**Godrej Industries Ltd.**
Regd. Office : Godrej One,
Pirojshanagar,
Eastern Express Highway,
Vikhroli (E), Mumbai - 400 079. India
Tel. : +91-22-2518 8010/8020/8030
Fax: +91-22-2518 8068/8063/8074
Website : www.godrejindustries.com
CIN : L24241MH1988PLC097781

August 14, 2018

**BSE Limited**
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai 400 023.

**The National Stock Exchange of India Ltd.**
Plot No.C-1, G-Block, Exchange Plaza,
4th Floor, Bandra-Kurla Complex,
Mumbai 400 051

Dear Sirs,

**Annual Report**

Enclosed herewith is the Annual Report of the Company for the financial Year 2017-18, as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, duly approved and adopted by the members as per the provisions of the Companies Act, 2013.

Thank you.

Yours faithfully,
For Godrej Industries Limited

Nilufer Shekhawat
Company Secretary

Godrej | INDUSTRIES

# ANNUAL REPORT

2017-18

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# BOARD OF **DIRECTORS**



**A. B. Godrej**
Chairman



**N. B. Godrej**
Managing Director



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



**J. N. Godrej**



**V. M. Crishna**



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



A. B. Choudhury



S. A. Ahmadullah



K. K. Dastur



K. M. Elavia



K. N. Petigara



A. D. Cooper

# Corporate Information

| | | |
|---|---|---|
| **AUDITORS** | : | BSR & Co. LLP, Chartered Accountants |
| **BOARD COMMITTEES** | | |
| Audit Committee | : | K. K. Dastur (Chairman)<br>S. A. Ahmadullah<br>K. N. Petigara<br>A. B. Choudhury |
| Nomination &<br>Compensation Committee | : | S. A. Ahmadullah (Chairman)<br>A. B. Choudhury<br>K. N. Petigara |
| Stakeholders Relationship/<br>Shareholders Committee | : | A. B. Godrej (Chairman)<br>N. B. Godrej<br>T. A. Dubash<br>N. S. Nabar |
| Corporate Social<br>Responsibility Committee: | : | N. B. Godrej (Chairman)<br>T. A. Dubash<br>K. N. Petigara<br>A. B. Choudhury |
| Risk Management Committee | : | N. B. Godrej (Chairman)<br>T. A. Dubash<br>N. S. Nabar |
| Management Committee | : | A. B. Godrej (Chairman)<br>N. B. Godrej<br>A. D. Cooper<br>T. A. Dubash<br>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.<br>Phone: 022-2518 8010, 2518 8020, 2518 8030<br>Fax: 022-2518 8066<br>website: www.godrejindustries.com<br>CIN No.: L24241MH1988PLC097781 |

**REGISTRARS & TRANSFER AGENT** : Computech Sharecap Ltd.
147, Mahatma Gandhi Road, Opp. Jahangir
Art Gallery, Fort, Mumbai 400 001.
Phone: 022 - 2263 5000, 2263 5001
Fax: 022 - 2263 5001
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.

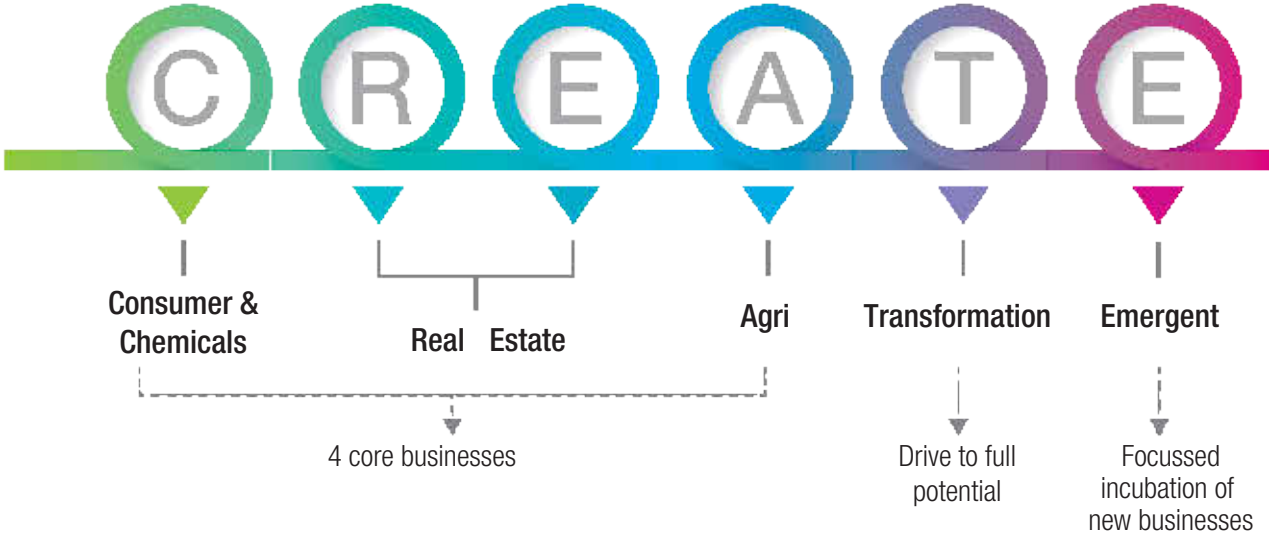



# CHAIRMAN'S STATEMENT

Dear Shareholders,

I am delighted to share with you the events and developments of your Company during the course of the financial year 2017-18. The overall performance of your Company has witnessed a healthy growth in profits with consolidated Net Profit increasing by 64% over the previous year. We continue to do well in most of our core businesses.

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:




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

**C – Consumer and Chemicals**
**Consumer (GCPL)**

GCPL, an associate of your company, continues to make strong progress on its exciting journey to be a leading FMCG player in emerging markets.

On a consolidated basis, GCPL reported sales of ₹ 9862 crore in FY2017-18, a comparable growth of 6% over the previous year. Net profit grew by 25% at ₹ 1634 crore as compared to ₹ 1304 crore during the previous year. GCPL continues to make healthy investments in strengthening our brands and enhancing our capabilities for sustainable future growth.

GCPL is building a presence in 3 emerging markets (Asia, Africa, Latin America) across 3 categories (home care, personal wash, hair care). GCPL ranks amongst the largest household insecticide and hair care players in emerging markets. In household insecticides, it is the leader in India, the second largest player in Indonesia and is expanding its footprint in Africa. It is the leader in serving the hair care needs of women of African descent, the number one player in hair colour in India and Sub-Saharan Africa, and among the leading players in Latin America. It also ranks number two in soaps in India and is the number one player in air fresheners and wet tissues in Indonesia.

GCPL is amongst the top 16 companies in Aon's Best Employers India 2018 study. About 125 companies from 10 industries, representing almost 329,000 employees were assessed as part of this study.

**Chemicals**

Our Chemicals business has delivered a strong fiscal with PBIT increasing by 18% over the previous year. The chemicals business continued its strong focus on cost control and operational efficiencies. We have also done very well on the exports front, with a revenue of ₹ 539 crore, a growth of 35%. I am pleased to share with you that the Chemicals business received the Trishul Award from CHEMEXCIL for outstanding performance in exports.

I am also happy to share that our Valia (Gujarat) factory was awarded the "Most Environment-Friendly Company" at the FICCI Chemicals & Petrochemicals Awards 2017 and was also awarded by Confederation of Indian Industries the "Energy initiatives award" for a third time in a row. Our Ambernath (Maharashtra) factory was also awarded the "Excellence in Energy Conservation and Management" by ICC.

**R E – Real Estate (GPL)**

FY18 has been the best ever year for Godrej Properties Limited (GPL) on three most important parameters - sales, collections and business development. For the first time in GPL's history, GPL has delivered sales of more than ₹ 1,000 crore in each of the four quarters of the financial year.

GPL crossed ₹.5000 crore in booking value for the second time in our history and ended the year with a booking value of ₹ 5083 crore, which represents year-on-year increase of 152%.

Total Income for the year grew by 38% and Net Profit increased by 14%.

FY18 has also been the best ever year for business development in the history of GPL in terms of the number of new projects added. GPL added 12 new projects with saleable area of 23.5 million sq. ft. More than 80% of the area added in FY18 is in partnership with other real estate developers and all the projects added are in the four largest real estate markets in India.

The Indian real estate sector has undergone a lot of disruption in the past couple of years- starting with demonetization in 2016 and continued with the Real Estate Regulatory Act (RERA) and GST being introduced in the last financial year. These measures are helping to drive consolidation in the sector. A weak property market and increasing customer preference for stronger developers has created an unprecedented business development opportunity for developers with strong customer franchises and development capabilities. We believe GPL is well placed to capitalize on these opportunities in the business development space.

I am extremely happy to share with you that this year GPL was ranked 2nd in Asia & 6th globally by the Global Real Estate Sustainability Benchmark, which is an industry-driven organization that assesses Environmental, Social, and Governance performance of real estate companies globally. GRESB is widely recognized as the global standard for portfolio-level sustainability and governance reporting and benchmarking in the real estate sector.

**A – Agri Business (GAVL)**

GAVL, a subsidiary of your company had a successful Initial Public Offer (IPO) and got listed on the Stock Exchanges (NSE/BSE) on 16th October, 2017. The IPO was oversubscribed by 96 times.

For FY18, GAVL recorded consolidated revenues of ₹ 5,206 crore as compared to revenues of ₹ 4,926 crore during the previous financial year, registering a year-on-year growth of 5.7%. Revenue growth was mainly driven by crop protection, vegetable oil and dairy business segments.

The animal feed business has shown a volume growth of 7.4% during the financial year 2017-18 driven by cattle feed and layer feed segments. GAVL was also successful in arresting the volume decline seen in the past few years in the broiler feed segment, despite intense competition.

GAVL's Crop Protection business recorded an increase in revenue of 15.3% in the consolidated revenues. Herbicides and Fungicides category continue to grow at a fast pace during the current financial year.

Astec LifeSciences Ltd., a subsidiary of GAVL recorded a revenue growth of 18.6% and PBT growth of 31.4%.

In FY18, Oil Palm business grew by 15.5% as compared to the previous financial year. A project to convert the oil palm biomass into value added product has also started to contribute to the profitability of the business.

Creamline Dairy Products Limited, a subsidiary of GAVL recorded a revenue growth of 14.6% during financial year 2017-18. However, profitability of the business was impacted by adverse milk prices and high provisioning costs due to poor butter prices during the financial year.

Godrej Tyson Foods Limited, GAVL's joint venture reported revenues of ₹ 434 crore. We will continue our strategy of building a brand based business under '***Real Good Chicken***' and '***Yummiez***' brands.

GAVL's another joint venture (ACI Godrej Agrovet Private Limited - Bangladesh) continues to remain among the top four players in Bangladesh in all the feed categories it operates. The company posted sales of ₹ 675 crore during financial year 2017-18, registering a year-on-year growth of 11.8%.

Overall, the future prospect of GAVL remains robust and I am confident that we will continue to deliver industry outperforming results in the coming years.

**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.

As part of Good & Green, the Group, by 2020, aspires to create a more employable Indian workforce, a greener India and innovate for products that are greener or cater to the bottom of the income pyramid. The Group has made good progress on each of these objectives during the last fiscal year. Through employability programs in beautician training, channel sales, rural entrepreneurship and animal husbandry, the Group has been able to train and empower thousands of unemployed or underemployed youth in the last year.

**E – Emergent Businesses**

Over the last many years, your company has incubated new businesses and grown them successfully. The emergent business in your Company's portfolio viz. Natures' Basket (NBL) is scaling up well.

FY18 was a good year with sales of ₹ 291 crore, a growth of 18% over the previous year. NBL, during the year, worked on defining the long-term strategy for the business. Mumbai, Pune and Bangalore continue to be focus markets for NBL from the perspective of both revenue growth and profitability.

NBL's strategy is to be a leading Omni Channel player by focusing strongly on In-store as well online business channels in Daily Food Delight space. The online business clocked a sale of ₹ 19 crore in FY18, a growth of 10% over the previous year. Online sales contributed to 6.5% of the overall sales.

NBL Brand continues to win awards in forums like Food & Grocery forum, Franchise India Retail Award for Omni Channel performance, TRRAIN awards for Customer service etc.

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 Ltd.

# FINANCIAL HIGHLIGHTS

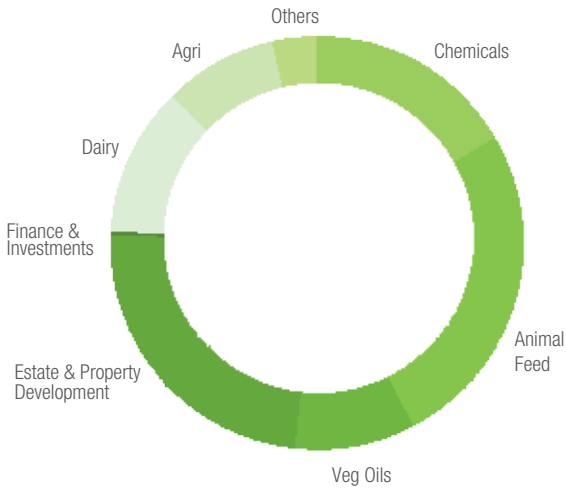
# Financial Highlights

₹ Crore

| FINANCIAL HIGHLIGHTS - CONSOLIDATED | 2017-18 | 2016-17 |
|---|---|---|
| Total Income+ | 9,988 | 8,674 |
| Profit before Finance Costs, Depreciation and Amortisation and Tax & Share of Profit of Associates+ | 1,403 | 1,176 |
| Depreciation and Amortisation expense | 175 | 148 |
| Finance Costs | 413 | 402 |
| Tax | 184 | 167 |
| Non-Controlling Interest | 210 | 202 |
| Net Profit (Attributable to Owners of the Company) | 421 | 256 |

+ *Including other income and exceptional items*

## Total Income 2017-18




## Break-up of Total Income*

₹ Crore

| | |
|---|---|
| Chemicals | 1,660 |
| Animal Feed | 2,576 |
| Veg Oils | 927 |
| Estate & Property Development | 2,409 |
| Finance & Investments | 22 |
| Dairy | 1,158 |
| Crop Protection | 882 |
| Others | 354 |
| **Total** | **9,988** |

* *net of intersegment revenue*

# NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the THIRTIETH ANNUAL GENERAL MEETING of the members of GODREJ INDUSTRIES LIMITED will be held on Monday, August 13, 2018 at 2.30 p.m. at the Auditorium, Godrej One, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai – 400 079, to transact the following business:

## Ordinary Business:

1. To consider and adopt the Audited Financial Statements (both standalone and consolidated) of the Company for the year ended March 31, 2018 which includes the Statement of Profit & Loss, Cash Flow Statement, the Balance Sheet as at that date, the Auditor's Report thereon and the Board's Report.

2. To declare a dividend on Equity Shares.

3. To appoint a Director in place of Mr. V. M. Crishna (DIN: 00066267), who retires by rotation and being eligible, offers himself for re-appointment.

4. To appoint a Director in place of Mr. N. S. Nabar (DIN: 06521655), who retires by rotation and being eligible, offers himself for re-appointment.

5. Ratification of appointment of Statutory Auditors and fixing their remuneration:

   To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:-

   "RESOLVED that pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and the Rules made thereunder, as amended from time to time, the Company hereby ratifies the appointment of M/s. BSR & Co. LLP, Chartered Accountants, (Firm Regn. No. 101248W/W-100022), as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Thirty fourth AGM of the Company at such remuneration as shall be fixed by the Board of Directors of the Company".

## Special Business:

6. **Reappointment of and remuneration payable to Ms. T. A. Dubash as Whole-time Director**

   To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:-

   "RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the Company be and is hereby accorded for the reappointment of and terms of remuneration payable to, including increase in remuneration and/or waiver of refund of excess remuneration and/or the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of appointment of Ms. T. A. Dubash (DIN: 00026028), as a Whole time Director of the Company, designated as Executive Director & Chief Brand Officer, for a period of three years from April 1, 2019 to March 31, 2022 on the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this meeting, with liberty to the Directors / Nomination and Compensation Committee to alter and vary the terms and conditions of the said appointment in such manner as may be agreed between the Directors and Ms. T. A. Dubash."

7. **Reappointment of and remuneration payable to Mr. N. S. Nabar as Whole-time Director :**

   To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:-

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the Company be and is hereby accorded for the reappointment of and terms of remuneration payable to, including increase in remuneration and/or waiver of refund of excess remuneration and/or the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of appointment of Mr. N. S. Nabar (DIN: 06521655), as a Whole time Director of the Company, designated as Executive Director & President (Chemicals), for a period of three years from April 1, 2019 to March 31, 2022 on the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this meeting, with liberty to the Directors / Nomination and Compensation Committee to alter and vary the terms and conditions of the said appointment in such manner as may be agreed between the Directors and Mr. N. S. Nabar

**8. Contribution to bonafide charitable and other funds:**

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:-

"RESOLVED THAT in supersession of the resolution passed at the General Meeting of the Company held on August 25, 2003, consent of the Company be and is hereby accorded to the Board of Directors of the Company to contribute to bonafide charitable and other funds not directly relating to the business of the Company or the welfare of its employees, such amounts from time to time, as the Board of Directors of the Company may, in their discretion, deem fit, not exceeding ₹ 5 crores (Rupees Five crores only) in the aggregate, in any financial year notwithstanding that the aggregate of such contributions are in excess of the limits laid down in section 181 or any other applicable provisions of the Companies Act 2013."

**9. Creation of Charges**

To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:-

"RESOLVED that pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, to or in favour of all or any of the financial institutions/ banks/insurance companies/other investing agencies/trustees for holders of debentures/ bonds/other instruments which may be issued to and subscribed by all or any of the financial institutions/banks/insurance companies/other investing agencies or any other person(s)/ bodies corporate by way of private placement or otherwise to secure Rupee/foreign currency loans, debentures, bonds or other instruments (hereinafter collectively referred to as "Loans") provided that the total amount of Loans together with interest thereon at the respective agreed rates, additional interest, compound interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company to the aforesaid parties or any of them under the Agreements/Arrangements entered into/ to be entered into by the Company in respect of the said Loans, shall not at any time exceed the limit of ₹ 300 crore (Rupees Three hundred crore).

RESOLVED FURTHER that the Board of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers

conferred by this Resolution) be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

**10. Remuneration of M/s. R. Nanabhoy & Co., Cost Auditors of the Company:**

To consider and, if thought fit, to pass with or without modification, 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 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the rules made thereunder, as amended from time to time, the remuneration payable to M/s. R. Nanabhoy & Co., Cost Accountants, the Cost Auditors appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2019, amounting to ₹ 3,04,000 per annum, plus service tax and actual out-of-pocket expenses, be and is hereby ratified and confirmed.

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."

By Order of the Board of Directors

Nilufer Shekhawat
Company Secretary

Mumbai, May 23, 2018

**Registered Office:**
Godrej One, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai 400 079.
Tel.: +91 22 2518 8010/ 20/ 30;
Fax: +91 22 25188066;
Website: www.godrejindustries.com;
Email: investor@godrejinds.com;
CIN: L24241MH1988PLC097781

**NOTES:**

1. The Explanatory Statement pursuant to section 102 of the Companies Act, 2013 (the Act) in respect of business under Item Nos. 6 to 10 as set out in the Notice is annexed hereto.

2. Brief resume of Directors/persons proposed to be appointed/re-appointed, as stipulated under regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and Secretarial Standards issued by The Institute of Company Secretaries of India is provided after the explanatory statement to this notice.

3. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote on poll on his/her behalf and the proxy need not be a member of the Company. Proxies in order to be effective must be received at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A proxy so appointed shall not have any right to speak at the meeting. A person can act as a proxy on behalf of not more than fifty members holding in the aggregate, not more than 10% of the total share capital of the Company. Members holding more than 10% of the total share capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other member. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited Companies, Societies, etc., must be supported by an appropriate resolution/authority, as applicable.

4. All documents referred to in the accompanying Notice are available for inspection at the Registered Office of the Company during office hours on all days except Saturdays, Sundays and public holidays, up to the date of the Annual General Meeting (AGM).

5. Corporate Members intending to send their authorised representatives to attend the AGM, pursuant to Section 113 of the Act, are requested to send to the Company, a certified copy of the relevant board resolution together with the respective specimen signatures of

those representatives authorized under the said resolution to attend and vote on their behalf at the meeting.

6. Pursuant to section 101 and section 136 of the Act read with relevant rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those Members whose email addresses are registered with the Company/ Depositories, unless any Member has requested for a physical copy of the same. Members who have not registered their email addresses so far are requested to register their email address with their Depository Participant only, for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

7. The Ministry of Corporate Affairs has notified provisions relating to unpaid / unclaimed dividend under Sections 124 and 125 of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016. As per these Rules, dividends which are not encashed / claimed by the shareholders for a period of seven consecutive years shall be transferred to the Investor Education and Protection Fund (IEPF) Authority. The new IEPF Rules mandate the companies to transfer the shares of shareholders whose dividends remain unpaid / unclaimed for a period of seven consecutive years to the demat account of IEPF Authority. Hence, the Company urges all the shareholders to encash / claim their respective dividend during the prescribed period. The details of the unpaid / unclaimed amounts lying with the Company as on 11th August, 2017 (date of last Annual General Meeting) are available on the website of the Company. The shareholders whose dividend/ shares as transferred to the IEPF Authority can now claim their shares from the Authority by following the Refund Procedure as detailed on the website of IEPF Authority http://www.iepf.gov.in/IEPFA/refund.html

   During the year, the Company transferred unclaimed dividend of ₹ 5,44,039/- and 54,849 unclaimed shares to IEPF.

| Dividend for the Financial Year ended | Date of Dividend Declaration | Due Date for Transfer |
|---|---|---|
| 31.03.2011 | 30.07.2011 | 03.09.2018 |
| 31.03.2012 | 11.08.2012 | 16.09.2019 |
| 31.03.2013 | 10.08.2013 | 15.09.2020 |
| 31.03.2014 | 09.08.2014 | 16.09.2021 |
| 31.03.2015 | 11.08.2015 | 17.09.2022 |
| 31.03.2016* | 08.03.2016 | 14.04.2023 |
| 31.03.2017 | 11.08.2017 | 17.09.2024 |

**Interim Dividend*

8. Members/Proxies are requested to bring the Attendance Slip duly filled in for attending the AGM.

9. Members are requested to send in their queries at least a week in advance to the Company Secretary at the Registered Office of the Company to facilitate clarifications during the meeting.

10. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.

11. E-voting: In compliance with the provisions of section 108 of the Act read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, the Company is pleased to provide the members the facility to exercise their vote for business to be transacted in this notice of AGM by electronic means through e-voting facility provided by Central Depository Services Limited (CDSL). Members who are holding shares in physical or dematerialized form as on August 6, 2018 shall exercise their vote by electronic means.

**The e-voting instructions for members receiving an e-mail or a physical copy of this notice of AGM are as under:**

(i) The remote e-voting period begins on August 9, 2018 at 09:00 hrs. and ends on August 12,2018 at 17:00 hrs. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 6, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter

(ii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on "Shareholders" tab.

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,
b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user then follow the steps given below.

| For Members holding shares in Demat / Physical Form | |
|---|---|
| PAN | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)<br>• Members who have not updated their PAN with the Company/Depository Participant are requested to enter the first five letters "NPGIL" and the 5 digits of the sequence number printed on the address label. |
| Dividend Bank Details **OR** Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.<br>• If both the details are not recorded with the depository or company please enter the Demat account number / folio number in the Dividend Bank details field as mentioned in instruction (iv). |

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for Godrej Industries Limited, on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK",

else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store, respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the registration form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com. Members may also contact Mr. Mehboob Lakhani, Asst. Manager, CDSL on Ph: 1800225533.

12. In case of members who are attending the AGM and are entitled to vote but have not exercised their right to vote by electronic means, the Chairman of the Company will order a poll on his own motion for all businesses specified in the accompanying Notice. For clarity, please note that the Members who have exercised their right to vote by electronic means shall not vote by way of poll at the Meeting. The voting rights of the members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date i.e. August 6, 2018. The poll process shall be conducted and scrutinized and report thereon will be prepared in accordance with Section 109 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014.

13. Mr. Kalidas Vanjpe, Practicing Company Secretary, (Membership no. FCS 7132) or failing him Ms. Bhavana Shewakramani (Membership No. FCS 8636) of M/s. A. N. Ramani & Co., Company Secretaries have been appointed as the Scrutinizers to scrutinize the e-voting process as well as the voting by way of poll, to be conducted at the AGM, in a fair and transparent manner

14. The Scrutinizer, after scrutinizing the votes cast at the meeting and through e-voting, will, not later than forty eight hours of conclusion of the Meeting, make the Scrutinizer's report and submit the same to the Chairman. The results declared along with the scrutinizer's report shall be placed on the website of the Company www.godrejindustries.com. The results shall simultaneously be communicated to the Stock Exchanges.

15. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the Meeting, i.e. August 13, 2018.

16. Route map showing directions to reach venue of the AGM is given at the end of the Annual Report.

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013.

**Item 6 and 7**

The tenure of Ms. T. A. Dubash and Mr. N. S. Nabar, both Whole time Directors will expire on March 31, 2019. It is proposed to reappoint them for a period of 3 years, from April 1, 2019 to March 31, 2022.

Subject to the approval of the Shareholders of the Company and the Central Government, if appicable, the Nomination and Compensation Committee and the Board of Directors of the Company had, vide resolutions passed on May 23, 2018, approved reappointment of Ms. T. A. Dubash and Mr. N. S. Nabar as Whole-time Directors of the Company, designated as Executive Director & Chief Brand Officer and Executive Director & President (Chemicals), respectively with effect from April 1, 2019, for the period from April 1, 2019 to March 31, 2022. It is proposed to appoint them and approve their remuneration as Whole-time Directors. A brief profile of Ms. T. A. Dubash and Mr. N. S. Nabar, in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, is provided as part of the Notice.

The proposed remuneration and terms and conditions of appointment of Ms. T. A. Dubash and Mr. N. S. Nabar (hereinafter referred to as the Whole-time Directors) are as given below:

a. The Whole-time Directors shall perform their duties subject to the superintendence, control and direction of the Board of Directors of the Company.
b. In consideration of the performance of their duties, the Whole-time Directors shall be entitled to receive remuneration as stated herein below :-

These resolutions do not constitute related party transactions under the provisions of Section 188 of the Companies Act, 2013 read with The Companies (Meetings of Board and its Powers) Rules, 2014. These resolutions, though related party transactions under Listing Regulations, applicable accounting standards, are not material related party transactions.

