidated profit before tax for the year was ₹ 448 Crore, representing year-on-year growth of ~60%.

With a nation-wide lockdown at the beginning of the year, the team did a great job of keeping the supply chains running, with little and in some cases no downtime. In less than a fortnight, the entire network of 64 manufacturing plants were up and running. GAVL quickly adapted to this situation and all its manufacturing plants were operational during the Pandemic / lockdown while ensuring utmost safety for its employees and business partners. This quick adaptation to the new normal and commitment of our Employees and our business partners ensured that the business segments did well.

The Animal feeds business operating results grew by 24% in fiscal year 2021, supported by favorable commodity prices and realization of R&D benefits. The Crop Protection business too did well with Astec recording a 45% growth in PBT. The focus on R&D continues with the business building a new state-of-the-art R&D facility at New Mumbai. The business is doing well with new product launches and expanding its customer base. It was also one of the best years for GAVL’s poultry and processed foods subsidiary

Godrej Tyson, as it reported 17% revenue growth. Higher volumes and price coupled with favourable input prices helped in the business performance. The Dairy business profitability improved supported by low input procurement prices. The vegetable oil business was impacted by the white-fly attack which lowered FFB arrival and oil content in the fruit.

## T – Transformation

As a Group, your Company believes in inclusive growth that aims at enhancing the competitiveness of the businesses while simultaneously advancing the economic and social conditions of the communities in which it operates. This focus is implemented Group wide through the 'Godrej Good and Green' initiative. Godrej Group stands in solidarity with efforts to overcome COVID-19. We stand in solidarity with our people and Governments and the many efforts to ensure public health and safety.

As a Group, we earmarked an initial outlay of ₹ 50 Crore and as of March 2021, we have already committed ₹ 51.4 Crore. We will try to the best of our capabilities to serve our customers, employees, communities and countries, and especially support health personnel, government workers, and everyone working tirelessly to curb the spread of this pandemic. The initiatives are in the areas of medical equipment supply, vaccination and awareness, product innovations and supply and support at factories and construction sites.

## E – Emergent Businesses

Over the many years, your Company has incubated new businesses and grown them successfully. We believe that there is a good potential for Housing finance and Non-banking finance business in our Country. Looking at this opportunity, these businesses will be nurtured under your Company. Godrej Housing Finance Limited (GHFL) received RBI license to commence operations during the course of fiscal year 2020-21 and has started operations. GHFL will be a sub-subsidiary of your Company, post receipt of RBI approval. We believe that this new business will create overall value to the Stakeholders.

We through Godrej Maxximilk, a subsidiary of GAVL is engaged in in-vitro production of high-quality cows that aid dairy farmers produce top-quality milk, which help in increasing their yield by a significant proportion.

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

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

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

Yours sincerely,

**Adi Godrej**

Chairman, Godrej Industries Limited