The remuneration payable to the above mentioned Directors is given below:

**(i) Fixed Compensation:**

Fixed Compensation shall include Basic Salary and the Company's Contribution to Provident Fund and Gratuity Fund. The Basic Salary shall be in the following range: (a) Ms. T. A. Dubash ₹ 150,00,000/- p.a. to ₹ 210,00,000/- p.a., payable monthly and (b) Mr. N. S. Nabar ₹ 60,00,000/- p.a. to ₹ 90,00,000/- p.a., payable monthly. The Basic Salary as approved by the Nomination and Compensation Committee to the above mentioned Directors for the financial year 2018-19 is ₹133,00,000/- p.a. and ₹ 56,00,000/- p.a., respectively. The Annual Basic Salary and increments will be decided by the Nomination and Compensation Committee/Board of Directors depending on the performance of the Directors, the profitability of the Company and other relevant factors.

**(ii) Performance Linked Variable Remuneration (PLVR):**

Performance Linked Variable Remuneration according to the Scheme of the Company for each of the financial years as may be decided by the Nomination and Compensation Committee/Board of Directors of the Company based on Profit Before Tax and/or Economic Value Added (EVA) in the business and other relevant factors and having regard to the performance of the above mentioned Directors for each year.

**(iii) Flexible Compensation:**

In addition to the Fixed Compensation and PLVR, the above mentioned Directors shall be entitled to the following allowances, perquisites, benefits, facilities and amenities as per the policy/rules of the Company and subject to the relevant provisions of the Act (collectively called "perquisites and allowances").

These perquisites and allowances may be granted to the above mentioned Directors in the manner as the Board may decide as per the policy/rules of the Company.

- Housing (i.e. Unfurnished residential accommodation OR House Rent Allowance at 85% of Basic Salary)
- Furnishing at residence;
- Supplementary Allowance;
- Leave Travel Assistance;
- Payment/reimbursement of domiciliary medical expenses for self and family;
- Payment/reimbursement of food vouchers, fuel reimbursement;
- Company cars with drivers for official use, provision of telephone(s) at residence; payment/reimbursement of expenses thereof;
- Housing Loan and contingency loan as per rules of the Company. These loans shall be subject to Central Government approval, if any;
- Earned/privilege leave, on full pay and allowance, not exceeding 30 days in a financial year. Encashment/ accumulation of leave will be permissible in accordance with the policy/Rules specified by the Company. Casual/Sick leave as per the rules of the Company;
- Such other perquisites and allowances as per the policy/rules of the Company in force and/or as may be approved by the Board from time to time.

The maximum cost to the Company for the aggregate of the allowances listed above for the above mentioned Directors shall be (a) Ms. T. A. Dubash ₹ 380,00,000/- p.a., payable monthly and (b) Mr. N. S. Nabar ₹ 170,00,000/- p.a., payable monthly, plus cars (including drivers salary, fuel, maintenance and other incidental expenses) plus housing (i.e. unfurnished residential accommodation OR House Rent Allowance at 85% of Basic Salary). In addition to the above, the above mentioned directors shall be eligible for club facilities, group insurance cover, group hospitalization cover, and/or any other allowances, perquisites and facilities as per the Rules of the Company.

**Explanation:**

a) For Leave Travel Assistance and reimbursement of medical and hospitalization expenses, 'family' means spouse, dependent children and dependent parents;
b) Perquisites shall be evaluated at actual cost or if the cost is not ascertainable the same shall be valued as per Income Tax Rules.

**(iv) Overall Remuneration:**

The aggregate of salary and perquisites as specified above or paid additionally in accordance with the rules of the Company in any financial year, which the Board in its absolute discretion pay to the above mentioned Directors from time to time, shall not exceed the limits prescribed from time to time under Sections 197 read with Schedule V and all other applicable provisions, if any of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof, for the time being in force), unless approved by the Central Government.

**(v) Loans:**

(a) Granting of loans according to Company's Scheme subject to Central Government's approval, if applicable.
(b) Continuation of Loans, if already availed.

**Notes:**

I. Unless otherwise stipulated, for the purpose of the above, the perquisites shall be evaluated as per Income Tax Rules wherever actual cost cannot be determined.
II. Notwithstanding the foregoing, where in

any Financial Year during the currency of the tenure of the above mentioned directors, the Company has no profits or its profits are inadequate, the remuneration by way of salary, commission and perquisites shall not exceed, the maximum limits prescribed in Schedule V to the Companies Act, 2013, except with the approval of the Central Government.

III. The limits specified above are the maximum limits and the Nomination and Compensation Committee / Board may in its absolute discretion pay to the abovementioned Directors lower remuneration and revise the same from time to time within the maximum limits stipulated above.

IV. In the event of any re-enactment or re-codification of the Companies Act, 2013 or the Income Tax Act, 1961 or amendments thereto, the foregoing shall continue to remain in force and the reference to various provisions of the Companies Act, 2013 or the Income Tax Act, 1961 shall be deemed to be substituted by the corresponding provisions of the new Act or the amendments thereto or the Rules and notifications issued there under.

V. If at any time the above mentioned Directors cease to be in the employment of the Company for any cause whatsoever, he/she shall cease to be the Whole-time Director of the Company.

VI. The Whole-time Directors are appointed by virtue of their employment in the Company and their appointment is subject to the provisions of Section 167 of the Companies Act, 2013 while at the same time Whole-time directors are liable to retire by rotation. The appointment is terminable by giving three months' notice in writing on either side.

The Directors are of the view that the appointment of Ms. T. A. Dubash and Mr. N. S. Nabar as the whole time Directors will be beneficial to the operations of the Company and the remuneration payable to them is commensurate with their abilities and experience and accordingly the Board commend the Resolutions at Item No. 6 and 7 of the accompanying notice for approval by the shareholders of the Company.

In compliance with the provisions of sections 196,197 and other applicable provisions of the Act, read with Schedule V to the Act, the terms of remuneration specified above are now being placed before the shareholders for their approval.

Ms. T. A. Dubash and Mr. N. S. Nabar may be deemed to be interested in the resolution at item No. 6 and 7, respectively. Ms. T. A. Dubash is the daughter of Mr. A. B. Godrej, accordingly Mr. A. B. Godrej may be deemed to be interested in the resolution. None of the other Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in the said resolutions.

The following additional information as required under Schedule V of the Companies Act, 2013 is given below:

## I. General Information:

**1. Nature of Industry**

The Company is engaged in the business of manufacture and marketing of oleo-chemicals, their precursors and derivatives, bulk edible oils, estate management and investment activities.

**2. Date or expected date of commencement of commercial production:** March, 1988.

**3. In case of new companies expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:**
Not Applicable.

**4. Financial Performance based on given indicators:**

Amount in ₹ crore

| Particulars | Current Year | Previous Year |
|---|---|---|
| Total Income | 2,287.13 | 1,649.05 |
| Expenditure other than Interest and Depreciation | 1,749.47 | 1,534.11 |
| Profit before Interest, Depreciation and Tax | 537.89 | 114.94 |
| Interest (net) | 212.43 | 207.86 |
| Profit Before Depreciation and Tax | 325.23 | -92.92 |

| | | |
|---|---|---|
| Depreciation | 68.58 | 52.43 |
| Profit Before Tax and Exceptional Items | 256.65 | -145.35 |
| Provision for Current Tax | 13.48 | - |
| Provision for Deferred Tax | 1.77 | -0.11 |
| Net Profit | 241.40 | -145.24 |

**5. Foreign Investments and Collaborations:**

The Company has not made any Foreign Investments and neither entered into any collaborations during the last year.

## II. Information about the Appointees:

**1. Background Details:**

(a) **Ms. T. A. Dubash**: Ms. T. A. Dubash is designated as the Executive Director & Chief Brand Officer of the Company. Ms. T. A. Dubash aged about 49 years, Indian national, has been a Director since 1996. Ms. Dubash has a degree in Economics & Political Science from Brown University, USA and has done the Advanced Management Program from the Harvard Business School. She has been with the Company for over 25 years. She began her career with Godrej Industries Limited

(b) **Mr. N. S. Nabar:** He began his career in Godrej as an Executive Trainee in 1989 at the erstwhile Godrej Soaps Limited. Before becoming the Business Head, he has shown his leadership qualities in the areas of Sales, Marketing, Commodities, Exports, Imports and Purchase. Mr. N. S. Nabar has been instrumental in implementing various initiatives which has helped the Chemicals Business grow. He is B. Sc. (Tech.) from the University of Mumbai, Department of Chemical Technology (UDCT; now ICT) and a Management Graduate from Welingkar Institute of Management Development and Research, Mumbai. Mr. N. S. Nabar is currently the member, cosmetics panel (General Category) of Chemexcil (an export promotion council for the chemicals industry)..

**2. Past remuneration:**

During the financial year ended March 31, 2018, ₹ 667,57,930 and ₹ 350,11,307 was paid as remuneration to Ms. T. A. Dubash and Mr. N. S. Nabar, respectively.

**3. Recognition and Awards:**

Ms. T. A. Dubash was recognized by the World Economic Forum as a Young Global Leader in 2007.

Mr. N. S. Nabar is currently the member, cosmetics panel (General Category) of Chemexcil (an export promotion council for the chemicals industry).

**4. Job profile Suitability:**

**Ms. T. A. Dubash:** She is on the board of several Godrej Group companies including Godrej Consumer Products Limited and Godrej Agrovet Limited. As an Executive Director & Chief Brand Officer, she is charged with the responsibility of enhancing the value of the Godrej Brand and evolving the Group to a more Brand driven organization. She heads the Strategic Marketing Group (SMG) that guides the Godrej Masterbrand and portfolio strategy, and chairs a Marketing Council comprising of Group Marketing Heads and oversees Godrej Nature's Basket, a gourmet food retailing chain. She also heads Corporate Communications and Media for the Group. She is a Trustee of the Brown University and a member of the Brown - India Advisory Council.

**Mr. N. S. Nabar:** Before becoming the Business Head, Mr. N. S. Nabar was responsible for Sales, Marketing, Commodities, Exports, Imports and Purchase. He is a B. Sc. (Tech) from the University of Mumbai, Department of Chemical Technology (UDCT; now ICT)

and a Management Graduate from Welingkar Institute of Management Development and Research, Mumbai.

**5. Remuneration proposed:**

Ms. T. A. Dubash: Salary proposed to Ms. T. A. Dubash in the basic scale of ₹ 150,00,000/- p.a. to ₹ 210,00,000/- p.a., payable monthly and other perquisites, allowances, other benefits etc. respectively, as fully set out herein above.

Mr. N. S. Nabar: Salary proposed to Mr. N. S. Nabar in the basic scale of ₹ 60,00,000/- p.a. to ₹ 90,00,000/- p.a., payable monthly and other perquisites, allowances, other benefits etc. respectively, as fully set out herein above.

**6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):**

Taking into consideration the size of the Company, the profile, knowledge, skills and responsibilities shouldered by Ms. T. A. Dubash and Mr. N. S. Nabar, the remuneration proposed to be paid is commensurate with the remuneration packages paid to their similar counterparts in other companies.

**7. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel:**

Besides the remuneration proposed to be paid to Ms. T. A. Dubash and Mr. N. S. Nabar, they do not have any other pecuniary relationship with the Company or relationships with any other managerial personnel and Directors except that Ms. T. A. Dubash is the daughter of Mr. A. B. Godrej.

## III. Other Information:

**1. Reasons of loss or inadequate profits:**

Godrej Industries Limited (GIL) has interest in various businesses directly and through its subsidiaries and associates. GIL including its subsidiaries and associates has presence in oleochemicals, property development, oil palm plantation, animal feeds and agroproducts, poultry, personal care and household care, etc.

While GIL's investments in Group Companies are strategic investments, GIL does encash some of the value created from time to time by sale of such investments resulting in profits on sale of investments. This profit is to be necessarily excluded from the calculations for determining the net profits under section 198 of the Companies Act, 2013 in order to ascertain the limit for overall maximum managerial remuneration. If GIL was allowed to consider such profits (e.g. profit on sale of investments), the Company may be well within its limit.

**2. Steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms:**

As explained in the above point, if the profits on sale of investments are added then the Company may be well within the limits of Section 198 of the Companies Act, 2013.

## IV. Disclosures:

The information and disclosures of the remuneration package of the managerial personnel have been mentioned in the Annual Report in the Corporate Governance Report under the heading Remuneration in Rupees paid or payable to Directors for the year ended March 31, 2018.

**Item No. 8**

The Shareholders of the Company had in their meeting held on August 25, 2003 approved a limit of ₹ 2 crores p.a. under section 293(1)(e) of the Companies Act, 1956 (corresponding to section 181 of the Companies Act, 2013) for giving donations to charitable trusts, etc. It is proposed to increase this limit to ₹ 5 crores p.a.

The Board of Directors of the Company recommends passing of the resolution as set out at Item No. 8 of the Notice.

None of the Directors of the Company are concerned or interested in the resolution.

**Item No. 9**

It is necessary to obtain approval of the Members by means of a Special Resolution under Section 180(1)(a) of the Companies Act 2013, to enable the Board of Directors of the Company to create charge/mortgage/hypothecation on the Company's assets, both present and future, in favour of the lenders/trustees for the holders of debentures/bonds, to secure the repayment of moneys borrowed by the Company (including temporary loans obtained from the Company's Bankers in the ordinary course of business).

The Board commends the Resolution at Item No.9 of the accompanying Notice for approval by the Members of the Company by a Special Resolution.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution at Item No. 9 of the accompanying Notice.

**Item No. 10**

In pursuance of Section 148 of the Companies Act, 2013 and the rules made thereunder, the Board shall appoint an individual who is a cost accountant in practice on the recommendations of the Audit Committee, which shall also recommend remuneration for such cost auditor. The remuneration recommended by Audit Committee shall be considered and approved by the Board of Directors and ratified by the shareholders.

On recommendation of Audit Committee at its meeting held on May 23, 2018, the Board considered and approved appointment of M/s. R. Nanabhoy & Co., Cost Accountants, for conduct of the audit of the cost records of the Company at a remuneration of ₹ 3,04,000 per annum exclusive of service tax and out of pocket expenses for the financial year ending March 31, 2019.

The Board recommends passing of the resolution as set out at item no. 10 of the Notice.

None of the Directors or KMPs of the Company or their relatives are concerned or interested in the resolution at item No. 10 of the accompanying notice.

By Order of the Board of Directors

**Nilufer Shekhawat**
Company Secretary

Mumbai, May 23, 2018

**Registered Office:**
Godrej One, Pirojshanagar,
Eastern Express Highway, Vikhroli (East),
Mumbai 400 079.
Tel.: +91 22 2518 8010/ 20/ 30,
Fax: +91 22 25188066,
Website: www.godrejindustries.com;
Email: investor@godrejinds.com;
CIN: L24241MH1988PLC097781

**Brief Resume of Directors/persons seeking appointment/ re-appointment at this Annual General Meeting in pursuance of regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements), 2015 and Secretarial Standards issued by The Institute of Company Secretaries of India.**

| Name of the Directors | Ms. T. A. Dubash | Mr. N. S. Nabar | Mr. V. M. Crishna |
|---|---|---|---|
| Age | 49 | 54 | 73 |
| Nationality | Indian | Indian | Indian |
| Date of appointment | August 1, 1996 | May 1, 2013 | January 3, 1995 |
| Qualification | AB, Economics & Political Science, Brown University, USA., Advanced Management Program, Harvard Business School | B.Sc (Tech) University of Mumbai and Management Graduate, Welingkar Institute of Management Development and Research, Mumbai | B.A. (Eco.) |
| Expertise in specific functional area | Marketing | Sales, Marketing, Commodities, Exports, Imports and Purchase | Economics |
| Directorships held in other companies (excluding foreign companies and section 8 companies) | • Godrej Consumer Products Ltd.,<br>• Ensemble Holdings & Finance Ltd.,<br>• Godrej Agrovet Ltd.,<br>• Natures Basket Ltd.,<br>• Godrej Seeds & Genetics Ltd.,<br>• Vora Soaps Ltd.,<br>• Godrej Holdings Pvt. Ltd.,<br>• Innovia Multiventures Pvt. Ltd. | • Ensemble Holdings & Finance Ltd. | • Godrej Agrovet Ltd.,<br>• Godrej & Boyce Mfg. Co. Ltd.,<br>• Precision Wires India Ltd., |
| Chairmanships/ Memberships of Committees in other companies | Natures Basket Limited: Chairman, Audit Committee | Nil | Godrej & Boyce Mfg. Co. Ltd.:Member of Stakeholder's Relationship Committee |
| Relationship with other directors | Daughter of Mr. A. B. Godrej, Chairman | - | - |
| No. of shares held:<br>(a) Own<br><br>(b) For other persons on a beneficial basis | <br>24,66,755<br><br>18,02,028( As trustee of TAD Family Trust) | <br>20,765<br><br>Nil | <br>Nil<br><br>Nil |
| Terms & Conditions of re-appointment/ variation of remuneration | Specified in the Explanatory Statement to Resolution No.6 of the Notice | Specified in the Explanatory Statement to Resolution No.7 of the Notice | N.A. |
| Remuneration last drawn | Kindly refer the Corporate Governance Report | | |
| No. of Board Meetings attended during the year | 4 | 5 | 2 |

# BOARD'S **REPORT**

To the Members,

Your Directors have pleasure in presenting the Annual Report along with the Audited Accounts for the Financial Year ended March 31, 2018.

**Review of Operations**

Your Company's performance during the year as compared with that during the previous year is summarized below:

| | (₹ Crore) Year Ended March 31 | (₹ Crore) Year Ended March 31 |
|---|---|---|
| **Particulars** | **2018** | **2017** |
| Revenue from Operations | **1,986.32** | 1,602.17 |
| Exceptional Items | **267.38** | - |
| Other Income | **33.43** | 46.88 |
| **Total Income** | **2,287.13** | 1,649.05 |
| Total Expenditure other than Finance Costs and Depreciation and Amortisation | **1,749.47** | 1,534.11 |
| Profit before Finance Costs, Depreciation and Amortisation and Tax | **537.66** | 114.94 |
| Depreciation and Amortisation Expense | **68.58** | 52.43 |
| Profit before Finance Costs and Tax | **469.08** | 62.51 |
| Finance Costs (net) | **212.43** | 207.86 |
| Profit before Tax | **256.65** | (145.35) |
| Provision for Current Tax | **13.48** | - |
| Provision for Deferred Tax | **1.77** | (0.11) |
| **Net Profit** | **241.40** | (145.24) |
| Remeasurment of Defined Benefits Plans | **(0.28)** | (1.92) |
| Total Comprehensive Income | **241.12** | (147.16) |
| Surplus brought forward | **541.87** | 689.03 |
| **Profit after Tax available for appropriation** | **782.99** | 541.87 |
| **Appropriation** | | |
| Dividend on equity shares | **58.85** | - |
| Tax on Distributed Profit | **1.15** | - |
| Transfer to General Reserve | **-** | - |
| Surplus Carried Forward | **722.99** | 541.87 |
| **Total appropriation** | **782.99** | 541.87 |

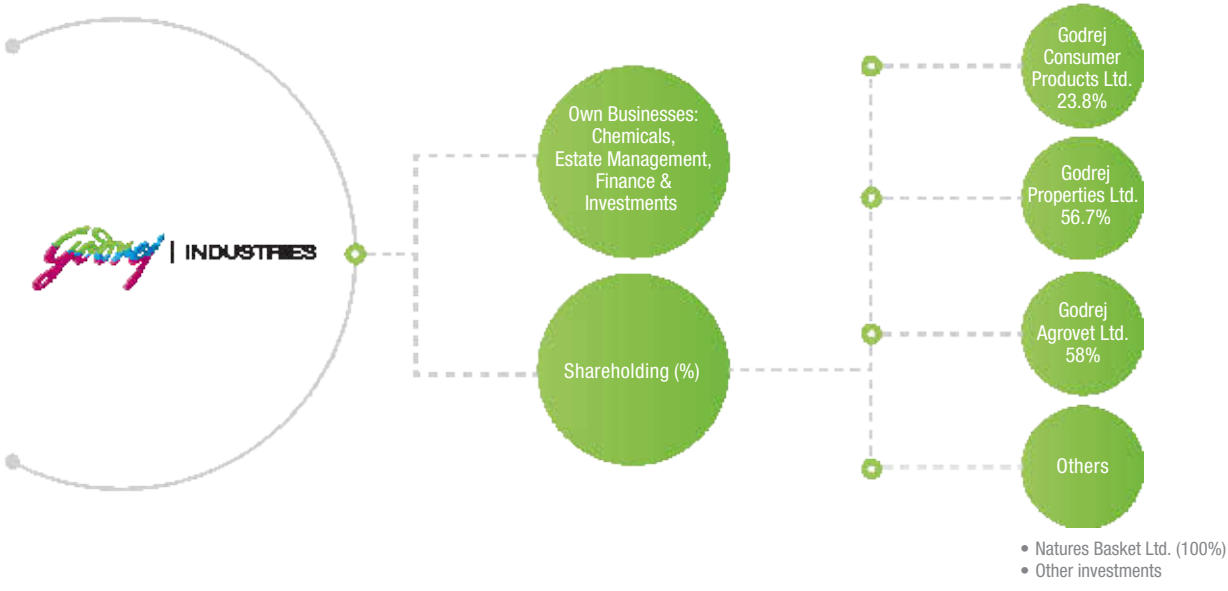
## Dividend

The Board of Directors of your Company recommends a dividend of ₹ 1.75 per equity share of ₹ 1/- each, aggregating ₹ 58.85 Crore as final dividend for the year ended March 31, 2018.

## Dividend Policy

The Dividend policy of the Company is uploaded on the Company's website.
http://www.godrejindustries.com/listing-compliance.aspx

## Business Structure




## INDUSTRY STRUCTURE AND DEVELOPMENT

As per The World Economic Outlook (WEO) update, around 120 economies accounting for three quarters of world Gross Domestic Product (GDP), saw a pickup in growth in year-on-year terms in 2017, the broadest synchronized global growth upsurge since 2010. Global output is estimated to have grown by 3.7% in FY17. The International Monetary Fund (IMF) has raised its growth forecasts for 2018 to 3.9%, expecting the global economy to continue to recover on the back of buoyant trade and investment.

IMF projected, India to grow at 7.4% of its GDP in FY18 as compared to China's 6.6%, making it the fastest growing economy among emerging economies.

The World Bank in its India Economic Update expects the economic growth to accelerate to 7.3% in FY19 and 7.5% in FY20.

In FY18, the first half of the year was impacted by issues such as lingering effects of demonetization, difficulties in implementation of Goods and Service Tax (GST). However, in the second half of the year the economy witnessed robust signs of revival. Economic growth improved, corrective actions were taken, and the global economic recovery boosted exports. Recent sovereign ratings upgrade and jump in World Bank's Ease of Doing Business rankings are endorsements of government reforms and policies. In FY19 also, growth is expected to be driven by increase in exports due to acceleration in global growth, expected rebound in private investments and increase in consumption demand. However, persistent high oil prices (at current levels) remain a key risk, which would adversely affect inflation, the current account balance, the fiscal position and growth. This will force macroeconomic policies to be tighter.

Agriculture sector and its allied activities are estimated to have registered a moderate growth rate of 3.4% in the fiscal year. This was mainly due to the high base effect of FY17 which saw a very high growth rate as it followed two years of drought. In terms of monsoon, FY18 experienced an overall 'normal' monsoon at 95% of long period average (LPA – measured for the trailing 10 year period).

The Indian Meteorological Department (IMD) in its first monsoon forecast for the season has predicted a 'normal' monsoon for the upcoming FY19, brightening the chances of an accelerated growth for the sector. Good monsoons help to improve the poor sentiment prevailing in the rural economy and the sector expects bumper Kharif and Rabi crops. Further, agriculture and allied sector has also received a lot of impetus in the Union Budget. Recent endeavor of the Government to formulate a separate exports policy for agriculture is also a step in the right direction to achieve the dream of doubling farmer incomes. However, climate change and high dependence on monsoon for sector growth continue to be the key risks.

Commodity price remained range bound during FY18. There is over capacity for Fatty Alcohol, however, global manufacturer were running the plants at lower capacity which helped in protecting the margin. Also good demand of Glycerine helped overall Oleo-chemical Industry. Indian surfactants demand continues to be robust mainly driven by growth in detergent, shampoo and hand wash consumption.

According to a report by CREDAI and JLL India, Indian real estate sector is projected to reach a market size of $180 billion by FY20, a sharp rise from $126 billion in FY15. The housing sector's contribution to the Indian GDP is expected to almost double to more than 11% by FY20 up from estimated 5-6%.

Fragmentation in real estate sector is high, not just on a national level, but on a city level too. However, disruption - starting with demonetization in FY16 and institutionalized via the Real Estate Regulatory Act (RERA) reform in FY17 has triggered accelerated consolidation. Customer preferences also have shifted towards better quality and branded developments. Access to cheaper capital has gained importance as working capital requirements rise. The organized sector should be able to more than double its market share of the residential property market, to nearly 20% over the next five to seven years.

Improvement in the current subdued job creation/income growth outlook could lead to even faster growth. Developers with a scalable business model are better placed to grow market share in a regulatory environment demands greater accountability and transparency from developers.

The affordable housing segment is expected to continue to drive the real estate sector in FY18 with several developers and institutional funds eyeing opportunities in this space. Various initiatives from the Government of India under Pradhan Mantri Awas Yojona, or rationalizion of GST rates on affordable and low-cost housing, which attracts a GST of 8% on the total value of under-construction properties, which is 4% less than the earlier effective rate of 12% or to set up dedicated affordable housing fund under the National Housing Bank, to boost demand and supply of low-cost homes. The end-user demand in this segment along with the government's thrust through incentives such as granting infrastructure status is ensuring a rising appetite for such projects across the country.

There is a separate section on Management Discussion and Analysis appended as Annexure A to this Report, which includes the following:

- Discussion on financial performance with respect to operational performance
- Segment wise performance
- Human Resources and Industrial Relations
- Opportunities and Threats
- Internal Control Systems and their adequacy
- Risks and Concerns
- Outlook




**Subsidiary and Associate Companies**

Your Company has interests in several industries including animal feeds, poultry, dairy and agro-products, oil palm plantation, property development, personal and home care, etc. through its subsidiary and associate companies.

## Godrej Agrovet Limited (GAVL)

GAVL is a subsidiary of your Company and is a diversified agri-business company with interests in animal feed, crop protection, dairy and oil palm business. GAVL also has a joint venture with the ACI Group in Bangladesh for the feed business and with Tyson Foods Inc., USA for the poultry and processed food business. This year was a landmark year for GAVL, as it went public through an Initial Public Offer (IPO) and was listed on the stock exchanges. The IPO was oversubscribed by 96 times.

During FY18, agriculture and allied activities is estimated to have registered a moderate growth rate of 3.4%. This was mainly due to the high base effect of fiscal 2016-17 which saw a very high growth rate as it followed two years of drought. In terms of monsoon, fiscal 2017-18 experienced an overall 'normal' monsoon at 95% of long period average (LPA – measured for the trailing 10 year period). Also, crop production business of GAVL remained robust for FY18 resulting in lower commodity prices during the year.

GAVL recorded consolidated revenues of ₹ 5,206 crore during FY18 compared to revenues of ₹ 4,926 crore during FY17, registering a year-on-year growth of 5.7%. Consolidated profit before

tax (excluding the non-recurring and exceptional items) was at ₹ 360 crore during FY18 representing a year-on-year growth of 10.8%. Revenue growth was mainly driven by crop protection, vegetable oil and dairy business segments.

**Animal Feeds:**

The animal feed business of GAVL has shown a volume growth of 7.4% during FY18 driven by cattle feed and layer feed. GAVL was also successful in arresting the volume decline seen in the past few years in the broiler feed segment, despite intense competition. However, the volumes in the shrimp feed and fish feed segments saw a decline compared to FY17. GAVL continues to remain committed to invest in Research & Development in the animal feed space which will help GAVL in creating differentiated offering in the segment and help in increasing our market share over the medium-term.

**Crop Protection Business:**

In FY18, GAVL's crop protection business has registered a growth of 13.2% in the standalone revenues. GAVL successfully introduced new products which helped in increasing the penetration both in strategic crops and in new geographies.

**Oil Palm:**

In the crude palm oil business, volumes growth remained robust for both crude palm oil and palm kernel oil. The Oil Palm business clocked a consolidated revenue of ₹ 585 crore in FY18. The business converts the oil palm biomass into value added product and this contributes to the profitability of the business. Latest technology has been deployed in this plant which is expected to increase the operational efficiencies.

**Astec LifeSciences Limited & Its Subsidiaries:**

Astec LifeSciences Limited is a subsidiary of GAVL and operates in the crop protection segment. In FY18, Astec's consolidated performance remained robust as it posted revenues of ₹ 371 crore, a growth of 18.6% over the previous financial year. Profit before exceptional items and tax also increased to ₹ 52 crore during FY18 up by 31% on a year-on-year basis.

**Creamline Dairy Products Limited (CDPL) & Its Subsidiary:**

CDPL is a subsidiary of GAVL and operates in the dairy segment. CDPL focuses on increasing its market share in the southern states in which it operates. Further, CDPL also increased the share of value added products in its portfolio. CDPL recorded a revenue growth of 14.6% during FY18.

**Joint Ventures (JVs) & Associates of GAVL:**

**Godrej Tyson Foods Limited:**

The Joint Venture with Tyson Foods Inc., USA, recorded revenues of ₹ 434 crore during FY18 as compared to ₹ 446 crore during the previous year. The joint venture continues to focus on building its current brands namely 'Real Good Chicken' and 'Yummiez'.

**ACI Godrej Agrovet Private Limited, Bangladesh:**

The joint venture continues to remain among the top four players in Bangladesh in all the feed categories it operates. ACI posted sales of ₹ 675 crore during FY18, registering a year-on-year growth of 11.8%.

**Godrej Maxximilk Private Limited**

Godrej Agrovet has 49.9% stake in this associate and GAVL has plans to foray in cattle breeding under this entity

## Godrej Properties Limited (GPL)

**Financial Highlights:** For FY18, GPL's total income increased by 38% and stood at ₹ 2,397 crore, EBITDA increased by 25% to ₹ 503 crore, and net profit increased by 14% to ₹ 235 crore.

**Sales Highlights:** This has been the best ever year in GPL's history in terms of the value and volume of real estate we have been able to sell. For the first time in its history, GPL has delivered sales of more than ₹ 1,000 crore in each of the four quarters of the financial year. Also, for the first time, GPL has emerged as amongst the top three developers by value of real estate sold in each of the four focus markets of Mumbai, NCR, Bangalore, and Pune. In FY18, GPL was the largest developer in NCR, the second largest developer in Mumbai & Pune, and the third largest developer in Bangalore by value of real estate sold. GPL sold more than 1.25 million sq. ft. with a booking value of over INR 800 crore in each of the four focus markets viz. Mumbai, NCR, Bangalore and Pune. This has largely been possible by combining our traditional strength in new launches with a strong improvement in sales from existing inventory, which stood at ₹ 2,780 crore in FY18. The total value of bookings in FY18 stood at ₹ 5,083 crore, which represents a 152% year-on-year increase. We are especially pleased with this sales performance given that sales for the industry as a whole have declined during the financial year.

**Continued success in business development:** FY18 has also been the best ever year for business development in the history of GPL in terms of the number of new projects added. GPL added 12 new projects with saleable area of 23.5 million sq. ft. More than 80% of the area added in FY18 is in partnership with other real estate developers and all the projects added are in the four largest real estate markets in India.

**Global recognition for sustainability initiatives:** GPL was ranked 2nd in Asia & 6th 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.

**Outlook:** The Indian real estate sector is on the cusp of a major transformation. India's fragmented property sector is witnessing a major change as far-reaching reforms like the introduction of GST and The Real Estate (Regulation and Development) Act, 2016 (RERA) drive consolidation. These changes combined with the most affordable house prices in decades should lead to an improvement in sentiment which is extremely important for the revival of the sector. High-quality developers, with a greater focus on the residential market, will benefit disproportionately from this cyclical upturn. With growing transparency and improving policies, the country's real estate sector is expected to become more institutionalized and we expect 2018 to be a year of consolidation and recovery for the property sector. We strongly believe our focus on building presence in high return markets with a deep focus on execution across our project portfolio puts us in a strong position to benefit from a robust recovery in the sector and improve market share in the years ahead.

## Natures Basket Limited (NBL)

Natures Basket Limited delivered a healthy top line of ₹ 291 crore for FY18, a growth of 18% over the previous year.

NBL, during the year, worked on defining the long-term strategy for its business. Mumbai, Pune and Bangalore continue to be focus markets for NBL from the perspective of both revenue growth and profitability. NBL's overall customer base increased by over 13% in FY18.



NBL would like to excel and be a leading Omni Channel player by focusing strongly on Instore as well on line business channels in Daily Food Delight space. The online business clocked a sale of ₹ 19 crore in FY18, a growth of 10% over the previous year. NBL continues to improve its website and App experience through regular updates and improvements.

During the year, NBL introduced i-Pro, an Operations Excellence initiative, which looks to improve performance through:

1) Improved Inventory Management
2) Better customer experience
3) Increased staff efficiency.

The brand continues to win awards in forums like Food & Grocery forum, Franchise India Retail Award for Omni Chanel performance, TRRAIN awards for Customer service etc.

## Godrej Consumer Products Limited (GCPL)

Godrej Consumer Products (GCPL), an associate of your Company, has continued to grow ahead of the overall FMCG sector, as well as the home and personal care categories that it participates in, despite a challenging macro environment.

On a consolidated basis, GCPL reported a total sales of ₹ 9862 crore during the FY18 compared to ₹ 9584 crore for FY17. The net profit grew by 25% at ₹ 1634 crore as compared to ₹ 1304 crore during FY17.

GCPL is a leading emerging markets company. As part of the 121-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, we are growing fast and have exciting, ambitious aspirations.

Today, the Godrej Group enjoys the patronage of 1.1 billion consumers globally, across different businesses. In line with its 3 by 3 approach to international expansion, GCPL is building a presence in 3 emerging markets (Asia, Africa, Latin America) across 3 categories (home care, personal wash, hair care). It ranks among the largest household insecticide and hair care players in emerging markets. In household insecticides, it is the leader in India, the second largest player in Indonesia and are expanding its footprint in Africa. It is the leader in serving the hair care needs of women of African descent, the number one player in hair colour in India and Sub-Saharan Africa, and among the leading players in Latin America. It also ranks number two in soaps in India and is the number one player in air fresheners and wet tissues in Indonesia.

However, it is very important that besides our strong financial performance and innovative, much-loved products, GCPL remains a good company. Approximately 23 per cent of the promoter holding in the Godrej Group is held in trusts that invest in the environment, health and education. We are also bringing together our passion and purpose to make a difference through our 'Good & Green' approach to create a more inclusive and greener India.

At the heart of all of this, is a talented team. GCPL takes much pride in fostering an inspiring workplace, with an agile and high performance culture. It is also deeply committed to recognising and valuing diversity across our teams.

### Other Subsidiaries

Godrej International Limited (GINL) is incorporated in the Isle of Man and is a wholly owned subsidiary




of the company. GINL trades worldwide in vegetable oils.

Godrej International Trading & Investments Pte. Ltd. (GITI) is registered and located in Singapore and trades in palm and soya oil as well as in by-products.

Vegetable oil markets were affected by adverse factors notably when India raised import duties in July, then in November 2017 and finally again in March 2018. India is the world's biggest importer and casts a huge impact on price behavior. Uncertainty on bio diesel as a result of Trump Administration wavering and EU protectionism also affected the market. As a result both GINL & GITI had a modest year. GINL & GITI continued to enjoy a high reputation in the industry for their market research and their frequent Markey Outlook releases.

Ensemble Holdings & Finance Limited (EHFL), a wholly owned subsidiary of your Company, is a Non-Banking Finance Company. The total income of EHFL for FY18 was ₹ 0.62 crore as compared to ₹ 0.15 crore in the previous year.

Pursuant to Regulation 16(1)(c) of the SEBI (Listing Obligations and disclosure requirements) Regulations, 2015 (Listing Regulations), your Company has formulated a policy for determining its 'material subsidiaries'. The said policy has been uploaded on the Company's website: *http://www.godrejindustries.com/Resources/pdf/compliances/material_subsidiaries.pdf*

## Financial Position

The loan funds at the end of the year stand at ₹ 2,704 crore as compared to ₹ 2,862 crore for the previous year. The Net debt equity ratio is 1.47 as compared to 1.76 last year. Your Company continues to hold the topmost rating of [ICRA] A1+ from ICRA for its commercial paper program (₹ 1000 crore) (previous year ₹ 1000 crore). ICRA has reaffirmed an [ICRA] A1+ rating for its short term debt instruments/other banking facilities (₹ 800 crore) (previous year ₹ 800 crore). This rating of ICRA represents highest-credit quality carrying lowest-credit risk. ICRA also reaffirmed [ICRA]AA rating with stable outlook for long-term debt, working capital and other banking facilities (₹ 1340 crore) (previous year ₹ 1015 crore). The ICRA rating of [ICRA]AA for Non-convertible Debenture programme & MAA+ for Public Deposit programme has been discontinued as there is no amount outstanding against these instruments. In addition to the ICRA rating for commercial paper programme, CRISIL has also assigned a rating of "CRISIL A1+" to the commercial paper programme of ₹ 1000 crore. Instruments with these ratings are considered to have very strong degree of safety regarding timely payment of financial obligations.

## Manufacturing Facilities

Your Company has manufacturing units at Ambernath, Valia, Wadala and Dombivli.

The Ambernath factory is ISO-9001:2008, ISO 14001:2004, ISO 18001:2007 certified. Over the last year the factory also got re-certified for FSSC 22000 (Food safety management system) for Glycerine and ISO 22716 (Good manufacturing practices) for cosmetics. The factory has also achieved considerable energy savings over the last year

The Valia factory is ISO-9001:2015, ISO 14001:2015, ISO 18001:2007certified. The Factory has also got certification from FDA, FSSAI and Kosher GMP+B2 for Palmitic acid used as Animal feed. We are member of RSPO (Roundtable on Sustainable Palm Oil). The Valia factory has successfully got USP NF certification for fatty alcohol as excipient during the year 2017-18. Company has continuously invested in plants for making specialty products.

Vegoils Division (Wadala) manufactures & sells Edible Oils under "Godrej" Brand. This factory is ISO 22000-2005 (Food safety management system) certified. The factory also has Kosher and Halal certificate. This is also FSSAI and FDA approved facility with cleanroom to supply Pharmaceutical grade oils and Vanaspati (IP and BP) Packing facility under factory partially renovated as per Schedule IV of FSSAI norms. The factory produces variety of product range of oils & Vanaspati e.g. Sunflower oil, Ground nut oil, Filter Ground nut oil, Sesame oil, Rice bran oil, Palmolein oil and Vanaspati.

The Dombivali unit has flexibility of producing multiple value added products, mainly fatty esters and amide, used in personal and home care products.

## Research and Development (R&D)

During the year under consideration, our R&D activities have resulted in the innovative process improvements for existing range of products and also launch of several new products. Majority of these new products are high value derivatives of fatty acids and fatty alcohols, with applications in home, personal care products, animal feeds and agricultural products.

Besides our efforts to manufacture and improve

the premium quality fatty acids and fatty alcohols using alternate raw materials, the endeavor to develop new processes through innovations and advanced technologies will be an ongoing activity. We will also continue to focus our attention on high value fractionated fatty acids and fatty alcohols for the applications in polymer, oilfield, lubricant and paper industries. Parallel to all the above oleo chemicals projects, R&D continues its efforts in developing improved and customized specialty surfactants, biosurfactants and home & personal care ingredients and their blends, through inhouse and external consultation routes.

## Human Resource Development and Industrial Relations

During the year under review, industrial relations at all plant locations remained harmonious.

Your Company emphasizes on the safety of people working in its premises. Structured safety meetings were held and safety programmes were organized for them throughout the year.

The total number of persons employed in your Company as on March 31, 2018 were 1129.

## Business Responsibility Report

SEBI, vide its circular SEBI/LAD-NRO/GN/2015-16/27 dated December 22, 2015 had mandated inclusion of Business Responsibility Reports (BRR) as part of the Annual Reports for top 500 listed entities based on market capitalization as on March, 31 of every financial year.

A detailed report on your Company's sustainability initiatives is published in the Business Responsibility Report, as 'Annexure B' and forms a part of this report. The BRR describes the initiatives taken by the Company from an environment, social and governance perspective.

## Information Systems

Your Company had a smooth implementation of all GST related system changes in our ERP package - SAP in time thus ensuring compliance with the new tax law.

Your Company implemented Sales and Operations Planning Module in SAP to increase customer satisfaction and enable better order fulfilment.

## Employee Stock Grant Scheme 2011 (ESGS) and Employee Stock Option Plan (ESOP)

During the year, the Nomination and Compensation Committee approved a total of 1,03,828 stock grants equivalent to 1,03,828 equity shares of the Company to eligible employees in terms of the ESGS 2011 Scheme. The exercise price is ₹ 1/- per equity share. As on March 31, 2018 and in terms of the ESGS Scheme, 2011, a total of 1,34,866 grants were vested and 1,32,945 were exercised and allotted.

Disclosure in compliance with Section 62 of the Companies Act, 2013, rule 12 of companies (share capital and debentures) rules, 2014, SEBI (Share based employee benefits) regulations, 2014 and The SEBI (Employee Stock Options Scheme and Employee Stock Purchase Scheme) Guidelines 1999 is given in Annexure C attached and forms a part of this report.

## Fixed Deposits

Your Company is currently not accepting public deposits. The Company has no overdue deposits other than unclaimed deposits.

## Depository System

Your Company's equity shares are available for dematerialization through National Securities Depository Limited and Central Depository Services (India) Limited. As of March 31, 2018, 99.84% of the equity shares of your Company were held in demat form.

## Directors

In accordance with the Articles of Association of the Company, the following directors retire by

rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment;

- Mr. V. M. Crishna (DIN: 00066267)
- Mr. N. S. Nabar (DIN: 06521655)

Your Company had appointed following Non-Executive (Independent) Directors pursuant to Regulation 17 of the Listing Regulations and they are not liable to retire by rotation as per Companies Act, 2013 (the Act);

- Mr. S. A. Ahmadullah (DIN 00037137)
- Mr. A. B. Choudhury (DIN 00557547)
- Mr. K. K. Dastur (DIN 00050199)
- Mr. K. M. Elavia (DIN 00003940)
- Mr. A. D. Cooper (DIN 00026134)
- Mr. K. N. Petigara (DIN 00066162)

Your Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under sub-section (7) of Section 149 of the Act.

Your Company has conducted a formal Board Effectiveness Review as part of its efforts to evaluate, identify improvements and thus enhance the effectiveness of the Board, its Committees, and Individual Directors. This was in line with the requirements mentioned in the Act.

The HR team of the Company worked directly with the Chairman and the Nomination and Compensation Committee of the Board, to design and execute this process which was adopted by the Board. Each Board Member completed a confidential online questionnaire, providing vital feedback on how the Board currently operates and how it might improve its effectiveness.

The survey comprised four sections and compiled feedback and suggestions on:

- Board Processes (including Board composition, strategic orientation and team dynamics);
- Individual Committees;
- Individual Board Members; and
- the Chairman

The following reports were created, as part of the evaluation:

- Board Feedback Report;
- Individual Board Member Feedback Report; and
- Chairman's Feedback Report

The overall Board Feedback Report was facilitated by Mr. A. B. Godrej, Chairman. The Individual Committees and Board Members' feedback was shared with the Chairman. Following his evaluation, a Chairman's Feedback Report was also compiled.

On the recommendation of the Nomination & Compensation Committee, the Board had framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The details of the Board Appointment Policy are stated below:

**Board Appointment Policy - Godrej Industries Limited (the "Company")**

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 recognises 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 details of Directors familiarization program Pursuant to Regulation 25(7) of the Listing Regulations is uploaded on the Company's website. http://www.godrejindustries.com/listing-compliance.aspx

## Key Managerial Personnel

There has been no change in the Key Managerial Personnel of the Company.

## Statutory Auditors

Pursuant to section 139 of the Act, your Company has appointed M/s BSR & Co, LLP, Chartered Accountants (Firm Regn. No. 101248W/W-100022) as Auditors of the Company to hold office for the period commencing from the conclusion of the 29th Annual General Meeting on August 11, 2017 until the conclusion of the 34th Annual General Meeting in the year 2022, on a remuneration that will be approved by the Board.The Auditor's Report for FY18 does not contain any qualification, reservation, adverse remark or disclaimer.

## Cost Auditors

Pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, M/s. R. Nanabhoy & Co., Cost Accountants have been appointed as Cost Auditors of the Company for FY19. They are required to submit the report to the Central Government within 180 days from the end of the accounting year.

## Secretarial Auditors

The Board has appointed M/s. A. N. Ramani & Co., Practicing Company Secretaries, to conduct Secretarial Audit for FY18. The Secretarial Audit Report for the financial year ended March 31, 2018 is annexed herewith marked as Annexure 'G' to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

## Audit Committee

The Audit Committee, constituted pursuant to the provisions of the Act and the Listing Regulations, has reviewed the accounts for the year ended March 31, 2018. The members of the Audit Committee are Mr. K. K. Dastur, Mr. S. A. Ahmadullah, Mr. K. N. Petigara and Mr. A. B. Choudhury, all Independent Directors.

## Policy to Prevent Sexual Harassment at Work Place

Your Company is committed to creating and maintaining an atmosphere in which employees can work together without fear of sexual harassment, exploitation or intimidation. As required under the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, your Company has constituted an Internal Complaints Committee. No complaints were received by the committee during the year under review. Since the number of complaints filed during the year was NIL, the Committee prepared a NIL complaints report. This is in compliance with section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## Secretarial Standards

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

## Directors' Responsibility Statement

The Board has laid down Internal Financial Controls within the meaning of the explanation to section 134 (5) (e) ("IFC") of the Act. The Board believes the Company has sound IFC commensurate with the nature and size of its business. Business is however dynamic. The Board is seized of the

fact that IFC are not static and will evolve over time as the business, technology and possibly even fraud environment changes in response to competition, industry practices, legislation, regulation and current economic conditions. There might therefore be gaps in the IFC as Business evolves. The Company has a process in place to continuously identify such gaps and implement newer and/or improved controls wherever the effect of such gaps might have a material effect on the Company's operations.

Pursuant to the provisions contained in Section 134 of the Act, the Directors of your Company confirm:

a) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b) that such accounting policies have been selected and applied consistently, and such judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;

c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company, for preventing and detecting fraud and other irregularities;

d) that the annual accounts have been prepared on a going concern basis.

e) that the proper policies and procedures have been adopted for ensuring the orderly and efficient conduct of its business, including adherence to code of conduct and policies, the safeguarding of 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 and that such policies and procedures are adequate and were operating effectively.

f) that proper systems are in place to ensure compliance of all laws applicable to the Company and that such systems are adequate and operating effectively.

## Corporate Governance

As required by the existing Regulation 34(3) of the Listing Regulations, a detailed report on Corporate Governance is included in the Annual Report. The Auditors have certified the Company's compliance of the requirements of Corporate Governance in terms of Regulation 34(3) of the Listing Regulations and the same is annexed to the Report on Corporate Governance.

## Disclosures and Information under the Companies Act, 2013

Pursuant to section 134 and any other applicable sections of the Act, following disclosures and information is furnished to the shareholders:

### (a) Conservation of Energy, Technology absorption and Foreign Exchange Earnings and Outgo

'Annexure D' to this Report gives information in respect of Conservation of Energy, Technology absorption and Foreign Exchange Earnings and Outgo, required under Section 134(3)(m) of the Act and forms a part of the Boards' Report.

### (b) Extract of Annual return

The extract of the annual return as provided under sub section (3) of Section 92 of the Act is given in Form No. MGT 9 as 'Annexure E', attached and forms a part of this report.

### (c) Board meetings

The Board of Directors of your Company met 5 (five) times during the year under review. The

details of Board meetings and the attendance of the Directors are provided in the Corporate Governance Report.

**(d) Loans, Guarantees & Investments**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Act are given in the notes to the Financial Statements.

**(e) Related Party Transactions**

All related party transactions entered into by your Company during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions made by the Company with related parties. Prior omnibus approval of the Audit Committee was obtained for those transactions which were of routine nature. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) (h) of the Act in Form AOC-2 is not applicable. Attention of members is also drawn to the disclosure of transactions with related parties set out in Note No. 40 of Standalone Financial Statements, forming part of the Annual Report. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

The policy on Related Party Transactions is uploaded on the Company's website http://www.godrejindustries.com/Resources/pdf/compliances/Policy-on-Related-Party-Transaction.pdf.

**(f) Particulars of Employees:**

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been appended as Annexure 'F' to this Report. The information required pursuant to Section 197 of the Act read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of your Company is available for inspection by the members at registered office of the Company during business hours on working days up to the date of the ensuing Annual General Meeting. If any member is interested in obtaining a copy thereof, such member may write to the Company Secretary, whereupon a copy would be sent.

**(g) Risk Management**

Your Company had formed a Risk Management Committee consisting of the Managing Director and the Whole time Directors. The Committee identifies, evaluates business risks and opportunities. This Committee has formulated and implemented a policy on risk management to ensure that the company's reporting system is reliable and that the company complies with relevant laws and regulations. The Board of Directors of your Company are of the opinion that, at present, there are no elements of risks which may threaten the existence of the Company.

Your Company has a vigil mechanism named Whistle Blower Policy to deal with instance of fraud and mismanagement, if any. The details of the Whistle Blower Policy are explained in the Corporate Governance Report and also posted on the website of the Company.

**(h) Nomination & Remuneration Policy for Senior Management**

The details relating to ratio of the remuneration of each director to the median remuneration of the employees of the Company for FY18 is given in 'Annexure F' attached and forms part of this Report.

The policy of your Company on director's appointment and remuneration of the directors, key managerial personnel and other employees including criteria for determining qualifications, positive attributes, independence of a director, is stated below:

## TOTAL REWARDS PHILOSOPHY
## GODREJ INDUSTRIES LIMITED (the "Company")

Our Total Rewards Framework aims at holistically utilising elements such as fixed and variable compensation, long-term incentives, benefits and perquisites and non-compensation elements (career development, work life balance and recognition).

### Highlights

The rewards framework offers you the flexibility to customise different elements, basis need. It is also integrated with our performance and talent management processes and designed to ensure sharply differentiated rewards for our best performers.

The total compensation for a given position is influenced by three factors: position, performance and potential. As a broad principle, for our high performers and potential employees, we strive to deliver total compensation at the 90th percentile of the market.

### Total Compensation

The total compensation has three components:

1. 'Fixed Compensation' comprises of basic salary and retirement benefits, like provident fund and gratuity

2. 'Flexible Compensation' is a fixed pre-determined component of the compensation.

3. Variable Compensation (Performance Linked Variable Remuneration)' rewards one for delivering superior business results and individual performance. It is designed to provide a significant upside earning potential without cap for over achieving business results. It has a 'Collective' component, which is linked to the achievement of specified business results, measured by Economic Value Added or other related metrics, relative to the target set for a given financial year and an 'Individual' component, based on the performance, as measured by the performance management process.

### Long Term Incentives (Employee Stock Grant Scheme)

This scheme aims at driving a culture of ownership and focus on long-term results. It is applicable to senior managers. Under this scheme, performance based stock grants are awarded on the basis of performance.

**(i) Financials**

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year to which the financial statement relates and the date of the report.

There are no qualifications, reservations or adverse remarks in the Auditors Report and the Secretarial Audit Report for FY18.

**(j) Share Capital**

During the year under review your company allotted 1,32,945 equity shares of ₹1 each upon exercise of stock option under Company's Employee Stock Grants Scheme. Consequently, the paid up share capital of your Company has increased from ₹ 33,61,39,786/- divided into ₹ 33,61,39,786 equity shares of ₹ 1 each to ₹ 33,62,72,731/- divided into 33,62,72,731equity shares of ₹ 1 each.

**(k) Significant Court Order received** - None

(l) **Amalgamation**

The Board of Directors of your Company approved the Scheme of Amalgamation of Vora Soaps Limited with Godrej Industries Limited and their respective Shareholders ('Scheme') in their meeting held on 14th December, 2017. The Scheme was subject to the approval of the Hon'ble National Company Law Tribunal ('NCLT'), shareholders and/ or creditors and such other competent authority as may be directed by the Hon'ble NCLT. Accordingly, the Scheme was filed with the Stock Exchanges for their approval and upon receipt of their no-objection letters, the company proceeded with filing an application u/s 230-232 with the Hon'ble NCLT which was admitted on 17th May, 2018. Pursuant to the directions of the Hon'ble NCLT, a meeting of the Equity Shareholders of the Company will be held and convened for the purpose of considering and if thought fit, approving with or without modifications the Scheme.

## Additional Information

The consolidated financial statements of the Company forms a part of this Annual Report. Accordingly, this Annual Report of your Company does not contain the financial statements of its subsidiaries. The Audited Annual Accounts and related information of the Company's subsidiaries will be made available upon request. These documents will also be available for inspection during business hours at the Company's registered office in Mumbai, India. The subsidiary companies' documents will also be available for inspection at the respective registered offices of the subsidiary companies during business hours.

## Acknowledgement

Your Directors thank the Union Government, the Governments of Maharashtra and Gujarat as also all the Government agencies, banks, financial institutions, shareholders, customers, employees, fixed deposit holders, vendors and other business associates, who, through their continued support and co-operation, have helped as partners in your Company's progress.

For and on behalf of the Board of Directors

**A. B. Godrej**
Chairman

Mumbai, May 23, 2018.

## MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

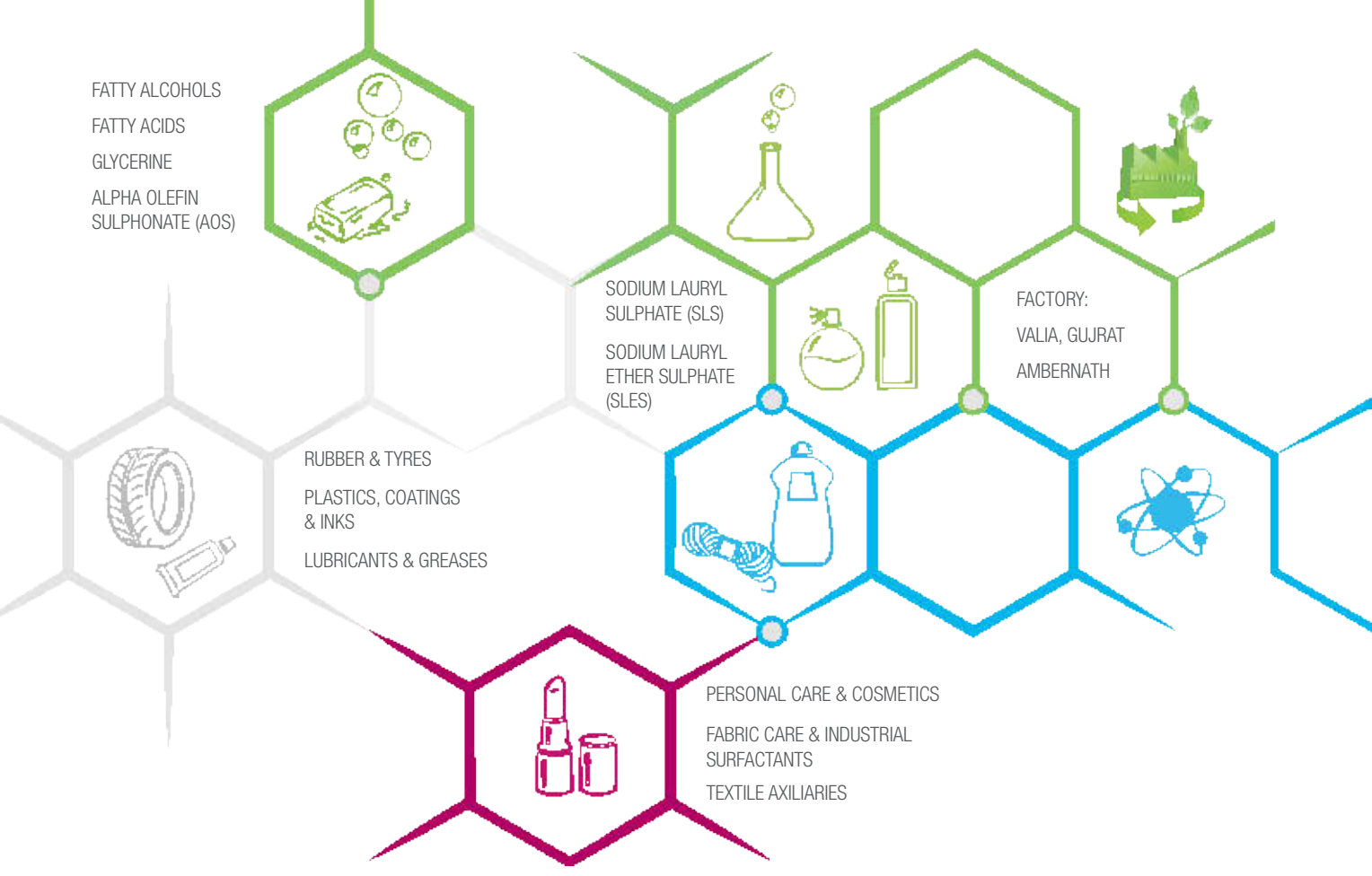
The highlights of overall performance are as follows:

₹ Crore

| Particulars | 2017-18 | 2016-17 |
|---|---|---|
| Sales | 1,986.32 | 1,602.17 |
| Total Income | 2,287.13 | 1,649.05 |
| Profit / (Loss) Before Taxation | 256.65 | (145.35) |
| Profit / (Loss) After Current Taxation | 243.17 | (145.35) |
| Profit / (Loss) After Current & Deferred Taxation | 241.40 | (145.24) |
| | | |
| Earnings per Equity Share (₹) - Basic | 7.18 | (4.32) |
| Earnings per Equity Share (₹) - Diluted | 7.17 | (4.32) |
| **Profitability ratios are as follows:** | | |
| PBDIT/Total Income | 24% | 7% |
| PBT/Total Income | 11% | -9% |
| PAT/Total Income | 11% | -9% |
| Return on Capital Employed | 10% | 1% |
| Return on Net Worth | 14% | -9% |
| **The Financial risk ratios are as follows:** | | |
| Net Debt/Equity | 1.47 | 1.76 |
| Interest coverage | 2.21 | 0.30 |

# OUR CHEMICALS HELP MAKE LIFE BEAUTIFUL






## CHEMICALS DIVISION

The Chemicals division is one of India's leading manufacturers of basic oleo-chemicals, surfactants and derivatives of oleo-chemicals. The division has a blend of domestic and international operations and is one of the leading suppliers in the Indian market. The division achieved export turnover of ₹ 539 crore in this fiscal, accounting for about 33% of its turnover.

The division is focusing on value added chemicals which have steady margins and also helps in de-risking the business.

Despite a challenging macro-economic situation the division recorded a revenue growth of 16% and has a wide distribution network.

The product category-wise review follows:

### Fatty Acids

The Fatty Acids portfolio, comprising stearic acid, erucic acid, oleic acid, as well as value-added fatty acids, accounted for about 42% of the turnover of the division. The division plans to enhance the sales of its value-added fatty acids in the domestic as well as export markets.

## Fatty Alcohol

Fatty alcohol contributed 26% to turnover of this division. A good portion of the revenues for this category comes from exports. The division is also expanding the product basket by focusing on value-added fatty alcohol and also long chain alcohol.

## Surfactants

Surfactants contributed 20% to the turnover of the division.

Our products have been approved by several multi-national companies and we can now strongly participate in their global sourcing programs. Effective sourcing of raw material and increasing customer base are important for improving margins and division has done reasonably well on both the counts.

The division also has the significant presence in Sodium Lauryl Ether Sulphate (SLES) and Alpha Olefin Sulfonate (AOS) market space.

## Glycerin

Glycerin accounted for 8% of the turnover of this division. Being largely a co-product, additional sales are mostly opportunistic, depending on market conditions. With the help of R&D and a new plant at Dombivli, the division is now manufacturing value added glycerin product. Our glycerin has been approved by many pharmaceutical companies and known for its consistent quality.

## Other Initiatives

Your company continues to focus on use of renewable energy over the years. In FY 2017-18 ~42% of the total energy we consumed was through renewable sources. We achieved this through use of biomass briquettes, Solar roof top and other initiatives.

Our Valia & Ambernath plant has installed solar rooftop of 326kW & 198 kW respectively.

Our Valia plant was awarded the 'Energy Efficient Unit for third time in a row at CII National Awards for Energy Management 2017 and by FICCI in the most environment friendly company award, 2017. Our Ambernath plant won the ICC Award for "Excellence in Energy Conservation and Management".

We have also initiated various other energy conservation technologies in our plants which has resulted in reducing our specific energy consumption by ~ 25%.

## Outlook

The outlook for the coming year FY 2018-19 is



Ambernath Plant



Valia Plant

good for the value-added fatty acids at this point in time. International demand is showing signs of improvement and procurement of indigenous raw material will be an edge over overseas competition.

Overall, we expect stronger demand in FY2018-19.

## Finance and Investments

During the year, your company continued to earn return from its investments in the form of Dividend of ₹ 199 crore (previous year ₹ 47 crore).

Your company participated in GAVL IPO as a promoter shareholder and sold part of its stake. GIL realised a profit of ₹ 267 crore in the Standalone financials on sale of shares in GAVL. The stake of your company in GAVL now stands at 58%. Your company also invested ₹ 60 crore in Natures Basket Limited to support their growth plans.

The market value of Godrej Industries' investment in GCPL, GPL & GAVL* has increased by ~₹ 8,625 crore (34%, Y-O-Y)

**For GAVL 16th Oct,2017, GAVL listing date is taken for comparison*

## Veg Oils

The veg oils business started direct sales of edible oils under 'Godrej Brand' in bulk and consumer packs from September, 2015. The business clocked a revenue of ₹ 105 crore and has a reach of 8000+ retail outlets in Mumbai Metropolitan Region (MMR) and 2000+ retail outlets in Western Maharashtra and Goa. The products of this business have been well received in the market. While the Bulk pack business has been stable, consumer pack business recorded a steady growth.

Godrej Industries (Chemicals) has once again bagged the prestigious '**Trishul Award**' for its Outstanding Export Performance.

The award was presented to Mr. N S Nabar, Executive Director and President, Godrej Industries Limited (Chemicals) by Hon'ble Minister of State for Commerce, Industry and Civil Aviation Shri. Suresh Prabhu.



**We are expanding our reach globally and our products are exported to over 60+ countries in North and South America, Asia, Europe, Australia and Africa.**




## Human Resource Development and Industrial Relations

Industrial relations at all plant locations remained harmonious.

The total number of persons employed in your Company as on March 31, 2018 were 1,129.

## Policy to Prevent Sexual Harassment at the work place

Your Company is committed to creating and maintaining an atmosphere in which employees can work together without fear of sexual harassment, exploitation or intimidation. Your Company has strengthened its existing Policy on Prevention of Sexual Harassment at the workplace. Every employee is made aware that the Company is strongly opposed to sexual harassment and that such behaviour is prohibited both by the law and the Group. Structured sessions on prevention of sexual harassment at workplace were organized at all locations to spread awareness on security & safety of women employees as well as to apprise all employees of the legislative updates on prevention of sexual harassment at workplace.

During the year, the Company has reconstituted its Internal Complaints Committee, pursuant to the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, and formed two separate committees – one for the Head Office, factories in Maharashtra and branches in India and the other for the factory at Valia, Gujarat. Ms. Shefali Kohli is the Presiding Officer for both the Committees. While the Act is applicable only to women employees, our Company policy would be covering all employees and all premises of the Company in India.

No complaints were received by the committee during the year under review. Since the number of complaints filed during the year was NIL, the Committee prepared a NIL complaints report. This is in compliance with section 22 of the Sexual

Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## Internal Control Systems and their Adequacy

Your Company has a proper and adequate system of Internal Controls, to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposal and that transactions are authorized, recorded and reported correctly. Your Company's Corporate Audit and Assurance Department, issues well documented operating procedures and authorities with adequate built-in controls at the beginning of any activity and revised procedures, if there is any major change. The internal control is supplemented by an extensive programme of internal, external audits and periodic review by the management. The system is designed to adequately ensure that financial and other records are reliable for preparing financial information and other data and for maintaining accountability of assets.

Corporate Audit & Assurance Department during the year, facilitated a review of your company's risk management programme. The risks and mitigation measures were reviewed by your company's Risk Committee and corrective measures initiated.

During the year, the Corporate Audit & Assurance Department carried out various reviews and provided assurance on compliances to lay down policies, processes and internal controls.

## Information Security

Your Company accords great importance to the security of its information assets. To ensure that this gets desired focus and attention, a Chief Information Security Officer, who is attached to the Corporate Audit and Assurance Department, is entrusted with the task of ensuring that your Company has the requisite security posture.

Your Company has in place, all the procedures and practices that are in line with the ISO Security Standards.

## Opportunities and Threats

Post the implementation of GST, it provides opportunity for an organized player like us to increase our sales volume since such legislation creates a level playing field for the organized players by bringing the tax evaders under compliance. The improved global environment provides an opportunity to us to enhance our export sales. The political scenario in the coming year in view of several state elections and general election could impact the economic environment/ economic policies.

## Risks and Concerns

Your Company had put a risk management framework in place post a comprehensive review of its risk management process. Your Company has taken a fresh look at the risk management framework. The review involved understanding the existing risk management initiatives, zero-based identification and assessment of risks in the various businesses as also the relative control measures and arriving at the desired counter measures keeping in mind the risk appetite of the organization. The Risk Committee has periodically reviewed the risks in the various businesses and recommended appropriate risk mitigating actions.

The Commodity based businesses are likely to be affected by vagaries of the weather, demand for edible oil, oilseed production, etc. The business is exposed to commodity price risks relating to raw materials which account for the largest portion of the costs of both the Chemicals and Vegoils businesses. The Chemicals business growth will also depend on the growth of end user industries like polymer, detergent, cosmetic and personal care.

As a significant employer and chemicals producer, to ensure occupational safety, employment standards, production safety, and environmental protection, your Company maintains strict safety, health, environmental protection and quality control programs to monitor and control these operational risks.

Macro-economic factors including economic and political developments, natural calamities which affect the industrial sector generally would also affect the businesses of your Company. Legislative changes resulting in a change in the taxes, duties and levies, whether local or central, also impact business performance and relative competitiveness of the businesses.

## Cautionary Statement

Some of the statements in this management discussion and analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in industry, significant changes in political and economic environment in India and abroad, tax laws, import duties, litigation and labour relations.





# BUSINESS RESPONSIBILITY **REPORT**

## SUSTAINABILITY EFFORTS BY THE GODREJ GROUP

The Godrej Group has been at the forefront of philanthropic and social activities for several decades. About twenty-four per cent of the shares of the Godrej Group are held in trusts that invest back in initiatives which support the environment as well as improve the quality and availability of healthcare and education.

Through investment and oversight by the trust, a large tract of mangrove forests in Mumbai have been protected, developed, and maintained for several years and serve as a second set of lungs for the city. The Godrej Group has continually supported education and supports the Udayachal pre-primary and primary schools, which focuses on the all-round development of children. The Udayachal high school has been accredited with the International School Award in recognition of the school incorporating global education into its curriculum and innovation into classroom teaching.

In addition, the Godrej Group has supported initiatives in healthcare through the Godrej Memorial Hospital, which aims to provide quality healthcare at affordable costs. One such initiative is our partnership with 'Smile Train', a US-based NGO, which helps in performing corrective cleft lip and palate surgeries for children from low-income families. The Group offers surgery and hospitalisation to the patients free of cost.

## SUSTAINABILITY IN GODREJ'S CORE VISION

Godrej Industries Limited(GIL), part of the larger Godrej Group shares the group's vision for playing an active part in creating a more inclusive and greener India. This vision is 'Godrej Good & Green', that is founded on shared values. The concept of shared value is defined as policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operates. As part of this initiative, we as a Group aspire to create a more employable Indian workforce, a greener India and innovate for good and green products by 2020.

As part of this vision, our Group-level goals till the year 2020 are:

These goals are supplemented by Brighter Giving, a structured volunteering platform through which our team members can offer their time and skills to help address a non-profit organisation's needs. Through Brighter Giving, Godrejites can donate their time, knowledge, and skills to help address a non-profit organisation's specific needs, on a project basis.



**Ensuring Employability**

Train 1 million rural and urban youth in skilled employment



**Creating a Greener India**

Achieve zero waste to landfill, carbon neutrality, and a positive water balance along with reducing our specific energy consumption and increasing the proportion of renewable energy use



**Innovating for Good & Green Products**

Have one-third of our portfolio revenues comprise good and/or green products and services: defined as products that are environmentally superior or address a critical social issue (e.g. health, sanitation, and disease prevention) for consumers at the bottom of the income pyramid

## ACTUALIZING THE VISION

Here are a few of our social and environmental achievements for the year that helped us to actualise our commitment to sustainability:

We implemented projects to reduce our specific energy consumption such as installing heat pipes and micro turbines.

Our Ambernath (Maharashtra) factory installed a 198 kW solar rooftop plant in 2017. The total installed capacity of our Valia (Gujarat) and Ambernath factories now stands at 326kW & 198kW respectively. This has helped us grow our renewable energy portfolio to 42%.

Our Valia factory was awarded the 'Energy Efficient Unit' in Chemicals sector for the third time in a row at the Confederation of Indian Industries' National Awards for Excellence in Energy Management 2017. We also won the ICC Award for "Excellence in Energy Conservation and Management" for our Ambernath factory.

GIL has installed briquette boilers at our Valia factory. It is for heating thermic fluid and 6TPH Steam for the process. This is going to reduce our GHG emissions by around 12000T of CO2 Eq.





FORMING PART OF THE BOARD'S REPORT

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Godrej Industries Limited [GIL], is a conglomerate with a significant presence in Home and Personal Care, Animal Feeds, Crop-Protection, Oil Palm, Dairy, Poultry and Processed Foods, Real Estate Development, Oleo-chemicals and Vegetable Oils either directly in through its subsidiaries/associate companies.

The shareholding of the promoter/promoter group of the Company constitutes 74.74% of the paid up capital of the Company as at March 31, 2018.

- Name of Company: Godrej Industries Limited
- Corporate Identity Number (CIN): L24241MH1988PLC097781
- Registered Office: Godrej One, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai 400079.
- Email id: investor@godrejinds.com
- Website: www.godrejindustries.com
- The three key products that the company (standalone) manufactures and the Sector(s) that the Company is engaged in (industrial activity code-wise) are:

| Sr. No. | Name & Description of Main Products or Services | NIC Code |
|---|---|---|
| 1 | Fatty Acid | 24118 |
| 2 | Fatty Alcohol | 24118 |
| 3 | Surfactant | 24243 |

- The company operates from its factories at the following locations:
  - Ambernath, Maharashtra
  - Valia, Gujarat
  - Wadala, Maharashtra
  - Dombivali, Maharashtra

- The company has spread its wings both in the domestic and international market.

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

| FY 2017-18 | Amount (₹ crore) |
|---|---|
| Paid up Capital | 33.63 |
| Total Income | 2287.13 |
| Net Profit | 241.40 |
| Total Spending on Corporate Social Responsibility (CSR) as a % of average Net Profit after Tax of the last 3 years. | N.A |
| Market capitalization (as on March 31, 2018) | 18,424 |

## SECTION C: OTHER DETAILS

GIL has subsidiaries which are required to comply with Section 135 of the Companies Act, 2013. They have their own CSR projects and do not participate in the business responsibility activities of the parent company.

The other entities with whom the Company does business with viz suppliers, distributors etc. don’t participate in the BR initiatives of the Company.

## SECTION D: BR INFORMATION

**1 (a) Details of Director/Directors responsible for BR**

At GIL, we have established a CSR Committee in accordance with Section 135 of the Companies Act, 2013 which is spearheaded by Mr. Nadir B Godrej as its Chairman for its various business responsibility initiatives. The CSR committee of the Board of Directors is responsible for the CSR projects undertaken. The committee reports to the Board of Directors.

The CSR Policy made in accordance with the CSR guidelines focuses on addressing critical social, environmental and economic needs of

the marginalized/underprivileged sections of the society. Through this policy, we align our CSR strategy with the Godrej group's Good & Green vision and goals. We adopt an approach that integrates the solutions to these problems into the strategies of the company to benefit the communities at large and create social and environmental impact.

The Committee met once in the year to assess the CSR Requirements of the Company. CSR requirement as per Section 135 is NIL for the current year. Consequently, no business responsibility initiatives undertaken by the company have been tagged and reported as CSR spends.

The CSR Committee comprises of the following members:

| Name of the Director | Designation | DIN Number |
|---|---|---|
| Mr. N. B. Godrej | Managing Director | 00066195 |
| Ms. T. A. Dubash | Executive Director & Chief Brand Officer | 00026028 |
| Mr. K. N. Petigara | Director | 00066162 |
| Mr. A. B. Choudhury | Director | 00557547 |

**1 (b) Details of Business Responsibility Head**

Name - Mr. N. B. Godrej
Designation - Managing Director
Telephone - 022-25188010
Email id - nb.godrej@godrejinds.com

**2. Principle-wise (as per NVGs) BR Policy/policies**

(a) Details of compliance (Reply in Y/N)

| No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Do you have a policy/ policies for the principles? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 2 | Has the policy being formulated in consultation with the relevant stakeholders? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 3 | Does the policy confirm to any national / international standards? If yes, specify? (50 words) | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 4 | Has the policy being approved by the Board? | N | N | N | N | N | N | N | N | N |
| 5 | Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy? | N | N | N | N | N | Y | N | N | N |
| 6 | Indicate the link for the policy to be viewed online? | - | - | - | - | - | - | - | - | - |
| 7 | Has the policy been formally communicated to all relevant internal and external stakeholders? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 8 | Does the company have in-house structure to implement the policy/ policies. | Y | Y | Y | Y | Y | Y | Y | Y | Y |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| 9 | Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 10 | Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency? | N | N | Y | N | N | Y | N | N | N |

## SECTION E: PRINCIPLE-WISE PERFORMANCE BY GODREJ INDUSTRIES LIMITED

As per the Business Responsibility guidelines established by the Ministry of Corporate Affairs and SEBI, following are updates for GIL on each of the Principles as stated in the Guidelines.

**Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability**

The Company pursues good Corporate Governance by ensuring regulatory compliance, transparency in disclosures, efficient operational practices, strong internal controls, risk management systems and by engaging & operating with fairness and integrity with all its stakeholders namely shareholders, customers, employees, suppliers, regulatory authorities and general public.

Organization Structure

At the Apex is the Board of Directors headed by a non-executive Chairman. The Board provides guidance and support to the management in terms of broad strategy, direction, governance and compliance. The Company's Board of Directors has six committees.

They monitor and provide direction to the senior leadership team. This ensures greater focus on



specific aspects of Corporate Governance and expeditious resolution of issues of governance as and when they arise. These Committees have clearly defined areas of operation and they operate as empowered by the Board.

### Code of Conduct

The Board of Directors and Senior Management of the Company comply with the Code of Conduct. An annual confirmation affirming compliance with the code of conduct is obtained from Board Members and senior management every year and the same has been obtained for the year ended March 2018.

The Company also has a code of conduct which is applicable to all individuals working in the company. The Company encourages its Business Partners also to follow the code.

A Whistleblower policy has also been put in place .The purpose of the Whistleblower Policy is to allow employees to raise concerns about unacceptable, improper or unethical practices being followed in the organization, without necessarily informing their supervisors. A Whistleblowing Officer has been designated for the purpose of receiving and recording any complaints under this policy.

65 stakeholder complaints were received in the financial year and all such complaints were satisfactorily resolved by the management.

**Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle**

Godrej Group's Good & Green vision supports the development of goods that are environmentally sustainable. As part of the vision, we aspire to develop products that consume fewer resources (energy, water), emit fewer greenhouse gases and include a hundred percent of recyclable, renewable, and/or natural materials.

**Principle 3: Promoting the well-being of all employees**

The total number of persons employed in your Company as on March 31, 2018 is 1129. Your Company has made concerted efforts towards creating learning and development opportunities that continually enhance the employee value in line with the organizational objectives.

Your Company focuses on ensuring well-being of all its employees. Safety and health of employees is extremely important to the Company and we are committed to building and maintaining a safe and healthy workplace.

The following are essential parts of the Code of Conduct.

**Diversity & Zero discrimination | Health & Safety | Good working environment**

All employees who join the company demonstrate their commitment to follow the code of ethics by signing in their acceptance to adhere to the same. Examples of a few of the principles of this code of conduct are listed below.

### Diversity and equal opportunities

We value diversity within the Godrej Group and are committed to offering equal opportunities in employment. We do not discriminate against any team member or applicant for employment on the basis of nationality, race, colour, religion, caste, gender, gender identity/ expression, sexual orientation, disability, age, or marital status and always allow for equal opportunities for all team members. We are proud to share that out of the total employee count of 1129 as on March 31, 2018, the number of permanent female employees is 88.

Diversity & Inclusion initiatives are taken care of at the corporate level by the Diversity &

Inclusion Team, and is supported by the Diversity Council comprising of business leaders and HR representatives from across businesses in the GILAC group.

Some of the initiatives taken by our Diversity & Inclusion Team includes the following;

- Godrej Careers 2.0
  The Careers 2.0 programme offers live business projects of 6-9 months duration to women who are currently on a career break. This programme is designed to reintegrate women back into the workforce who have taken a break due to various reasons.

- Godrej Women's Leadership Network
  The Godrej Women's Leadership Network provides women at Godrej, several opportunities to network, learn and grow.

- Diversity Sensitization workshops:
  A special diversity sensitization workshop focusing on gender inclusion is being conducted for all people managers across the GILAC group. The workshop focuses on unconscious biases and how managers can tackle them in the workplace to create an inclusive culture.

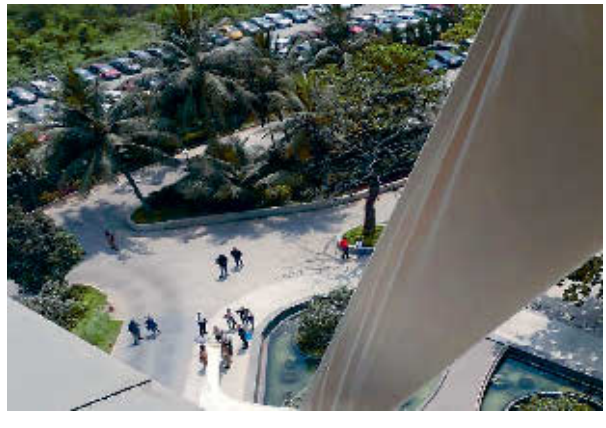
- Policy for prevention of sexual harassment:
  The Company is committed to creating and maintaining an atmosphere in which all employees can work together, without fear of sexual harassment, exploitation or intimidation. A gender- neutral policy on prevention of sexual harassment has been in place for years. During the year, the Company has reconstituted its Internal Complaints Committee, pursuant to the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, and formed two separate committees – one for the head office, factories in Maharashtra and branches in india and the other for the factory at Valia, Gujarat. Ms. Shefali Kohli is the Presiding Officer for both the Committees. All employees go through mandatory training on Prevention of Sexual Harassment.

## Health & Safety

- On-campus:
  We have canteen facilities, where food and refreshments are provided to ensure that hygienic and healthy food is available at the premises.

  All company premises are non-smoking zones. Smoking is strictly prohibited in the campus.

  During the National Safety Week, we focused on importance of safety in all occupations. Various number of activities were conducted like a life safety session of evacuation through fire escape chute, live firefighting training for employees and more and during the course of the year there were continuous awareness sessions



- Health Check-up
  The Company has a policy for regular health checkup of employees, wherein they can have the health checkup done at designated hospitals.

### Good Working Environment

- Progressive Human Resource policies
  HR policies like flexible working hours, work from home arrangements, part-time work, leave and benefits, adoption leave and benefits, extended maternity leave and benefits, paternity leave and benefits – to name a few – go a long way in ensuring that the employees successfully strike a work-life balance.

- Engagement Forums
  There are multiple touch points for leadership team to interact with employees through forums like open houses, town halls, the long range plan and annual operating plan cascades, focus groups around engagement surveys, HR connect sessions, skip level meetings by senior leadership etc. The organization invests in functional training for all employees in line with their current and future career aspirations.

  The learning suite encompasses functional training, leadership development programs and behavioral training geared towards leading self, leading others and leading business.

**Principle 4: Businesses should respect the interests of, and be responsive, towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized**

We at Godrej Industries continue our engagement with all our stakeholders through various mechanisms such as, consultations with local communities, supplier/ vendor meets, customer/ employee satisfaction surveys, investor forums, etc.

The identification of all relevant stakeholders and understanding their expectations is of high concern for Godrej Industries in our quest to remain sustainable. Stakeholders are identified on the basis of their influence on the Company's operations and impact of the Company's operations on them.

### Community Development

In the past, we have carried out detailed community needs assessment of villages around our Valia and Ambernath factories. We invited an external agency to carry out the assessment. The team followed a three-step approach, where they connected with our plant and corporate office, held extensive field based assessments, backed by thorough secondary research to validate key facts and add on additional information available from official sources. The result is a comprehensive report of the community, their needs, gaps in the system and our way forward. We have now started to streamline our activities and implemented high impact programmes.

- At Valia, we work closely with our neighbouring village Kanerao. As part of our community initiative, we partnered with the community to construct 21 toilets for BPL families in the village. The community got together to nominate the names of the households and also contributed in terms of 'shramdaan' or community labour for the project. These toilets are now being used by the households and the village is well on its way to become open defecation free.

- We have also directed our special efforts towards the less privileged in the society through various ways. Recruitment of candidates from the Scheduled Caste/ Scheduled Tribe and Physically Challenged categories has been taken up as one of the major performance measures of the recruitment process owner.

- As part of the employee referral policy, referrals of Scheduled Class/Scheduled Tribe/



*Valia team members at the inauguration of toilets for BPL families in Kanerao village with the Sarpanch and householders who benefitted*

Physically Challenged candidates are offered higher referral amounts than that offered to the general category candidates

- As part of the Godrej Global Volunteering day, over 135 of our team members volunteered at local schools in Mumbai, Valia and Ambernath to improve the teaching & learning experience of the students. Additionally, we also provided environmental sustainability teaching kits to the schools. We also provided regular assistance to the Primary School, Kanerao. The unit distributes school supplies to students at the start of the year and also supports the sports day activities.

- Our Good & Green vision inspires each one of us at Godrej Industries to continue to work towards building a brighter, greener and more inclusive India. Employee volunteering at our corporate offices and factories is a key focus for us. Some of our employees ran the Standard Chartered Mumbai Marathon in January 2018 in support of Teach for India by spreading awareness about the movement and also raising funds.

**Principle 5: Businesses should respect and promote human rights**

GIL respects and promotes human rights for all individuals. No violations in this regard have occurred.

Our Code of Conduct covers aspects like Diversity, Anti-Discrimination, equal opportunity, compliance with the law and integrity which all contribute to respecting and promoting human rights. We also have policies like Whistleblower, Prevention of Sexual Harassment that encourage respect and promotion of human rights. Any violation of the Code of Conduct can result in stern disciplinary action including termination of employment and / or other appropriate actions as permissible under the law.

The Company has a policy which is applicable to all employees. The Company encourages its

Business Partners to follow the policy.

**Principle 6: Businesses should respect, protect and make efforts to restore the environment**

Godrej as a group believes in conserving the various resources of mother earth. As part of its Good & Green vision there is a specific commitment at Godrej group to create a "Greener India". The details of our strategy is available at: http://www.godrej.com/good-and-green.html

We at GIL focus on five major areas related to climate change i.e.

- Energy conservation,
- Water conservation,
- Use of renewable energy,
- Green House Gas (GHG) mitigation &
- Waste minimization.

A dedicated team of 'Good & Green' has been set up to identify the risks and opportunities for individual manufacturing facilities. After identifying the risks and opportunities, the team proposes necessary action to be taken. Several measures proposed by the 'Good & Green' team have been implemented which yielded excellent results.

We are proud to share that the emissions/ waste generated by the company are within the permissible limits given by CPCB/SPCB for the financial year being reported.

Our business has undertaken various initiatives towards:

- Reducing specific energy consumption,
- Increasing our renewable energy portfolio,
- Becoming carbon neutral and water positive,
- Reducing waste to landfills.

### Reducing specific energy consumption

Our efforts for energy conservation have resulted in reducing our specific energy consumption. In the last six years, we reduced our specific energy consumption by ~25%. Our Valia and Ambernath factories have adopted various energy conservation technologies and implemented short-term and long-term projects to achieve our targets. Some of the major initiatives we undertook during FY 2017-18 are:

- We identified high-energy consumption equipment and replaced them with cost effective & energy efficient equipment. We also installed heat pumps, heat pipes and micro turbines.
- We monitored the operations and optimised the usage of pumps, compressors, motors and cooling tower operations
- Replacing conventional lights with LED lights
- Other process modification projects

### Increasing our renewable energy portfolio

- Increasing use of renewable energy by 30%

  Our renewable energy usage as a percentage of overall energy used has increased substantially over the years. In FY 2017-18, ~42% of the total energy we consumed was from renewable sources. We achieved this through use of biomass briquettes, solar energy consumption, and other such initiatives.

  Our Valia & Ambernath factories have installed solar rooftop of 326kW & 198 kW respectively.

  The total installed capacity is now around 524 kW. This has helped us grow our renewable energy portfolio to 42%.

### Becoming carbon neutral and water positive

- Reducing carbon footprint through manufac turing processes (at our manufacturing plants in Valia and Ambernath)



*View of the solar roof top installed at Valia sulponation plant*

Our specific GHG emission has reduced substantially by 38% from our baseline in FY11. We achieved this through various environment friendly projects such as, replacing of fossil fuel with biomass for boilers, utilisation of pitch in boilers that enables organic waste to be reused as fuel and reduce carbon emissions in the plant processes. We have started our third briquette boiler for our hot oil system and expanded our solar roof top capacity by 120kW.

We have also shifted some of our transport from roadways to railways and minimised the distance of travel. We continue to drive a relentless focus on optimising the distance of travel, increasing loading ability of our products and enhance truck utilisation to reduce GHG emission.

- Water Conservation through wastewater treatment plant

Since FY11, we have reduced our specific water consumption by ~38%. We treat waste water in our water treatment plants and reuse the same in our process. We have also reduced our dependency on raw water consumption by installing condensate recovery systems that recovers the condensate and reuses it in the process.

Last year our Ambernath factory commissioned an RO (Reverse Osmosis) plant to recycle waste water from its processes and reuse it in the plant. The commissioned RO plant has a capacity to treat 500m3 / day.

This year we have expanded our rainwater harvesting capacity as well. We were able to harvest 2500 KL of water this year at the Valia Plant.

### Reducing waste to landfill

Our specific waste to landfill has reduced by 71% from our baseline in FY11. We segregate biological and chemical sludge from ETP. This has reduced the amount of waste going to landfill substantially. Biological sludge is converted into



compost and used in gardening.

Further, we are in the process of exploring trials to convert industrial waste into energy using plasma gasification process.

### Awards & Accolades

- CII Excellent energy efficient Award - 2017
- ICC Award for "Excellence in Energy Conservation and Management Award for The Most Environment-Friendly Company
- GIL Valia plant awarded the Most Environment- Friendly Company at the FICCI Chemicals & Petrochemicals Awards 2017

**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

For any policy advocacy, GIL ensures that it does so with the highest degree of responsible and ethical behaviour and also works with collective platforms such as trade and industry chambers and associations.

GIL is a signatory to the Confederation of Indian Industry's (CII) Mission of Sustainable Growth and the CII-ASSOCHAM Code of Conduct for Affirmative Action. We are also a member of Indian Chemical Council which is the apex national body representing all branches of the chemical industry in India.

**Principle 8: Businesses should support inclusive growth and equitable development**

Our Good & Green vision inspires each one of us at GIL to continue to work towards building a brighter, greener and more inclusive India.

We work in collaboration with NGOs and social enterprises to design and run a number of employability training programmes across Godrej Industries Limited & Associate Companies. The focus of these programmes is to improve the earning potential of our graduates, through skill building. We also help facilitate self-employment or job placements.

In FY17-18, the Godrej Group has trained close to 135,000 people in skills that will enhance their earning potential. Since the inception of the programme, the Group has trained over 3,80,000 people. The Good & Green team also undertakes impact assessments for the skill development initiatives, it has undertaken.

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner**

We are a customer centric company and greatly value the trust, satisfaction and loyalty of our customers across the world. Our primary focus is delighting our customers, both external and internal. We strive to ensure that customer needs are satisfied and that our products and services offer value to the customer. Our customer focus does not only extend to external customers alone, but includes internal customers as well.

Our Valia factory which operates on Distributed

Control System is ISO 9001 & ISO 14001 certified and has been Kosher certified for manufacturing Fatty Acids, Fatty Alcohols and Glycerin and is well equipped to deliver the products of superior quality, in time and at competitive prices.

GIL regularly conducts consumer surveys to know the consumer satisfaction trends. No customer complaints/ consumer cases are pending as at the end of the financial year.

GIL displays adequate information to enable safe and effective usage of its products. Godrej is a member of fatty alcohol consortium which was formed as per ECHA/REACh guidelines. REACh stands for Regulation for Evaluation, Authorization & Registration of all substances entering into Europe. As per REACh and GHS requirement we have developed MSDS where all the characteristics of the product are clearly stated with instructions how to handle and use the product safely.



# Annexure "C"

## FORMING PART OF THE BOARD'S REPORT

As per Section 62 of the Companies Act, 2013, Rule 12 of Companies (Share Capital and Debentures) Rules, 2014, SEBI (Share Based Employee Benefits) Regulations, 2014 and the SEBI (Employee Stock Options Scheme and Employee Stock Purchase Scheme) Guidelines 1999, following information is disclosed for FY 2017-18 in respect of Godrej Industries Limited Employee Stock Option Plan I, and Employee Stock Grant Scheme, 2011 :

| Sr. No. | Heading | Particulars (ESOP) | Particulars (ESGS) |
|---|---|---|---|
| A | Options granted during the year | Nil | 1,03,828 |
| B | The pricing formula | ESOP I :<br>Market Price plus Interest at such a rate not being less than the Bank Rate then prevailing compound-able on an annual basis for the period commencing from the date of Grant of the Option and ending on the date of intimating Exercise of the Option to the Company or March 31, 2012, whichever is earlier. | ₹ 1 per equity share |
| C | Options vested during the year | ESOP I : Nil | 1,34,866 |
| D | Options exercised during the year | ESOP I : 1,58,250 | 1,32,945 |
| E | The total number of shares arising as a result of exercise of option | Nil.<br>As shares purchased from secondary market, there is no further issue of shares as a result of exercise of options. | 1,32,945 |
| F | Options lapsed/revoked during the year | ESOP I : 46,000 | 50,104 |
| G | Variation of terms of options | None | - |
| H | Money realized by exercise of options | ESOP I : ₹ 6,42,10,220/- | ₹ 1,32,945 |
| I | Total number of options in force | ESOP I : Nil. | 2,19,380 |
| J | Employee wise details of options granted to;-<br>i) senior managerial personnel;<br>ii) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year.<br>iii) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant; | <br><br>Nil<br><br>Nil<br><br><br><br>Nil | <br><br>Annexure 1 (Table 1)<br><br>Annexure 1 (Table 1)<br><br><br><br>Nil |

| Sr. No. | Heading | Particulars (ESOP) | Particulars (ESGS) |
|---|---|---|---|
| K | Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Indian Accounting Standard (IndAS) 33 'Earnings Per Share'. | There is no fresh issue of shares hence, not applicable. | Basic EPS : 7.18<br>Diluted EPS : 7.17 |
| L | Where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed. | The company has calculated the employee compensation cost using the fair value method for stock options. | The company has calculated the employee compensation cost using the fair value method |
| M | Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock. | No options were granted during the year hence the weighted average exercise price and weighted average fair value has not been computed. | ₹ 1/- |
| N | A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information: | No options were granted during the year. | The fair value of the options has been measured using the Black-Scholes Option Pricing Model and charged to the Statement of Profit and Loss. The value of the options is treated as a part of employee compensation in the financial statements and is amortised over the vesting period. |
| | i) risk-free interest rate, | - | 6.54% to 6.80% |
| | ii) expected life, | - | 1 to 3 years |
| | iii) expected volatility, | - | 30%-32% |
| | iv) expected dividends, and | - | ₹ 1.75 per share |
| | v) the price of the underlying share in market at the time of option grant | - | Weighted average market price at the time of grant of option ₹ 578 per option. |

## Annexure 1 (ESGS)

**Table 1: Senior Managerial Personnel:**

| Sr. No | Employee Name | Options granted |
|---|---|---|
| 1 | Sumit Mitra* | 6,054 |
| 2 | Swaminathan V | 3,807 |
| 3 | V Chakradhar | 3807 |
| 4 | Robert Menzies | 4,326 |
| 5 | Shailesh Deshpande | 2,508 |
| 6 | Parmesh Shahani | 2,508 |
| 7 | Manasi Narasimhan | 1,731 |
| 8 | Vikas Goswami | 2,508 |
| 9 | Avani Davda | 3,807 |
| 10 | Sumit Zaveri | 2,751 |
| 11 | Nitin Nabar* | 11,247 |
| 12 | Arvinder Singh | 2,076 |
| 13 | Clement Pinto | 2,250 |
| 14 | Atul Prakash | 2,421 |

| Sr. No | Name | Options granted |
|---|---|---|
| 15 | Dorab Mistry | 3,738 |
| 16 | Rohinton Khajotia | 2,490 |
| 17 | Balram Singh Yadav* | 12,111 |
| 18 | Rajeev Murthy | 3,114 |
| 19 | Varadaraj S | 3,978 |
| 20 | Praful J Bhat | 3,978 |
| 21 | V V Mishra | 2,769 |
| 22 | Rakesh Dogra | 2,769 |
| 23 | Sanjivani Sadani | 2,250 |
| 24 | Nasim Ali | 2,769 |
| 25 | Sandeep Kumar Singh | 2,769 |
| 26 | Vivek Raizada | 1,731 |
| 27 | Sujit Patil* | 6,247 |
| 28 | Shefali Kohli | 1,314 |
| | **Total** | **1,03,828** |

** Options granted to all above is in excess of 5% of the total options granted during the year.*

# Annexure "D"

## FORMING PART OF THE BOARDS' REPORT

Information pursuant to Section 134(3)(m) of the Companies Act, 2013, read with rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo.

## A. Conservation of Energy and Water

**I. Steps taken or impact on conservation of energy and water:**

**Valia:**

1. Installation of Steam Micro Turbine of 98Kw which generates electrical energy from pressure reduction in the steam instead of Pressure Reducing Valve (PRV)
2. Rain water harvesting systems at multiple plant locations
3. Heat exchanger for recovering heat from product line section
4. Installation of 120Kw solar rooftop at new sulfonation plant which will further increase our renewable portfolio
5. Installation of new biomass boiler which will reduce GHG emissions by 12000 T of CO2 Eq
6. LED Bulb replacement across factory
7. Condensate Recovery to reuse water and capture waste heat
8. Cooling Tower Treatment System (Baccomber) which will increase the efficiency of the cooling tower and reduce the treatment cost

**Ambernath:**

1. Heat pipe in Spray Dryer which will result in around 20% energy savings
2. LED Bulb Replacement across factory
3. Cooling Tower Treatment System (Baccomber) which will increase the efficiency of the cooling tower and reduce the treatment cost
4. Condensate Recovery to reuse water and capture waste heat
5. Installation of Energy Efficient Equipment and other energy conservation projects like pump replacement, Compressor operation optimization & Variable Frequency Drive (VFD) installation in Cooling Tower Fans & Pump

**Wadala:**

1. LED Bulb Replacement across factory
2. Installed roof ventilator at finished goods storage area, saving power and better illumination
3. Installed a low HP blower at ETP and avoided frequent running of 20 HP compressor, thus saving in power
4. The factory recycle and use ETP water for gardening and floor cleaning

**II. Steps taken by company to utilise alternate sources of energy:**

Use of briquette (renewable resource) as fuel in place of natural gas.

Use of Solar energy in the form of solar roof top

Use of fatty acid distillation bottom (pitch) as fuel in place of furnace oil

**III. Your Company made capital investments amounting to approx. ₹ 1.5 crore during the financial year 2017-18 on energy conservation equipments.**

## B. Technology Absorption

**I. Specific areas in which R&D carried out by the Company:**

During the year under review, Research &

Development efforts in the following areas strengthened our Company's operations through technology absorption, adaptation and innovation:

- Vegetable Oils
- Fatty Acids
- Fatty Alcohols
- Surfactants & Bio-surfactants
- Glycerin
- Derivatives of Fatty acids and Fatty alcohols, designed for Personal and Home care industries
- Customer centric support for Home, Personal and Oral Care Products, as well as Oilfield Chemicals
- Formulations and Performance Evaluation

**II. Benefits derived as a result of the above R&D:**

- Premium quality fatty acids and fatty alcohols from alternate raw materials
- Understanding the impact of raw material quality and manufacturing process on the quality of the finished goods
- Value added fatty alcohol and fatty acid derivatives, so as to enter niche markets
- Manufacture of high value, fractionated fatty acids and fatty alcohols, specifically for the lubricant, photography, oilfield, paper and polymer industries.

**III. Future Plan of Action:**

- Tailor-made value-added fatty alcohols and fatty acids for low volume, high value markets.
- Value-added chemicals, derived from Glycerin, Fatty Acids and Fatty Alcohols so as to enter niche markets in the field of Pharmaceuticals, Personal Care , Industrial Lubricants and agriproducts.
- Enhancing our knowledge base of product applications and formulations, through customer engagement and market information.
- Development of Biosurfactant with viable applications and explore enzymatic processes for new products.

**IV. Expenditure on R&D:**

₹ Crore

| Particulars | 2017-18 | 2016-17 |
|---|---|---|
| (a) Capital | **0.06** | **0.31** |
| (b) Recurring | **3.15** | **1.78** |
| (c) Total | **3.21** | **2.09** |
| (d) Total R & D expenditure as a percentage of total sales turnover | **0.16** | **0.13** |

## C. Foreign Exchange earnings and outgo

The Chemical Division's exports were ₹ 539.27 crore in the current year as compared to ₹ 399.5 crore in the previous year. The Company continues to export refined glycerin, fatty alcohol and other chemicals to over 60 plus countries including Brazil, Mexico, U.S.A., Japan, South Korea, Nigeria, Russia, Argentina, Belgium, China, U.A.E.

₹ Crore

| Particulars | 2017-18 | 2016-17 |
|---|---|---|
| Foreign exchange used | **510.67** | **385.76** |
| Foreign exchange earned | **524.95** | **390.84** |

## Form No. MGT-9
## EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### I. REGISTRATION AND OTHER DETAILS:

| | |
|---|---|
| **CIN** | **L24241MH1988PLC097781** |
| Registration Date | March 7, 1988 |
| Name of the Company | Godrej Industries Limited |
| Category / Sub-Category of the Company | Public Company limited by shares |
| Address of the Registered Office and contact details | Godrej One, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai 400 079<br>Tel: +91-22-2518 8010/20/30 |
| Whether listed company | Yes |
| Name, address and contact details of Registrar and Transfer Agent, if any | M/s. Computech Sharecap Limited<br>147 Mahatma Gandhi Road, Fort, Mumbai 400 001<br>Tel: +91-22-22635000-01 |

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

| Sr. No. | Name and Description of main products / services | NIC Code of the Products / services | % to total turnover of the company |
|---|---|---|---|
| 1 | Fatty Acid | 24118 | 42 |
| 2 | Fatty Alcohol | 24118 | 26 |
| 3 | Surfactant | 24243 | 20 |

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sr. No. | Name and address of the Company | CIN/GLN | Holding/ Subsidiary/ Associate | % of shares held |
|---|---|---|---|---|
| Holding Company [Section 2(46)] | | | | |
| 1 | Vora Soaps Ltd.<br>Eastern Express Highway, Vikhroli, Mumbai- 400079 | U24241MH1979PLC021804 | Holding | 57.66 |

| Subsidiary Companies [Section 2{87}(ii)] | | | | |
|---|---|---|---|---|
| 1 | Godrej Properties Ltd. [GPL]* | L74120MH1985PLC035308 | Subsidiary | 56.67 |
| 2 | Godrej Agrovet Ltd. [GAVL] @ | L15410MH1991PLC135359 | Subsidiary | 57.99 |

| | | | | |
|---|---|---|---|---|
| 3 | Natures Basket Ltd. @ | U15310MH2008PLC182816 | Subsidiary | 100 |
| 4 | Ensemble Holdings & Finance Ltd.<br>Pirojshanagar, Eastern Express Highway, Vikhroli, Mumbai- 400079 | U67120MH1992PLC065457 | Subsidiary | 100 |
| 5 | Godrej International Ltd.<br>284A Chase Road, Southgate, London- N14 6HF | Foreign Company | Subsidiary | 100 |
| 6 | Godrej International Trading & Investments Pte. Ltd.<br>111 North Bridge Road, #16-04 Peninsula Plaza, Singapore 179098 | Foreign Company | Subsidiary | 100 |
| 7 | Godrej One Premises Management Private Limited* | U70102MH2015PTC266773 | Subsidiary | 58 |
| 8 | Godvet Agrochem Ltd. @ | U01400MH2014PLC252382 | Subsidiary of GAVL | - |
| 9 | Creamline Dairy Products Ltd.<br>H.No.6-3-1238/B/21, Asif Avenue, Rajbhavan Road, Hyderabad-500082 | U15201TG1986PLC006912 | Subsidiary of GAVL | - |
| 10 | Astec Lifesciences Limited @ | L99999MH1994PLC076236 | Subsidiary of GAVL | - |
| 11 | Behram Chemicals Private Limited @ | U24100MH1993PTC071480 | Subsidiary of GAVL | - |
| 12 | Astec Europe Sprl, Belgium, Rue de Pont no. 33, 7500 Tournai | Foreign Company | Subsidiary of GAVL | - |
| 13 | Comercializadora Agricola Agroastrachem Cia Ltda, Calle 145A No 19-86 Edificio Venecia Oficina, 305 MUNICIPALITY: BOGOTA D.C. | Foreign Company | Subsidiary of GAVL | - |
| 14 | Nagavalli Milkline Private Limited<br>H.No: 6-3-1238/B/21, Asif Avenue, Raj Bhavan Road, Hyderabad- 500082 | U15209TG1999PTC031625 | Subsidiary of GAVL | - |
| 15 | Godrej Buildcon Private Limited* | U70102MH2010PTC207957 | Subsidiary of GPL | - |
| 16 | Godrej Garden City Properties Private Limited* | U74900MH2011PTC213782 | Subsidiary of GPL | - |
| 17 | Godrej Projects Development Limited* | U70102MH2010PLC210227 | Subsidiary of GPL | - |
| 18 | Godrej Properties Worldwide INC<br>95, South Market Street, Suite 530, San Jose, CA 95113, United States of America. | Foreign Company | Subsidiary of GPL | - |
| 19 | Godrej Home Developers Private Limited* | U70102MH2015PTC263223 | Subsidiary of GPL | - |
| 20 | Godrej Hillside Properties Private Limited* | U70102MH2015PTC263237 | Subsidiary of GPL | - |
| 21 | Godrej Highrises Properties Private Limited* | U70200MH2015PTC266010 | Subsidiary of GPL | - |
| 22 | Godrej Residency Private Limited* | U70109MH2017PTC292515 | Subsidiary of GPL | - |
| 23 | Godrej Prakriti Facilities Private Limited* | U70102MH2015PTC265345 | Subsidiary of GPL | - |
| 24 | Godrej Genesis Facilities Management Private Limited* | U70100MH2016PTC273316 | Subsidiary of GPL | - |
| 25 | Prakritiplaza Facilities Management Private Limited* | U70109MH2016PTC284197 | Subsidiary of GPL | - |
| 26 | Godrej Skyline Developers Private Limited* | U45309MH2016PTC287858 | Subsidiary of GPL | - |
| 27 | Citystar Infraprojects Limited<br>Godrej Waterside, Tower- II, Unit No. 109, D.P. 5, Sector- V, Salt Lake Kolkata West Bengal- 700091 | U45400WB2008PLC122810 | Subsidiary of GPL | - |
| 28 | Godrej Realty Private Limited* | U70100MH2005PTC154268 | Subsidiary of GPL | - |
| 29 | Godrej Redevelopers (Mumbai) Private Limited* | U70102MH2013PTC240297 | Subsidiary of GPL | - |
| 30 | Godrej Landmark Redevelopers Private Limited* | U70102MH2012PTC228114 | Subsidiary of GPL | - |
| 31 | Mosiac Landmark LLP* | AAA-5797 | Subsidiary of GPL | - |
| 32 | Dream World Landmarks LLP* | AAA-8207 | Subsidiary of GPL | - |
| 33 | Oxford Realty LLP* | AAC-1059 | Subsidiary of GPL | - |
| 34 | Godrej SSPDL Green Acres LLP* | AAA-5137 | Subsidiary of GPL | - |
| 35 | M S Ramaiah Ventures LLP* | AAC-2431 | Subsidiary of GPL | - |
| 36 | Oasis Landmarks LLP* | AAC-4016 | Subsidiary of GPL | - |

| | | | | |
|---|---|---|---|---|
| 37 | Godrej Housing Projects LLP* | AAD-0883 | Subsidiary of GPL | - |
| 38 | Godrej Construction Projects LLP* | AAD-0882 | Subsidiary of GPL | - |
| 39 | Amitis Developers LLP<br>10/1C, Diamond Harbour Road, Kolkata, West Bengal, 700027 | AAD-1617 | Subsidiary of GPL | - |
| 40 | Caroa Properties LLP* | AAA-8234 | Subsidiary of GPL | - |
| 41 | Godrej Property Developers LLP* | AAA-4369 | Subsidiary of GPL | - |
| 42 | Godrej Land Developers LLP* | AAD-7998 | Subsidiary of GPL | - |
| 43 | Godrej Developers & Properties LLP* | AAD-7997 | Subsidiary of GPL | - |
| 44 | Godrej Highrises Realty LLP* | AAD-7994 | Subsidiary of GPL | - |
| 45 | Godrej Project Developers & Properties LLP* | AAE-1835 | Subsidiary of GPL | - |
| 46 | A R Landcraft LLP<br>UM House, 3rd Floor, Plot No. 35p, UM House, Sector 44 Gurgaon – 122002 | AAF-6499 | Subsidiary of GPL | - |
| 47 | Godrej Highview LLP* | AAH-5060 | Subsidiary of GPL | - |
| 48 | Godrej Green Properties LLP* | AAH-7127 | Subsidiary of GPL | - |
| 49 | Godrej Skyview LLP* | AAH-6366 | Subsidiary of GPL | - |
| 50 | Prakhhyat Dwellings LLP* | AAE-2222 | Subsidiary of GPL | - |
| 51 | Bavdhan Realty @ Pune 21 LLP* | AAH-6993 | Subsidiary of GPL | - |
| 52 | Godrej Projects (Pune) LLP* | AAI-4645 | Subsidiary of GPL | - |
| 53 | Godrej Projects (Soma) LLP* | AAI-7488 | Subsidiary of GPL | - |
| 54 | Godrej Projects (North) LLP* | AAI-7141 | Subsidiary of GPL | - |
| 55 | Godrej Projects North Star LLP* | AAI-8236 | Subsidiary of GPL | - |
| 56 | Godrej Athenmark LLP* | AAJ-2145 | Subsidiary of GPL | - |
| 57 | Godrej Vestamark LLP* | AAJ-2144 | Subsidiary of GPL | - |
| 58 | Godrej Irismark LLP* | AAJ-2172 | Subsidiary of GPL | - |
| 59 | Godrej Avamark LLP* | AAJ-2162 | Subsidiary of GPL | - |
| 60 | Sai Srushti Onehub Projects LLP<br>No. 18, 17th Cross, 9th Main, 7th Sector, HSR Layout, Bangalore Karnataka 560102 | AAC-4667 | Subsidiary of GPL | - |
| Associate Company [Section 2(6)] | | | | |
| 1 | Godrej Consumer Products Ltd. [GCPL]<br>Godrej One, 4th Floor, Pirojshanagar Eastern Express Highway, Vikhroli (East) Mumbai – 400079 | L24246MH2000PLC129806 | Associate | 23.76 |

@ Registered office at Godrej One, 3rd Floor, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai – 400079

*Registered office at Godrej One, 5th Floor, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai – 400079

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

### i) Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year (1.04.2017) | | | | No. of Shares held at the end of the year (31.03.2018) | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/ HUF | 5,74,33,547 | 0 | 5,74,33,547 | 17.09% | 4,46,94,268 | 0 | 4,46,94,268 | 13.29% | -3.80% |
| b) Central Govt | 0 | 0 | 0 | 0.00% | 0 | 0 | 0 | 0.00% | 0.00% |
| c) State Govt(s) | 0 | 0 | 0 | 0.00% | 0 | 0 | 0 | 0.00% | 0.00% |
| d) Bodies Corp. | 19,39,04,681 | 0 | 19,39,04,681 | 57.69% | 19,39,04,681 | 0 | 19,39,04,681 | 57.66% | -0.02% |
| e) Banks / FI | 0 | 0 | 0 | 0.00% | 0 | 0 | 0 | 0.00% | 0.00% |
| f) Any Other (PAC) | 0 | 0 | 0 | 0.00% | 0 | 0 | 0 | 0.00% | 0.00% |
| - Trusts | 0 | 0 | 0 | 0.00% | 1,23,37,385 | 0 | 1,23,37,385 | 3.67% | 3.67% |
| **Sub-total (A) (1):-** | **25,13,38,228** | **0** | **25,13,38,228** | **74.77%** | **25,09,36,334** | **0** | **25,09,36,334** | **74.62%** | **-0.15%** |
| **(2) Foreign** | | | | | | | | | |
| a) NRIs - Individuals | 0 | 0 | 0 | 0.00% | 4,00,133 | 0 | 4,00,133 | 0.12% | 0.12% |
| b) Other – Individuals | 0 | 0 | 0 | 0.00% | 0 | 0 | 0 | 0.00% | 0.00% |
| c) Bodies Corp. | 0 | 0 | 0 | 0.00% | 0 | 0 | 0 | 0.00% | 0.00% |
| d) Banks / FI | 0 | 0 | 0 | 0.00% | 0 | 0 | 0 | 0.00% | 0.00% |
| e) Any Other | 0 | 0 | 0 | 0.00% | 0 | 0 | 0 | 0.00% | 0.00% |
| **Sub-total (A) (2):-** | 0 | 0 | 0 | 0.00% | 4,00,133 | 0 | 4,00,133 | 0.12% | 0.12% |
| **Total shareholding of Promoter (A) = (A)(1)+(A)(2)** | **25,13,38,228** | **0** | **25,13,38,228** | **74.77%** | **25,13,36,467** | **0** | **25,13,36,467** | **74.74%** | **-0.03%** |
| **B. Public shareholding** | | | | | | | | | |
| **1. Institutions:** | | | | | | | | | |
| a) Mutual Funds | 12,37,335 | 0 | 12,37,335 | 0.37% | 51,12,471 | 0 | 51,12,471 | 1.52% | 1.15% |
| b) Banks / FI | 17,770 | 5,072 | 22,842 | 0.01% | 8,47,773 | 5,072 | 8,52,845 | 0.25% | 0.25% |
| c) Central Govt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) State Govt(s) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e) Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| f) Insurance Companies | 94,56,001 | 0 | 94,56,001 | 2.81% | 94,56,001 | 0 | 94,56,001 | 2.81% | 0.00% |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| g) FIIs | 4,97,25,125 | 4,802 | 4,97,29,927 | 14.79% | 4,20,34,550 | 9,874 | 4,20,44,424 | 12.50% | -2.29% |
| h) Foreign Venture Capital Funds | 0 | 0 | 0 | 0.00% | 0 | 0 | 0 | 0.00% | 0.00% |
| i) Foreign Portfolio Invest -or (Corporate) | 0 | 0 | 0 | 0.00% | 0 | 0 | 0 | 0.00% | 0.00% |
| j) Others (specify) | 0 | 0 | 0 | 0.00% | 0 | 0 | 0 | 0.00% | 0.00% |
| **Sub-total (B) (1):-** | **6,04,36,231** | **9,874** | **6,04,46,105** | **17.98%** | **5,74,50,795** | **14,946** | **5,74,65,741** | **17.09%** | **-0.89%** |
| **2. Non-Institutions:** | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 62,88,211 | 7,312 | 62,95,523 | 1.87% | 72,40,708 | 7,312 | 72,48,020 | 2.16% | 0.28% |
| ii)Overseas | 0 | 0 | 0 | 0.00% | 0 | 0 | 0 | 0.00% | 0.00% |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nomin-al share capital upto ₹ 1 lakh | 1,26,50,379 | 5,80,765 | 1,32,31,144 | 3.94% | 1,49,79,494 | 4,83,634 | 1,54,63,128 | 4.60% | 0.66% |
| ii) Individual shareholders holding nomin-al share capital in excess of ₹ 1 lakh | 36,29,474 | 0 | 36,29,474 | 1.08% | 35,51,707 | 0 | 35,51,707 | 1.06% | -0.02% |
| c) Others (specify) | 0 | 0 | 0 | 0.00% | 0 | 0 | 0 | 0.00% | 0.00% |
| Clearing Member | 0 | 0 | 0 | 0.00% | 0 | 0 | 0 | 0.00% | 0.00% |
| Foreign Nationals | | | | | | | | | |
| - Non Resident Indians (Repat) | 0 | 0 | 0 | 0.00% | 0 | 0 | 0 | 0.00% | 0.00% |
| - Non Resident Indians (Non Repat) | 11,68,526 | 30,786 | 11,99,312 | 0.36% | 11,79,702 | 27,966 | 12,07,668 | 0.36% | 0.00% |
| Trust | 0 | 0 | 0 | 0.00% | 0 | 0 | 0 | 0.00% | 0.00% |
| **Sub-total (B) (2):-** | **2,37,36,590** | **6,18,863** | **2,43,55,453** | **7.25%** | **2,69,51,611** | **5,18,912** | **2,74,70,523** | **8.17%** | **0.92%** |
| Total Public Shareholding (B)=(B)(1)+ (B)(2) | **8,41,72,821** | **6,28,737** | **8,48,01,558** | **25.23%** | **8,44,02,406** | **5,33,858** | **8,49,36,264** | **25.26%** | **0.03%** |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total (A+B+C) | **33,55,11,049** | **6,28,737** | **33,61,39,786** | **100.00%** | **33,57,38,873** | **5,33,858** | **33,62,72,731** | **100.00%** | **0.00%** |

### ii) Shareholding of Promoters and Promoter Groups

| Sr No. | Shareholder's Name | Shareholding at the beginning of the year 1.04.2017 | | | Shareholding at the end of the year 31.03.2018 | | | % change in share holding during the year |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total Shares of the company | %of Shares Pledged/ Encumbered to total shares | No. of Shares | % of total Shares of the company | %of Shares Pledged/ Encumbered to total shares | |
| 1 | Freyan Crishna Bieri | 31,03,175 | 0.92% | 0.00% | 4,00,133 | 0.12% | 0.00% | -0.80% |
| 2 | Mrs. Smita Godrej Crishna, Ms. Freyan Crishna Bieri and Ms. Nyrika Holkar (Trustees of FVC Family Trust) | 0 | 0.00% | 0.00% | 27,03,042 | 0.80% | 0.00% | 0.80% |
| 3 | Vora Soaps Limited | 19,39,04,681 | 57.69% | 0.00% | 19,39,04,681 | 57.66% | 0.00% | - 0.02% |
| 4 | Nadir B. Godrej | 5,28,232 | 0.16% | 0.00% | 100 | 0.00% | 0.00% | -0.16% |
| 5 | Mr. Nadir Godrej, Mr. Hormazd Godrej and Mrs. Rati Godrej (Trustees of HNG Family Trust) | 0 | 0.00% | 0.00% | 5,28,132 | 0.16% | 0.00% | 0.16% |
| 6 | Navroze Jamshyd Godrej | 64,03,181 | 1.90% | 0.00% | 64,03,181 | 1.90% | 0.00% | 0.00% |
| 7 | Nisaba Adi Godrej | 42,68,781 | 1.27% | 0.00% | 24,66,753 | 0.73% | 0.00% | -0.54% |
| 8 | Ms. Nisaba Godrej And Mr. Pirojsha Godrej (Trustees of NG Family Trust) | 0 | 0.00% | 0.00% | 18,02,028 | 0.54% | 0.00% | 0.54% |
| 9 | Nyrika Holkar | 31,03,175 | 0.92% | 0.00% | 4,00,133 | 0.12% | 0.00% | -0.80% |
| 10 | Mrs. Smita Godrej Crishna, Ms. Freyan Crishna Bieri and Ms. Nyrika Holkar (Trustees of NVC Family Trust) | 0 | 0.00 | 0.00 | 27,03,042 | 0.80% | 0.00 | 0.80% |
| 11 | Pirojsha Adi Godrej | 42,68,786 | 1.27% | 0.00% | 24,66,758 | 0.73% | 0.00% | -0.54% |
| 12 | Mr. Pirojsha Godrej And Ms. Nisaba Godrej (Trustees of PG Family Trust) | 0 | 0.00% | 0.00% | 18,02,028 | 0.54% | 0.00% | 0.54% |
| 13 | Raika Jamshyd Godrej | 0 | 0.00% | 0.00% | 54,06,084 | 1.61% | 0.00% | 1.61% |
| 14 | Jamshyd Naoroji Godrej (Trustee of Raika Godrej Family Trust) | 64,03,169 | 1.90% | 0.00% | 9,97,085 | 0.30% | 0.00% | 1.60% |
| 15 | Rishad Kaikhushru Naoroji ( As a partner of RKN Enterprises) | 1,28,06,300 | 3.81% | 0.00% | 1,28,06,300 | 3.81% | 0.00% | 0.00% |
| 16 | Rishad Kaikhushru Naoroji | 50 | 0.00% | 0.00% | 50 | 0.00% | 0.00% | 0.00% |
| 17 | Tanya Arvind Dubash | 42,68,783 | 1.27% | 0.00% | 24,66,755 | 0.73% | 0.00% | -0.54% |
| 18 | Ms. Tanya Dubash and Mr. Pirojsha Godrej (Trustees of TAD Family Trust) | 0 | 0.00% | 0.00% | 18,02,028 | 0.54% | 0.00% | 0.54% |
| 19 | Burjis Nadir Godrej | 61,39,080 | 1.83% | 0.00% | 61,39,080 | 1.83% | 0.00% | 0.00% |
| 20 | Sohrab Nadir Godrej | 61,39,074 | 1.83% | 0.00% | 61,39,074 | 1.83% | 0.00% | 0.00% |
| | **Total:** | **25,13,36,467** | **74.77%** | **0.00%** | **25,13,36,467** | **74.74%** | **0.00%** | **-0.03%** |

### iii) Change in Promoter's and Promoter Group's Shareholding

| Sr. No. | Names of Promoter and Promoter Group | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of Shares | % of Total Shares | No. of Shares | % of Total Shares |
| 1 | **Freyan Crishna Bieri** | | | | |
| | At the beginning of the Year | 31,03,175 | 0.92 | 31,03,175 | 0.92 |
| | Transferred during the year | | | | |
| | 27th March 2018 | (27,03,042) | (0.80) | 4,00,133 | 0.12 |
| | At the end of the year | 4,00,133 | 0.12 | 4,00,133 | 0.12 |
| | | | | | |
| 2 | **Mrs. Smita Godrej Crishna, Ms. Freyan Crishna Bieri and Ms. Nyrika Holkar (Trustees of FVC Family Trust)** | | | | |
| | At the beginning of the Year | 0 | 0.00 | 0 | 0.00 |
| | Received during the year | | | | |
| | 27th March 2018 | 27,03,042 | 0.80% | 27,03,042 | 0.80% |
| | At the end of the year | 27,03,042 | 0.80% | 27,03,042 | 0.80% |
| | | | | | |
| 3 | **Nadir Barjorji Godrej** | | | | |
| | At the beginning of the Year | 5,28,232 | 0.16% | 5,28,232 | 0.16% |
| | Transferred during the year | | | | |
| | 27th March 2018 | (5,28,132) | (0.16)% | 100 | 0.00% |
| | At the end of the year | 100 | 0.00% | 100 | 0.00% |
| | | | | | |
| 4 | **Mr. Nadir Godrej, Mr. Hormazd Godrej and Mrs. Rati Godrej (Trustees of HNG Family Trust)** | | | | |
| | At the beginning of the year | 0 | 0.00% | 0 | 0.00% |
| | Received during the year | | | | |
| | March 27, 2018 | 5,28,132 | 0.16% | 5,28,132 | 0.16% |
| | At the end of the year | 5,28,132 | 0.16% | 5,28,132 | 0.16% |
| | | | | | |
| 5 | **Nisaba Adi Godrej** | | | | |
| | At the beginning of the year | 42,68,781 | 1.27% | 42,68,781 | 1.27% |
| | Transferred during the year | | | | |
| | March 27, 2018 | (18,02,028) | (0.54)% | 24,66,753 | 0.73% |
| | At the end of the year | 24,66,753 | 0.73% | 24,66,753 | 0.73% |
| | | | | | |
| 6 | **Ms. Nisaba Godrej and Mr. Pirojsha Godrej (Trustees of NG Family Trust)** | | | | |
| | At the beginning of the year | 0 | 0.00% | 0 | 0.00% |
| | Received during the year | | | | |
| | March 27, 2018 | 18,02,028 | 0.54% | 18,02,028 | 0.54% |
| | At the end of the year | 18,02,028 | 0.54% | 18,02,028 | 0.54% |
| | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| 7 | **Nyrika Holkar** | | | | |
| | At the beginning of the year | 31,03,175 | 0.92% | 31,03,175 | 0.92% |
| | Transferred during the year | | | | |
| | March 27, 2018 | (27,03,042) | (0.80)% | 4,00,133 | 0.12% |
| | At the end of the year | 4,00,133 | 0.12% | 4,00,133 | 0.12% |
| | | | | | |
| 8 | **Mrs. Smita Godrej Crishna, Ms. Freyan Crishna Bieri and Ms. Nyrika Holkar (Trustees of NVC Family Trust)** | | | | |
| | At the beginning of the year | 0 | 0.00% | 0 | 0.00% |
| | Received during the year | | | | |
| | March 27, 2018 | 27,03,042 | 0.80% | 27,03,042 | 0.80% |
| | At the end of the year | 27,03,042 | 0.80% | 27,03,042 | 0.80% |
| | | | | | |
| 9 | **Pirojsha Adi Godrej** | | | | |
| | At the beginning of the year | 42,68,786 | 1.27% | 42,68,786 | 1.27% |
| | Transferred during the year | | | | |
| | March 27, 2018 | (18,02,028) | (0.54)% | 24,66,758 | 0.73% |
| | At the end of the year | 24,66,758 | 0.73% | 24,66,758 | 0.73% |
| | | | | | |
| 10 | **Mr. Pirojsha Godrej and Ms. Nisaba Godrej (Trustees of PG Family Trust)** | | | | |
| | At the beginning of the year | 0 | 0.00% | 0 | 0.00% |
| | Received during the year | | | | |
| | March 27, 2018 | 18,02,028 | 0.54% | 18,02,028 | 0.54% |
| | At the end of the year | 18,02,028 | 0.54% | 18,02,028 | 0.54% |
| | | | | | |
| 11 | **Raika Jamshyd Godrej** | | | | |
| | At the beginning of the year | 0 | 0.00% | 0 | 0.00% |
| | Received during the year | | | | |
| | March 27, 2018 | 54,06,084 | 1.61% | 54,06,084 | 1.61% |
| | At the end of the year | 54,06,084 | 1.61% | 54,06,084 | 1.61% |
| | | | | | |
| 11 | **Jamshyd Naoroji Godrej (Trustee of Raika Godrej Family Trust)** | | | | |
| | At the beginning of the year | 64,03,169 | 1.90% | 64,03,169 | 1.90% |
| | Received during the year | | | | |
| | March 27, 2018 | (54,06,084) | (1.61)% | 9,97,085 | 0.30% |
| | At the end of the year | 9,97,085 | 0.30% | 9,97,085 | 0.30% |

| | | | | | |
|---|---|---|---|---|---|
| 13 | **Tanya Arvind Dubash** | | | | |
| | At the beginning of the year | 42,68,783 | 1.27% | 42,68,783 | 1.27% |
| | Transferred during the year | | | | |
| | 27th March 2018 | (18,02,028) | 0.54% | 24,66,755 | 0.73% |
| | At the end of the year | 24,66,755 | 0.73% | 24,66,755 | 0.73% |
| | | | | | |
| 14 | **Ms. Tanya Dubash and Mr. Pirojsha Godrej (Trustees of TAD Family Trust)** | | | | |
| | At the beginning of the year | 0 | 0.00% | 0 | 0.00% |
| | Received during the year | | | | |
| | March 27, 2018 | 18,02,028 | 0.54% | 18,02,028 | 0.54% |
| | At the end of the year | 18,02,028 | 0.54% | 18,02,028 | 0.54% |
| | | | | | |

### iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

| Sr No. | Name of Shareholders | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of Shares | % of Total Shares | No. of Shares | % of Total Shares |
| 1 | **Life Insurance Corporation Of India** | | | | |
| | At the beginning of the year | 94,56,001 | 2.81% | 94,56,001 | 2.81% |
| | Bought /(Sold) during the year | - | - | - | - |
| | At the end of the year | 94,56,001 | 2.81% | 94,56,001 | 2.81% |
| | | | | | |
| 2 | **Blackrock Global Funds Asian Dragon Fund** | | | | |
| | At the beginning of the year | 71,64,912 | 2.13% | 71,64,912 | 2.13% |
| | Bought /(Sold) during the year | | | | |
| | 21st Apr 2017 | (2,24,667) | (0.07)% | 69,40,245 | 2.06% |
| | 28th April 2017 | (8,95,785) | (0.27)% | 60,44,460 | 1.80% |
| | 2nd June 2017 | 81,420 | 0.02% | 61,25,880 | 1.82% |
| | 23rd June 2017 | 1,32,759 | 0.04% | 62,58,639 | 1.86% |
| | 30th June 2017 | 23,761 | 0.01% | 62,82,400 | 1.87% |
| | 14th July 2017 | 65,236 | 0.02% | 63,47,636 | 1.89% |
| | 21st July 2017 | 49,345 | 0.01% | 63,96,981 | 1.90% |
| | 28th July 2017 | (1,80,778) | (0.05)% | 62,16,203 | 1.85% |

| | | | | | |
|---|---|---|---|---|---|
| | 3rd August 2017 | (1,07,667) | (0.03)% | 61,08,536 | 1.82% |
| | 4th August 2017 | (1,10,678) | (0.03)% | 59,97,858 | 1.78% |
| | 11th August 2017 | (2,65,846) | (0.08)% | 57,32,012 | 1.71% |
| | 18th August 2017 | (1,73,906) | (0.05)% | 55,58,106 | 1.65% |
| | 20th October 2017 | 1,06,357 | 0.03% | 56,64,463 | 1.69% |
| | 5th January 2018 | 5,655 | 0.00% | 56,70,118 | 1.69% |
| | 12th January 2018 | 1,14,827 | 0.03% | 57,84,945 | 1.72% |
| | 26th January 2018 | 10,669 | 0.00% | 57,95,614 | 1.72% |
| | 2nd Feb 2018 | 1,26,431 | 0.04% | 59,22,045 | 1.76% |
| | 2nd March 2018 | 1,38,178 | 0.04% | 60,60,223 | 1.80% |
| | 23rd March 2018 | 1,27,258 | 0.04% | 61,87,481 | 1.84% |
| | At the end of the year | 61,87,481 | 1.84% | 61,87,481 | 1.84% |
| | | | | | |
| 3 | **HDFC Standard Life Insurance Company Limited** | | | | |
| | At the beginning of the year | 0 | 0.00% | 0 | 0.00% |
| | Bought /(Sold) during the year | | | | |
| | 26th May 2017 | 33,00,218 | 0.98% | 33,00,218 | 0.98% |
| | 2nd June 2017 | (15,302) | 0.00% | 32,84,916 | 0.98% |
| | 9th June 2017 | (15,801) | 0.00% | 32,69,115 | 0.97% |
| | 23rd June 2017 | (33,547) | (0.01)% | 32,35,568 | 0.96% |
| | 30th June 2017 | (278) | 0.00% | 32,35,290 | 0.96% |
| | 7th July 2017 | (14,979) | 0.00% | 32,20,311 | 0.96% |
| | 14th July 2017 | (21,199) | (0.01)% | 31,99,112 | 0.95% |
| | 21st July 2017 | (1,22,596) | (0.04)% | 30,76,516 | 0.92% |
| | 28th July 2017 | (2,620) | 0.00% | 30,73,896 | 0.91% |
| | 11th August 2017 | 50,000 | 0.01% | 31,23,896 | 0.93% |
| | 18th August 2017 | 1,00,000 | 0.03% | 32,23,896 | 0.96% |
| | 25th August 2017 | 26,850 | 0.01% | 32,50,746 | 0.97% |
| | 1st September 2017 | (150) | 0.00% | 32,50,596 | 0.97% |
| | 15th September 2017 | 1,899 | 0.00% | 32,52,495 | 0.97% |
| | 22nd September 2017 | 4,350 | 0.00% | 32,56,845 | 0.97% |
| | 29th September 2017 | 74,547 | 0.02% | 33,31,392 | 0.99% |
| | 6th October 2017 | 1,03,672 | 0.03% | 34,35,064 | 1.02% |
| | 27th October 2017 | 84,853 | 0.03% | 35,19,917 | 1.05% |
| | 3rd November 2017 | 24,404 | 0.01% | 35,44,321 | 1.05% |
| | 10th November 2017 | 1,18,628 | 0.04% | 36,62,949 | 1.09% |
| | 17th November 2017 | 1,06,179 | 0.03% | 37,69,128 | 1.12% |
| | 24th November 2017 | 2,934 | 0.00% | 37,72,062 | 1.12% |
| | 1st December 2017 | (54) | 0.00% | 37,72,008 | 1.12% |
| | 8th December 2017 | (8,579) | 0.00% | 37,63,429 | 1.12% |
| | 15th December 2017 | (2,50,000) | (0.07)% | 35,13,429 | 1.05% |
| | 22nd December 2017 | 48,871 | 0.01% | 35,62,300 | 1.06% |
| | 29th December 2017 | 856 | 0.00% | 35,63,156 | 1.06% |
| | 5th January 2018 | 6,8477 | 0.02% | 36,31,633 | 1.08% |
| | 12th January 2018 | (4,128) | 0.00% | 36,27,505 | 1.08% |

| | | | | | |
|---|---|---|---|---|---|
| | 19th January 2018 | (2,017) | 0.00% | 36,25,488 | 1.08% |
| | 26th January 2018 | (505) | 0.00% | 36,24,983 | 1.08% |
| | 2nd February 2018 | 68,222 | 0.02% | 36,93,205 | 1.10% |
| | 9th February 2018 | 1,31,778 | 0.04% | 38,24,983 | 1.14% |
| | 23rd February 2018 | 79,263 | 0.02% | 39,04,246 | 1.16% |
| | 2nd March 2018 | 6,561 | 0.00% | 39,10,807 | 1.16% |
| | 13th March 2018 | (7,433) | 0.00% | 39,03,374 | 1.16% |
| | 16th March 2018 | 25,000 | 0.01% | 39,28,374 | 1.17% |
| | 23rd March 2018 | 74,967 | 0.02% | 40,03,341 | 1.19% |
| | 30th March 2018 | 50,000 | 0.01% | 40,53,341 | 1.21% |
| | At the end of the year | 40,53,341 | 1.21% | 40,53,341 | 1.21% |
| | | | | | |
| 4 | **JP Morgan India Investment Company (Mauritius) Limited** | | | | |
| | At the beginning of the year | 30,89,218 | 0.92% | 30,89,218 | 0.92% |
| | Bought / (Sold) during the year | | | | |
| | 7th April 2017 | (1,23,726) | (0.04)% | 29,65,492 | 0.88% |
| | 22nd September 2017 | (82,446) | (0.02)% | 28,83,046 | 0.86% |
| | 29th September 2017 | (2,84,389) | (0.08)% | 25,98,657 | 0.77% |
| | 6th October 2017 | (1,22,233) | (0.04)% | 24,76,424 | 0.74% |
| | 20th October 2017 | (79,677) | (0.02)% | 23,96,747 | 0.71% |
| | 27th October 2017 | (1,53,738) | (0.05)% | 22,43,009 | 0.67% |
| | 31st October 2017 | (81,585) | (0.02)% | 21,61,424 | 0.64% |
| | 3rd November 2017 | (52,807) | (0.02)% | 21,08,617 | 0.63% |
| | 10th November 2017 | (87,800) | (0.03)% | 20,20,817 | 0.60% |
| | 17th November 2017 | (69,393) | (0.02)% | 19,51,424 | 0.58% |
| | At the end of the year | 19,51,424 | 0.58% | 19,51,424 | 0.58% |
| | | | | | |
| 5 | **JP Morgan Sicav Investment Company (Mauritius) Limited** | | | | |
| | At the beginning of the year | 34,82,259 | 1.04% | 34,82,259 | 1.04% |
| | Bought / (Sold) during the year | | | | |
| | 7th April 2017 | (2,79,156) | (0.08)% | 32,03,103 | 0.95% |
| | 28th April 2017 | (4,50,000) | (0.13)% | 27,53,103 | 0.82% |
| | 22nd September 2017 | (29,456) | (0.01)% | 27,23,647 | 0.81% |
| | 29th September 2017 | (74,109) | (0.02)% | 26,49,538 | 0.79% |
| | 6th October 2017 | (1,90,935) | (0.06)% | 24,58,603 | 0.73% |
| | 20th October 2017 | (86,044) | (0.03)% | 23,72,559 | 0.71% |
| | 27th October 2017 | (1,65,294) | (0.05)% | 22,07,265 | 0.66% |
| | 31st October 2017 | (88,662) | (0.03)% | 21,18,603 | 0.63% |
| | 3rd November 2017 | (54,952) | (0.02)% | 20,63,651 | 0.61% |
| | 10th November 2017 | (92,219) | (0.03)% | 19,71,432 | 0.59% |
| | 17th November 2017 | (72,829) | (0.02)% | 18,98,603 | 0.56% |
| | At the end of the year | 18,98,603 | 0.56% | 18,98,603 | 0.56% |
| | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| 6 | **Abu Dhabi Investment Authority - Jhelum** | | | | |
| | At the beginning of the year | 27,21,181 | 0.81% | 27,21,181 | 0.81% |
| | Bought / (Sold) during the year | | | | |
| | 7th April 2017 | (1,05,299) | (0.03)% | 26,15,882 | 0.78% |
| | 22nd September 2017 | (88,335) | (0.03)% | 25,27,547 | 0.75% |
| | 29th September 2017 | (2,80,325) | (0.08)% | 22,47,222 | 0.67% |
| | 6th October 2017 | (96,650) | (0.03)% | 21,50,572 | 0.64% |
| | 20th October 2017 | (72,088) | (0.02)% | 20,78,484 | 0.62% |
| | 27th October 2017 | (1,39,097) | (0.04)% | 19,39,387 | 0.58% |
| | 31st October 2017 | (73,815) | (0.02)% | 18,65,572 | 0.55% |
| | 3rd November 2017 | (45,263) | (0.01)% | 18,203,09 | 0.54% |
| | 10th November 2017 | (75,256) | (0.02)% | 17,45,053 | 0.52% |
| | 17th November 2017 | (59,481) | (0.02)% | 16,85,572 | 0.50% |
| | At the end of the year | 16,85,572 | 0.50% | 16,85,572 | 0.50% |
| | | | | | |
| 7 | **JP Morgan India Fund** | | | | |
| | At the beginning of the year | 31,44,002 | 0.94% | 31,44,002 | 0.94% |
| | Bought / (Sold) during the year | | | | |
| | 7th April 2017 | (2,73,776) | (0.08)% | 28,70,226 | 0.85% |
| | 28th April 2017 | (3,60,000) | (0.11)% | 25,10,226 | 0.75% |
| | 12th May 2017 | (1,50,000) | (0.04)% | 23,60,226 | 0.70% |
| | 22nd September 2017 | (44,167) | (0.01)% | 23,16,059 | 0.69% |
| | 29th September 2017 | (1,78,532) | (0.05)% | 21,37,527 | 0.64% |
| | 6th October 2017 | (1,02,335) | (0.03)% | 20,35,192 | 0.61% |
| | 20th October 2017 | (68,294) | (0.02)% | 19,66,898 | 0.59% |
| | 27th October 2017 | (1,31,776) | (0.04)% | 18,35,122 | 0.55% |
| | 31st October 2017 | (69,930) | (0.02)% | 17,65,192 | 0.53% |
| | 3rd November 2017 | (50,293) | (0.01)% | 17,14,899 | 0.51% |
| | 10th November 2017 | (83,619) | (0.02)% | 16,31,280 | 0.49% |
| | 17th November 2017 | (66,088) | (0.02)% | 15,65,192 | 0.47% |
| | At the end of the year | 15,65,192 | 0.47% | 15,65,192 | 0.47% |
| | | | | | |
| 8 | **RBC Emerging Markets Small - Cap Equity Fund** | | | | |
| | At the beginning of the year | 12,10,000 | 0.36% | 12,10,000 | 0.36% |
| | Bought / (Sold) during the year | | | | |
| | 16th June 2017 | (1,00,000) | (0.03)% | 11,10,000 | 0.33% |
| | 28th July 2017 | (60,803) | (0.02)% | 10,49,197 | 0.31% |
| | 18th August 2017 | 47,621 | 0.01% | 10,96,818 | 0.33% |
| | 31st October 2017 | 1,80,000 | 0.05% | 12,76,818 | 0.38% |
| | 16th February 2018 | 34,611 | 0.01% | 13,11,429 | 0.39% |
| | 9th March 2018 | 1,30,298 | 0.04% | 14,41,727 | 0.43% |
| | At the end of the year | 14,41,727 | 0.43% | 14,41,727 | 0.43% |
| | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| 9 | **ACACIA BANYAN PARTNERS** | | | | |
| | At the beginning of the year | 14,00,000 | 0.42% | 14,00,000 | 0.42% |
| | Bought / (Sold) during the year | - | - | - | - |
| | At the end of the year | 14,00,000 | 0.42% | 14,00,000 | 0.42% |
| | | | | | |
| 10 | **ACACIA CONSERVATION FUND LP** | | | | |
| | At the beginning of the year | 14,00,000 | 0.42% | 14,00,000 | 0.42% |
| | Bought / (Sold) during the year | | | | |
| | 16th March 2018 | (70,000) | (0.02)% | 13,30,000 | 0.40% |
| | 23rd March 2018 | (11,000) | 0.00% | 13,19,000 | 0.39% |
| | At the end of the year | 13,19,000 | 0.39% | 13,19,000 | 0.39% |
| | | | | | |

### v) Shareholding of Directors:

| Sr. No. | Name of Directors | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of Shares | % of Total Shares | No. of Shares | % of Total Shares |
| 1 | **Jamshyd Godrej, Pheroza Godrej And Navroze Godrej [(Trustees Of Raika Godrej Family Trust) (Beneficial Interest is of Raika Godrej)** | | | | |
| | At the beginning of the Year 1.04.2017 | 64,03,169 | 1.90% | 64,03,169 | 1.90% |
| | Increase/Decrease in shareholding during the year | (54,06,084) | (1.60)% | 9,97,085 | 0.30% |
| | At the end of the year 31.03.2018 | 9,97,085 | 0.30% | 9,97,085 | 0.30% |
| | | | | | |
| 2 | **Mr. N. B. Godrej** | | | | |
| | At the beginning of the Year 1.04.2017 | 5,28,232 | 0.16% | 5,28,232 | 0.16% |
| | Transfer of shares on 27th March 2018 | (5,28,132) | (0.16)% | 100 | 0.00% |
| | At the end of the year 31.03.2018 | 100 | 0.00% | 100 | 0.00% |
| | | | | | |
| 3 | **Mr. Nadir Godrej, Mr. Hormazd Godrej and Mrs. Rati Godrej (Trustees of HNG Family Trust)** | | | | |
| | At the beginning of the Year 1.04.2017 | 0 | 0.00% | 0 | 0.00% |
| | Received of shares on March 27, 2018 | 5,28,132 | 0.16% | 5,28,132 | 0.16% |
| | At the end of the year 31.03.2018 | 5,28,132 | 0.16% | 5,28,132 | 0.16% |
| | | | | | |
| 4 | **S. A. Ahmadullah** | | | | |
| | At the beginning of the Year 1.04.2017 | 6,004 | 0.00% | 6,004 | 0.00% |
| | Increase/Decrease in shareholding during the year | 0 | 0.00% | 0 | 0.00% |
| | At the end of the year 31.03.2018 | 6,004 | 0.00% | 6,004 | 0.00% |

| | | | | | |
|---|---|---|---|---|---|
| 5 | **K. K. Dastur** | | | | |
| | At the beginning of the Year 1.04.2017 | 3,608 | 0.00% | 3,608 | 0.00% |
| | Increase/Decrease in shareholding during the year | 0 | 0.00% | 0 | 0.00% |
| | At the end of the year 31.03.2018 | 3,608 | 0.00% | 3,608 | 0.00% |
| | | | | | |
| 6 | **A. B. Choudhury** | | | | |
| | At the beginning of the Year 1.04.2017 | 300 | 0.00% | 300 | 0.00% |
| | Increase/Decrease in shareholding during the year | 0 | 0.00% | 0 | 0.00% |
| | At the end of the year 31.03.2018 | 300 | 0.00% | 300 | 0.00% |
| | | | | | |
| 7 | **T. A. Dubash** | | | | |
| | At the beginning of the Year 1.04.2017 | 42,68,783 | 1.27% | 42,68,783 | 1.27% |
| | Increase/Decrease in shareholding during the year | | | | |
| | Transfer of shares on March 27, 2018 | (18,02,028) | (0.54)% | 24,66,755 | 0.73% |
| | At the end of the year 31.03.2018 | 24,66,755 | 0.73% | 24,66,755 | 0.73% |
| | | | | | |
| 8 | **Ms. Tanya Dubash and Mr. Pirojsha Godrej (Trustees of TAD Family Trust)** | | | | |
| | At the beginning of the Year 1.04.2017 | 0 | 0.00% | 0 | 0.00% |
| | Received of shares on March 27, 2018 | 18,02,028 | 0.54% | 18,02,028 | 0.54% |
| | At the end of the year 31.03.2018 | 18,02,028 | 0.54% | 18,02,028 | 0.54% |
| | | | | | |
| 9 | **N. S. Nabar** | | | | |
| | At the beginning of the Year 1.04.2017 | 16754 | 0.00% | 16754 | 0.00% |
| | Increase/Decrease in shareholding during the year | | | | |
| | May 26th 2017 | (3,000) | 0.00% | 13,754 | 0.00% |
| | May 29th 2017 | (1,000) | 0.00% | 12,754 | 0.00% |
| | May 30th 2017 | (1,000) | 0.00% | 11,754 | 0.00% |
| | 14th June 2017 | (3,000) | 0.00% | 8,754 | 0.00% |
| | 16th June 2017 | (250) | 0.00% | 8,504 | 0.00% |
| | 19th June 2017 | (1,750) | 0.00% | 6,754 | 0.00% |
| | 20th June 2017@ | 17,011 | 0.00% | 23,765 | 0.00% |
| | 1st September 2017 | (3,000) | 0.00% | 20,765 | 0.00% |
| | At the end of the year 31.03.2018 | 20,765 | 0.01% | 20,765 | 0.01% |

*@ Allotment of Shares through Godrej Industries Limited - Employee Stock Grant Scheme, 2011*
*The following directors did not hold any shares during financial year 2017-18*

A.B. Godrej
V.M. Crishna
K. N. Petigara
K. M. Elavia
A. D. Cooper

### vi) Shareholding of Key Managerial Personnel:

| Sr. No. | Name of key Mangerial Personnel | Shareholding | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of Shares | % of Total Shares | No. of Shares | % of Total Shares |
| 1 | **Clement Pinto** | | | | |
| | At the beginning of the year | 11,724 | 0.00% | 11,724 | 0.00% |
| | Increase/Decrease in shareholding during the year | | | | |
| | 2nd June 2017 | (5,000) | 0.00% | 6,724 | 0.00% |
| | 9th June 2017 | (1,000) | 0.00% | 5,724 | 0.00% |
| | 16th June 2017 | (500) | 0.00% | 5,224 | 0.00% |
| | 23rd June 2017@ | 3,551 | 0.00% | 8,775 | 0.00% |
| | At the end of the year | 8,775 | 0.00% | 8,775 | 0.00% |
| | | | | | |
| 2 | **Nilufer Shekhawat** | | | | |
| | At the beginning of the year | 0 | 0.00 | 0 | 0.00 |
| | Increase/Decrease in shareholding during the year: Nil | | | | |
| | At the end of the year | 0 | 0.00 | 0 | 0.00 |
| | | | | | |

*@ Allotment of Shares through Godrej Industries Limited - Employee Stock Grant Scheme, 2011*

## V) INDEBTEDNESS

### Indebtedness of the Company including interest outstanding/accrued but not due for payment

₹ in Crore

| Sr. No. | Particulars | Secured Loans | Unsecured Loans | Deposits | Total |
|---|---|---|---|---|---|
| | Indebtedness at the beginning of the financial year | | | | |
| i | Principal amount | 0.3 | 2861.3 | - | 2861.6 |
| ii | Interest due but not paid | - | - | - | - |
| iii | Interest accrued but not due | - | 6.1 | - | 6.1 |
| | **Total ( i+ii+iii)** | **0.3** | **2867.4** | **-** | **2,867.70** |
| | Change in Indebtedness during the financial year | | | | |
| | Addition | 0.6 | 3472.1 | - | 3472.7 |
| | Reduction | -0.3 | -3628.9 | - | -3629.2 |
| | **Net Change** | **0.3** | **-156.8** | - | -156.5 |
| | Indebtedness at the end of the financial year | | | | |
| i | Principal amount | 0.6 | 2703.8 | - | 2704.4 |
| ii | Interest due but not paid | - | - | - | - |
| iii | Interest accrued but not due | - | 6.8 | - | 6.8 |
| | **Total ( i+ii+iii)** | **0.6** | **2710.6** | **-** | **2711.2** |

## VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to MD/WTD/Manager and Remuneration to KMP other than MD/Manager/WTD (CEO, CS & CFO)

₹ Crore

| Sr. no. | Particulars of Remuneration | Name of Managing Director and Whole-time Directors | | | Total | KMP other than MD/ Manager/WTD | |
|---|---|---|---|---|---|---|---|
| | | N. B. Godrej (Managing Director) | T. A. Dubash (Executive Director & Chief Brand Officer) | N. S. Nabar (Executive Director & President-Chemicals) | Amount | Clement Pinto (CFO)* | Nilufer Shekhawat (CS)* |
| 1 | Gross salary: | | | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 5.00 | 6.31 | 2.77 | 14.08 | 1.12 | 0.26 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 0.26 | 0.36 | 0.09 | 0.71 | - | - |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | - | - | - | | |
| 2 | Stock Option | - | - | 0.63 | 0.63 | 0.13 | - |
| 3 | Sweat Equity | - | - | - | - | - | - |
| 4 | Commission - as a % of profit - others , specify | - | - | - | - | - | - |
| 5 | Others | - | - | - | - | - | - |
| | **Total (A)** | **5.25** | **6.68** | **3.50** | **15.43** | **1.24** | **0.26** |
| Ceiling as per the Act | | Remuneration paid to the Managing Director is as per approval received from the Ministry of Corporate Affairs. Applications have been filed with the Central Government for approval of remuneration of the Whole time Directors. | | | | | |

B. Remuneration to other directors

₹

| Sr. No. | Particulars of Remuneration | Non Executive | | | Independent Directors | | | | | | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | A. B. Godrej | J. N. Godrej | V. M. Crishna | S. A. Ahmadullah | A. B. Choudhury | K. K. Dastur | K. M. Elavia | K. N. Petigara | A. D. Cooper | Amount |
| 1 | Fee for attending Board/Committee Meetings | 8,00,000 | 200,000 | 200,000 | 520,000 | 660,000 | 600,000 | 500,000 | 660,000 | 520,000 | 4,660,000 |
| 2 | Commission | - | - | - | - | - | - | - | - | - | - |
| 3 | Others, please specify | - | - | - | - | - | - | - | - | - | - |
| | Total | 8,00,000 | 200,000 | 200,000 | 520,000 | 660,000 | 600,000 | 500,000 | 660,000 | 520,000 | 4,660,000 |
| | Ceiling as per Act | Sitting Fees paid to all the Non Executive Directors was within the limits as prescribed under the Act | | | | | | | | | |

## VII). PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT/ COURT] | Appeal made, if any (give Details) |
|---|---|---|---|---|---|
| Penalty | None | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| **OTHER OFFICERS IN DEFAULT** | | | | | |
| Penalty | None | | | | |
| Punishment | | | | | |
| Compounding | | | | | |

## FORMING PART OF THE BOARD'S REPORT

**Information pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

Note: The information provided below is on standalone basis for Indian Listed entity.

**(1) Ratio of the remuneration of each director to the median remuneration of all the employees of the Company for the financial year;**

| Sr. No. | Name of Director | Ratio |
|---|---|---|
| 1 | Mr. Nadir Godrej | 91:1 |
| 2 | Ms. Tanya Dubash | 117:1 |
| 3 | Mr. Nitin S Nabar | 61:1 |

**(2) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;**

The percentage increase in the remuneration of each director ranges between 12% to 61%.
The percentage increase in the remuneration of the following KMPs is:

| Name | 2016-2017 Remuneration (₹) | 2017-2018 Remuneration (₹) | % increase in remuneration in the financial year |
|---|---|---|---|
| Mr. C. G. Pinto (CFO) | 1,07,48,593 | 1,22,93,153 | 14% |
| Ms. Nilufer Shekhawat (CS) | 18,30,508 | 25,78,965 | 41% |

(3) The percentage increase/(decrease) in the median remuneration of employees in the financial year was 3.9%

(4) The number of permanent employees on the rolls of company as on 31st March, 2018: 1129

(5) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

Average decrease in salary of Company’s employees other than the managerial personnel was 12.9% in the last financial year. On the other hand, managerial remuneration increased by 15.8% year-on-year. The total managerial remuneration comprises of remuneration of the Managing Director and Executive Directors. The remuneration to Managerial personnel is as approved by the shareholders under the provisions of Companies Act, 2013.

(6) Remuneration is as per the remuneration policy of the company.

# Annexure "G"

**Form No MR – 3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Godrej Industries Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Godrej Industries Limited (hereinafter called the 'Company'). The 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 as well as the information provided by the Company, its officers, agents and authorised 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 March 31, 2018 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 reported 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 March 31, 2018 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder 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') wherever applicable:-

(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 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

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 / the Listing Agreements entered into by the Company with BSE Limited & National Stock Exchange of India Limited.

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

The following laws, are specifically applicable to the Company as per the representation given by the Company:

(a) The Food Safety and Standards Act, 2006 & Food Safety and Standards (Food Products Standards and Food Additives) Regulations, 2011;
(b) The Boilers Act, 1923 & the Boiler Attendant's Rules, 2011.

**We report that**, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test check basis, the Company has complied with the above laws applicable specifically to the Company.

**We further report that**

The Board of Directors of the Company is duly constituted with a proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of Board of directors during the year under review.

Adequate notice is given to all directors to schedule the Board Meetings; the agenda and related detailed notes on agenda were sent at least seven days in advance. Furthermore, a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.

All the decisions were passed by majority in the meetings of the Board and there were no dissenting views from the Board members.

**We further report that** there are adequate systems and processes in the Company, 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 :

i. Issued shares upon exercising Employee Stock Grant Scheme, 2011.
ii. The Company has made an application to the Central Government for payment of remuneration two Executive Directors, which is in excess of the prescribed limits under section 197 read with Schedule V to the Companies Act, 2013, the approval for which is awaited.
iii. The Company had made an application to the Central Government for payment of remuneration to Managing Director, which was in excess of the prescribed limits under section 197 read with Schedule V to the Companies Act, 2013, the approval is received.
iv. Passed resolution at the meeting of the Board of Directors for amalgamation of Vora Soaps Limited with the Company and filed necessary applications before National Company Law Tribunal, Mumbai Bench.
v. Obtained shareholders' approval for increase in its borrowing limits which is now ₹ 2,000 Crores over and above its paid up share capital and free reserves.
vi. Realised profit of ₹ 267.38 Crores on sale of non-current investments in the IPO of Godrej Agrovet Limited.

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

Place:- Thane
Date:- May 23, 2018

Bhavana Shewakramani
Partner
FCS – 8636, COP – 9577

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'**

To,
The members
Godrej Industries 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 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. Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

5. 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.

6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

7. 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:- May 23, 2018

Bhavana Shewakramani
Partner
FCS – 8636, COP – 9577

# REPORT ON
# CORPORATE GOVERNANCE

The Company is in compliance with the requirements stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) with regard to corporate governance.

## 1. THE COMPANY'S PHILOSOPHY

The Company is a part of the Godrej Group which has established a reputation for honesty and integrity. The Company's philosophy of corporate governance is to achieve business excellence by enhancing the long-term welfare of all its stakeholders. The Company believes that corporate governance is about creating organisations that succeed in the marketplace with the right approach and values. This will enhance the value for all its stakeholders.

## THE GOVERNANCE STRUCTURE

## 2. BOARD OF DIRECTORS

### a) Board Structure

The Board of Directors of the Company comprises twelve Directors, which includes a Managing Director i.e. Mr. N. B. Godrej and two Whole-time Executive Directors, i.e. Ms. T. A. Dubash and Mr. N. S. Nabar. The remaining nine are Non-Executive Directors, with six of them being Independent Directors. No Director is related to any other Director on the Board in terms of the definition of "relative" given under the Companies Act, 2013 (The Act), except (1) Mr. A. B. Godrej and Mr. N. B. Godrej, who are brothers, (2) Ms. T. A. Dubash who is the daughter of Mr. A. B. Godrej. The details are given in Table 1.

### b) Board meetings held and Directors' attendance record

The Board meets at least once in a quarter to consider among other businesses, quarterly performance of the Company and financial results. To enable the Board to discharge its responsibilities effectively and take informed decisions, necessary information is made available to the Board. During the year Five Board meetings were held on May 22, 2017, August 11, 2017, November 14, 2017, December 14, 2017 and February 14, 2018. One separate meeting of Independent Directors was also held on May 22, 2017, which was attended by all the Independent Directors except Mr. K. M. Elavia. The details are given in Table 1.

Table 1: The names and categories of the Directors on the Board, number of Board meetings held during the year under review and their attendance at Board Meetings and at the last Annual General Meeting (AGM), as also the number of Directorships and Committee positions held by them in other companies as on March 31, 2018 is given hereunder:

| Names of Director | Category | Board meetings attended during the year | Attendance at last AGM held on August 11, 2017 | Directorships held in other public companies incorporated in India as at year- end $ | Number of Chairmanship/ membership in Board Committees in other companies as at the year-end@ | |
|---|---|---|---|---|---|---|
| | | | | | Chairmanship (excluding membership of committees ) | Membership |
| Mr. A. B. Godrej | Chairman, Non-Executive, Promoter | 5 | Yes | 3(2) | - | 1 |
| Mr. J. N. Godrej | Non-Executive, Promoter | 2 | Yes | 5(3) | - | 1 |
| Mr. N. B. Godrej | Managing Director, Promoter | 5 | Yes | 9(6) | 3 | 2 |
| Mr. S. A. Ahmadullah | Non-Executive, Independent | 4 | Yes | - | - | - |
| Mr. V. M. Crishna | Non-Executive | 2 | Yes | 3(2) | - | 1 |
| Mr. K. K. Dastur | Non-Executive, Independent | 5 | Yes | 1 | - | - |
| Mr. A. D. Cooper | Non-Executive, Independent | 5 | Yes | 1 | - | 1 |
| Mr. A. B. Choudhury | Non-Executive, Independent | 5 | Yes | 3(2) | 2 | 2 |
| Mr. K. N. Petigara | Non-Executive, Independent | 5 | Yes | 3(1) | 2 | 1 |
| Mr. K. M. Elavia | Non-Executive, Independent | 5 | Yes | 9(6) | 5 | 5 |
| Ms. T. A. Dubash | Whole-time | 4 | Yes | 6(2) | 1 | - |
| Mr. N. S. Nabar | Whole-time | 5 | Yes | 1 | - | - |

**Notes:**

1. $ Alternate Directorships and Directorships in private companies, section 8 companies, foreign companies are excluded.
2. Figures in ( ) denote listed companies.
3. @ Represents Chairmanships / Memberships of Audit Committee and Stakeholders Relationship Committee of Indian companies.
4. None of the Directors of the Company were members of more than 10 Committees or acted as Chairperson of more than 5 Committees, across all the companies in which he / she was a Director. The necessary disclosures regarding Committee positions have been made by the Directors.
5. None of the Directors held directorship in more than 10 public limited companies.

6. None of the Independent Directors of the Company served as Independent Director in more than 7 listed companies.
7. Mr. N. B. Godrej, Managing Director, is an Independent Director of two listed Companies and Ms. T. A. Dubash and Mr. N. S. Nabar, Executive Directors, are not Independent Directors of any other listed company.
8. All Independent Directors of the Company have been appointed as per the provisions of the Act. Formal letters of appointment have been issued to the Independent Directors. The terms and conditions of their appointment are disclosed on the Company's website: www.godrejindustries.com.
9. The Board periodically reviews compliance reports of all laws applicable to the Company, prepared by the Company.

### c) Information supplied to the Board

Among others, this includes:

- Annual operating plans and budgets, capital budgets, and any updates thereon.
- Quarterly results of the Company.
- Minutes of meetings of audit committee and other committees.
- Information on recruitment and remuneration of senior officers just below the Board level.
- Materially important show cause, demand, prosecution and penalty notices.
- Fatal or serious accidents or dangerous occurrences, any materially significant effluent or pollution problems.
- Any materially relevant default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company.
- Any issue which involves possible public or product liability claims of a substantial nature.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- Significant labour problems and their proposed solutions.
- Significant development in the human resources and industrial relations front.
- Sale of material nature of investments, subsidiaries, assets, which is not in the normal course of business.
- Quarterly details of foreign exchange exposure and the steps taken by management to limit the risks of adverse exchange rate movement.
- Non-compliance of any regulatory, statutory nature or listing requirements as well as shareholder services such as non-payment of dividend and delays in share transfer.

### d) Familiarization Programme

The details of the familiarization programme have been disclosed on the Company’s website www.godrejindustries.com.

## 3. COMMITTEES OF THE BOARD

### (A) Audit Committee

The Company has set up an Audit Committee in accordance with Section 177 of the Act, and Regulation 18 of the SEBI Listing Regulations.

Table 2: Composition of the Audit Committee of Directors (Audit Committee) and details of meetings attended by the Directors during the year under review:

| Names of the Directors | Category | No. of meetings attended |
|---|---|---|
| Mr. K. K. Dastur (Chairman) | Independent, Non-executive | 5 |
| Mr. S. A. Ahmadullah | | 4 |
| Mr. A. B. Choudhury | | 5 |
| Mr. K. N. Petigara | | 5 |

5 Audit Committee meetings were held during the year and the gap between two meetings did not exceed four months. The dates of the meetings are as under:
May 22, 2017, August 11, 2017, November 14, 2017, December 14, 2017 and February 14, 2018.

The necessary quorum was present for all the meetings.

The terms of reference for the Audit Committee include the matters as specified in Section 177 of the Act and Regulation 18(3) of the Listing Regulations as follows:

- Overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommendation for appointment, re-appointment and terms of appointment of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of the Act;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of any related party transactions; and
  - Modified opinion(s) in the draft audit report.

- Reviewing along with the management, the quarterly financial statements before submission to the board for approval.
- Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making

appropriate recommendations to the Board to take up steps in this matter.

- Reviewing and monitory the auditor's independence and performance, and effectiveness of audit process.
- Approval of any subsequent modification of transactions of the listed entity with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the listed entity, whenever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors of any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism.
- Approval of appointment of chief financial officer after assessing the qualifications, experience & background, etc. of the candidate.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- Review of information by Audit Committee.

  - Management discussion and analysis of financial condition and results of operations;
  - Statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - Internal audit reports relating to internal control weaknesses;
  - The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.
  - Statement of deviations:
    (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(7) of the Listing Regulations.
    (b)Annual statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice in terms of Regulation 32(7) of the Listing Regulations.

The Audit Committee invites such of the executives, as it considers appropriate (and particularly the head of the finance function), to be present at its meetings. Ms. Nilufer Shekhawat, Company Secretary was the Secretary for all the Board Committees during FY2017-18.

## (B) Nomination and Compensation Committee

Nomination and Compensation Committee (NCC) is formed in accordance with Section 178 of the Act and Regulation 19 of the Listing Regulations.

Table 3: Composition of the NCC and details of meetings attended by the Directors during the year under review:

| Names of the Directors | Category | No. of meetings attended |
|---|---|---|
| Mr. S. A. Ahmadullah (Chairman) | Independent, Non-executive | 2 |
| Mr. A. B. Choudhury | | 2 |
| Mr. K. N. Petigara | | 2 |

Nomination and Compensation Committee meeting was held on May 22, 2017 and November 14, 2017.

The terms of reference of Nomination and Compensation Committee are as below:

- Review the human resources policies and practices of the Company and in particular, policies regarding remuneration of Directors and senior managers of the Company.
- Formulation of criteria for evaluation of performance of independent directors and the board of directors.
- Devising a policy on diversity of board of directors.
- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to Board their appointment and removal, and evaluate every Director's performance.
- Formulate the criteria in determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to remuneration of Directors, key management personnel and other employees.
- Matters required under Securities and Exchange Board of India (SEBI) (Share Based Employee Benefits) Regulations.
- Such other matters as may be required under the Act / Listing Regulations.

The NCC is also responsible for recommending to the Board a policy relating to the appointment of the Directors, Key Managerial Personnel, Senior Management and their remuneration. In line with this requirement, the Board has adopted the 'Board Appointment Policy' and the 'Total Rewards Philosophy of Godrej Industries Ltd.' These policies form part of the Board's Report.

**Remuneration of Directors**

The details of remuneration package of Directors and their relationships with each other are given below:

Table 4: Details of Remuneration to Non-Executive Directors (NED) for the year ended March 31, 2018:

| Names of Directors | Relationship with other Directors | Sitting fees (₹) | Commission |
|---|---|---|---|
| Mr. A. B. Godrej | Brother of Mr. N. B. Godrej, Father of Ms. T. A. Dubash | 8,00,000 | Nil |
| Mr. J. N. Godrej | None | 2,00,000 | Nil |
| Mr. S. A. Ahmadullah | None | 5,20,000 | Nil |
| Mr. A. B. Choudhury | None | 6,60,000 | Nil |
| Mr. V. M. Crishna | None | 2,00,000 | Nil |
| Mr. K. K. Dastur | None | 6,00,000 | Nil |
| Mr. A. D. Cooper | None | 5,20,000 | Nil |
| Mr. K. N. Petigara | None | 6,60,000 | Nil |
| Mr. K. M. Elavia | None | 5,00,000 | Nil |

Table 5: Details of remuneration and perquisites paid and/or value calculated as per the Income-tax Act, 1961, to the Managing Director and Executive Directors:

| Names of Directors | Relationship with other Directors | Salary and Allowances (₹) | Perquisites (₹) | Retirement Benefits (₹) | Total (₹) |
|---|---|---|---|---|---|
| Mr. N. B. Godrej | Brother of Mr. A. B. Godrej | 4,69,58,540 | 25,57,306 | 30,25,800 | 5,25,41,646 |
| Ms. T. A. Dubash | Daughter of Mr. A. B. Godrej | 6,10,29,188 | 36,27,492 | 21,01,250 | 6,67,57,930 |
| Mr. N. S. Nabar | None | 3,32,21,848 | 9,40,554 | 8,48,905 | 3,50,11,307 |

**Notes:**

(a) The service contract of Mr. N. B. Godrej is for a period of three years beginning from April 1, 2017. The service contracts of Ms. T. A. Dubash and Mr. N. S. Nabar are for a period of three years beginning from April 1, 2016. The Agreements may be terminated by either party giving to the other party three months' notice in writing. There is no separate provision for payment of severance fees.

(b) The remuneration paid to two Directors is in excess of the limits prescribed under section 197 read with Schedule V to the Companies Act, 2013, by ₹ 7.48 Crore. The Company has made an application to the Central Government for payment of the said remuneration which is in excess of the prescribed limits, the approval for which is awaited.

The Total Rewards Philosophy of the Company is given in the section on 'Board's Report' of this Annual Report.

None of the NEDs had any pecuniary relationship or transactions with the Company other than the Directors' fees received by them.

Table 6: Number of shares and convertible instruments held by Non-Executive Directors as on March 31, 2018 is given below:

| Names of Non-Executive Directors | Equity Shares | Convertible Instruments |
|---|---|---|
| Mr. A. B. Godrej | Nil | Nil |
| Mr. A. B. Godrej * | 1,85,064 | Nil |
| Mr. J. N. Godrej | 9,97,085 | Nil |
| Mr. S. A. Ahmadullah | 6,004 | Nil |
| Mr. S. A. Ahmadullah * | 11,708 | Nil |
| Mr. K. M. Elavia | Nil | Nil |
| Mr. V. M. Crishna | Nil | Nil |
| Mr. A. D. Cooper | Nil | Nil |
| Mr. A. B. Choudhury | 300 | Nil |
| Mr. K. N. Petigara | Nil | Nil |
| Mr. K. K. Dastur | 3,608 | Nil |
| Mr. K. K. Dastur * | 10,677 | Nil |
| Mr. K. K. Dastur ** | 27,421 | Nil |

* Shares held as second holder

** Shares held as third holder

Stock Options:
The Company has not granted any Stock Options to any of its Promoter Directors and Independent Directors. Mr. N. S. Nabar, Executive Director & President (Chemicals) was allotted 17,011 equity shares under the Employee Stock Grant Scheme.

## (C) Stakeholders Relationship / Shareholders Committee

The Stakeholders Relationship / Shareholders Committee (SRC) is formed in accordance with Section 178 of the Act and Regulation 20 of the Listing Regulations. This Committee looks into redressal of shareholder complaints regarding transfer of shares, non-receipt of Balance Sheet and non-receipt of declared dividends, as well as those required under the Act and the Listing Regulations.

Table 7: Composition of the SRC and details of meetings attended by the Directors during the year under review:

| Names of the Directors | Category | No. of meetings attended |
|---|---|---|
| Mr. A. B. Godrej (Chairman) | Non-executive Director | 12 |
| Mr. N. B. Godrej | Executive Director | 11 |
| Ms. T. A. Dubash | | 8 |
| Mr. N. S. Nabar | | 12 |

During the year under review 12 SRC meetings were held on April 6, 2017, May 9, 2017, June 13, 2017, July 3, 2017, August 14, 2017, September 22, 2017, October 17, 2017, November 6, 2017, December 13, 2017, January 19, 2018, February 14, 2018 and March 30, 2018.

**Name, designation and address of Compliance Officer:**
Ms. Nilufer Shekhawat, Company Secretary was the Compliance Officer during FY2017-18.

Address:
Godrej Industries Limited
Godrej One, Pirojshanagar, Eastern Express Highway,
Vikhroli (East), Mumbai – 400079.
Tel: 022-25188010 Fax:022-25188066

**Number of Shareholder's complaints during the year:**

| | |
|---|---|
| Complaints outstanding as on April 1, 2017 | Nil |
| Complaints received during the year ended March 31, 2018 | 65 |
| Complaints resolved during the year ended March 31, 2018 | 65 |
| Complaints outstanding as on March 31, 2018 | Nil |

## D) Risk Management Committee

A Risk Management Committee (RMC) is constituted under Regulation 21 of the Listing Regulations

Table 8: Composition of the RMC and details of meetings attended by the Directors during the year under review:

| Names of Directors | Category | No. of meetings attended |
|---|---|---|
| Mr. N. B. Godrej (Chairman) | Executive Director | 4 |
| Ms. T. A. Dubash | | 3 |
| Mr. N. S. Nabar | | 4 |

Risk Management Committee meetings were held on May 9, 2017, July 10, 2017, October 23, 2017, and January 9, 2018.

The Company's Risk Management Committee has the following role, duties, responsibilities and authority:

a) Risk Policy and its periodic review.
b) Ensuring appropriate risk management systems and controls are in place and its evaluation and review.
c) Risk assessment and risk minimisation procedures.

This Committee shall be responsible to monitor and review the risk management plan of the Company and the existing Forex Committee and the Business Risk Committee of the Company shall report to this Committee.

### (E) Corporate Social Responsibility Committee

Table 9: Composition of the Corporate Social Responsibility (CSR) Committee and details of meetings attended by the Directors during the year under review:

| Names of Directors | Category | No. of meetings attended |
|---|---|---|
| Mr. N. B. Godrej (Chairman) | Executive Director | 1 |
| Ms. T. A. Dubash | | 1 |
| Mr. K. N. Petigara | Non-executive Director | 1 |
| Mr. A. B. Choudhury | | 1 |

The CSR Committee met once in the year under review on February 14, 2018.

## 4. GENERAL BODY MEETINGS

### (a) Table 10: Details of last three Annual General Meetings (AGMs)

| Year | Venue | Date | Time |
|---|---|---|---|
| 2014-15 | Auditorium, Godrej One, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai – 400079 | August 11, 2015 | 3.30 P.M |
| 2015-16 | | August 11, 2016 | |
| 2016-17 | | August 11, 2017 | |

(b) Table 11: Details of Special Resolutions passed in previous three Annual General Meetings

| Date of AGM | Number of Special Resolution passed | Details of Special Resolution passed |
|---|---|---|
| August 11, 2015 | 2 | 1. Reappointment and remuneration payable to Ms. T. A. Dubash as Whole –time Director<br>2. Reappointment and remuneration payable to Mr. N. S. Nabar as Whole –time Director. |
| August 11, 2016 | 4 | 1. Reappointment of and remuneration payable to Mr. N. B. Godrej as Managing Director<br>2. Investment in Godrej Properties Limited upto a sum of ₹ 300 crore.<br>3. Investment in Godrej Agrovet Limited upto a sum of ₹ 300 crore.<br>4. Investment in OPGS Power Gujarat Private Limited upto a sum of ₹ 4 lac. |
| August 11, 2017 | 1 | Increase in borrowing limits of the Company upto a sum of ₹ 2,000 crore (Rupees Two Thousand Crore) over and above its paid up share capital and free reserves. |

(c) Details of Special Resolutions passed at the Extraordinary General Meetings (EGM) in the last three years-Nil

(d) Postal Ballot - Nil

(e) Procedure adopted for Postal Ballot: N. A.

## 5. MEANS OF COMMUNICATION

All vital information relating to the Company and its performance, including quarterly results, official press releases and presentations made to institutional investors / analysts are posted on the website of the Company. The Company's web-site address is www.godrejindustries.com. The quarterly and annual results of the Company's performance are published in leading English dailies like Economic Times, Business Line, etc. and regional language daily, Maharashtra Times. The quarterly results of the Company are also available on the websites of BSE Ltd. and National Stock Exchange of India Ltd viz. www.bseindia.com and www.nseindia.com, respectively.

The Company files electronically the quarterly results, Corporate Governance report, Share holding pattern, etc. in the BSE Listing Centre and NSE Electronic Application Processing System (NEAPS).

## 6. GENERAL SHAREHOLDER INFORMATION

a) Annual General Meeting:

Date : August 13, 2018
Time : 2.30 p.m.
Venue : Auditorium, Godrej One, Pirojshanangar, Eastern Express Highway, Vikhroli (East), Mumbai – 400079.

b) Financial Year :

Financial year : April 1, 2017 to March 31, 2018

For the Year Ended March 31, 2018, results announced on:

- August 11, 2017 : First quarter
- November 14, 2017 : Half year
- February 14, 2018 : Third quarter
- May 23, 2018 : Annual

### c) Record Date / Book Closure:

A dividend of ₹ 1.75 per equity share of ₹ 1 each has been recommended by the Board of Directors of the Company. For payment of dividend, the book closure is from August 6, 2018 to August 13, 2018 (both days inclusive).

### d) Listing information:

The Company's equity shares are listed on the following Stock Exchanges:

| Name of Stock Exchange and address | Stock Code |
|---|---|
| BSE Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001. | 500164 |
| National Stock Exchange of India Limited (NSE) 'Exchange Plaza', Bandra-Kurla Complex, Bandra (E), Mumbai 400 051. | GODREJIND |

The Company has paid the requisite Annual Listing Fees to both the Stock Exchanges for Financial Year 2018-19. The securities have not been suspended from trading.
The ISIN Number of the Company is INE233A01035.

### e) Market Information

Table 12: Market Price Data: High, Low during each month and trading volumes of the Company's Equity Shares during the last financial year at BSE and NSE are given below:

| Stock Exchange | BSE | | | NSE | | |
|---|---|---|---|---|---|---|
| Month | HIGH (₹) | LOW (₹) | VOLUME (No. of shares) | HIGH (₹) | LOW (₹) | VOLUME (No. of Shares) |
| April 2017 | 545.00 | 504.60 | 10,04,309 | 545.60 | 504.55 | 1,06,41,676 |
| May 2017 | 618.00 | 527.00 | 12,63,761 | 618.75 | 526.60 | 1,39,69,276 |
| June 2017 | 655.45 | 595.00 | 9,24,524 | 656.00 | 594.30 | 89,12,348 |
| July 2017 | 699.70 | 638.00 | 6,50,209 | 699.00 | 637.65 | 88,60,778 |
| Aug 2017 | 667.90 | 549.15 | 6,37,478 | 668.55 | 550.00 | 85,01,838 |
| Sept 2017 | 658.35 | 561.65 | 7,86,593 | 657.90 | 560.50 | 98,48,166 |
| Oct 2017 | 638.55 | 569.00 | 6,38,713 | 637.00 | 568.55 | 1,01,54,036 |
| Nov 2017 | 603.70 | 533.35 | 9,87,945 | 603.90 | 532.95 | 1,04,62,335 |
| Dec 2017 | 613.80 | 563.55 | 5,37,995 | 613.95 | 564.25 | 81,91,178 |
| Jan 2018 | 647.10 | 595.65 | 9,61,762 | 645.95 | 595.95 | 1,01,04,886 |
| Feb 2018 | 618.95 | 501.50 | 3,11,757 | 618.85 | 531.45 | 1,00,24,009 |
| Mar 2018 | 560.00 | 515.20 | 9,37,174 | 557.50 | 512.55 | 76,51,234 |

## Chart A – The Company's share performance compared to the BSE Sensex for FY 2017-2018




### f) Registrar and Share Transfer Agents:

Computech Sharecap Limited
147, M.G. Road, Opp. Jahangir Art Gallery, Fort, Mumbai 400 001.
Tel: 022-22635000, 22635001; Fax: 022-22635001
Email: helpdesk@computechsharecap.in

Investor correspondence should be addressed to them.

### g) Share Transfer system:

Share transfers and related operations for the Company are conducted by Computech Sharecap Limited, which is registered with the SEBI as a Category 1 Registrar. Share transfer is normally effected within the maximum period of 15 days from the date of receipt, if all the required documentation is submitted.

### h) Distribution of shareholding:

Table 13 and 14 gives the distribution pattern of shareholding of the Company by size and ownership, respectively as on March 31, 2018.

Table 13: Distribution of shareholding by size as on March 31, 2018:

| Number of shares | Number of share-holders | Shareholders (%) | Number of shares held | Shareholding (%) |
|---|---|---|---|---|
| 1 – 500 | 62,757 | 91.25% | 63,55,441 | 1.89% |
| 501 – 1000 | 3,230 | 4.70% | 24,11,740 | 0.72% |
| 1001 – 2000 | 1,356 | 1.97% | 19,15,531 | 0.57% |
| 2001 – 3000 | 455 | 0.66% | 10,88,086 | 0.32% |
| 3001 – 4000 | 229 | 0.33% | 7,74,817 | 0.23% |
| 4001 – 5000 | 135 | 0.20% | 6,01,383 | 0.18% |
| 5001 – 10000 | 251 | 0.36% | 17,05,909 | 0.51% |
| 10001 & above | 359 | 0.52% | 32,14,19,824 | 95.58% |
| **Total** | **68,772** | **100.00%** | **33,62,72,731** | **100.00%** |

Table 14: Distribution of shareholding by ownership as on March 31, 2018:

| Category | No. of shares held | Percentage of share holding (%) |
|---|---|---|
| PROMOTER'S HOLDING | | |
| Promoters | | |
| -Indian Promoters | 250,936,334 | 74.62 |
| -Foreign Promoters | 400,133 | 0.12 |
| Persons acting in Concert | 0 | 0.00 |
| Sub-Total | 251,336,467 | 74.74 |
| NON-PROMOTER'S HOLDING | | |
| Institutional Investors | | |
| Mutual Funds & UTI | 51,12,471 | 1.52 |
| Banks, Financial Institutions, Insurance Companies (Central / State Govt. Institutions /Non-Government Institutions) | 1,03,08,846 | 3.07 |
| Foreign Institutional Investors | 4,11,91,579 | 12.25 |
| Sub-Total | 5,66,12,896 | 16.84 |
| Others | | |
| Private Corporate Bodies | 72,48,020 | 2.16 |
| Indian Public | 1,98,67,680 | 5.91 |
| NRIs/OCBs | 12,07,668 | 0.36 |
| Any other (please specify) | 0 | 0.00 |
| Sub-Total | 2,83,23,368 | 8.42 |
| **Total** | **33,62,72,731** | **100.00** |

### i) Dematerialization of shares and liquidity:

Table 15: As on March 31, 2018, 99.84 percent of the Company's shares were held in dematerialized form and the remaining 0.16 percent in physical form. The break up is listed below:

| Category | Number of shareholders | Shareholders (%) | Number of shares held | Shareholding (%) |
|---|---|---|---|---|
| Physical | 1,785 | 2.60% | 5,37,295 | 0.16% |
| Electronic | 66,987 | 97.40% | 33,57,35,436 | 99.84% |
| **Total** | **68,772** | **100.00%** | **33,62,72,731** | **100.00%** |

### j) Outstanding GDRs/ADRs/Warrants/Convertible instruments and their impact on equity

The Company does not have any outstanding GDRs / ADRs / warrants / convertible instruments.

### k) Plant locations

| Location | Address |
|---|---|
| Ambernath | Plot No. N - 73, Additional Ambernath Industrial Area, Village Jambivali, Taluka Ambernath East, District Thane, Maharashtra. 421 506. |
| Valia | Burjorjinagar, Plot No. 3, Village Kanerao, Taluka - Valia, District Bharuch, Gujarat 393 135. |
| Wadala | L.M. Nadkarni Marg, Near M.P.T. Hospital, Wadala (East), Mumbai 400 037. |
| Dombivali | Plot No: W-61, MIDC Phase II, Sagaon, Sonarpada, Dombivali - East, Thane, Maharashtra , 421204. |

### l) Address for Correspondence:

Godrej Industries Limited
Godrej One, Pirojshanagar,
Eastern Express Highway,
Vikhroli (East), Mumbai – 400079.
Tel: 022-25188010 Fax:022-25188066

## 7. OTHER DISCLOSURES

**a) Materially significant related party transactions that may have potential conflict of interests of Company at large.**

During the Financial Year 2017-18, there were no materially significant related party transactions, i.e. transactions of the Company of material nature, with its promoters, Directors or the Management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large. The Policy on related party transactions and policy for determining material subsidiaries is available on www.godrejindustries.com. Attention of Members is drawn to the disclosures of transactions with related parties set out in Notes to Financial Statements, forming part of the Annual Report.

**b) Details of Non-compliance**

There has not been any non-compliance by the Company and no penalties or strictures were imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets.

**c) Whistle Blower Policy**

With a view to establish a mechanism for protecting the employees reporting unethical behaviour, fraud, violation of Company's Code of Conduct, the Company had a Whistle Blower Policy during Financial Year 2017-18. During the year 2017-18, no personnel have been denied access to the Audit Committee.

**d) Policy to Prevent Sexual Harassment at the work place**

The Company is committed to creating and maintaining an atmosphere in which employees can work together, without fear of sexual harassment, exploitation or intimidation. Every employee is made aware that the Company is strongly opposed to sexual harassment and that such behaviour is prohibited both by law and by the Godrej group. During the year, the Company has reconstituted its Internal Complaints Committee, pursuant to the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, and formed two separate committees – one for the Head Office, factories in Maharashtra and branches in India and the other for the factory at Valia, Gujarat. Ms. Shefali Kohli is the Presiding Officer for both the Committees. While the Act is applicable only to the women employees, our company policy covers all employees.

**e) Details of compliance with mandatory requirement**

The Board of Directors periodically reviewed the compliance of all applicable laws and steps taken by the Company to rectify instances of non-compliance, if any. The Company is in compliance with all mandatory requirements of listing regulations. The Company has submitted quarterly compliance report on Corporate Governance with Stock Exchanges, in accordance with the requirements of Regulation 27(2)(a) of the Listing Regulations.

Table 16: Corporate Governance Report for the whole of financial year is given in table below:

**I. Disclosure on website in terms of Listing Regulations:**

| Item | Compliance status (Yes / No / NA) |
|---|---|
| Details of business | Yes |
| Terms and conditions of appointment of independent directors | Yes |
| Composition of various committees of board of directors | Yes |
| Code of conduct of board of directors and senior management personnel | Yes |
| Details of establishment of vigil mechanism/ Whistle Blower policy | Yes |
| Criteria of making payments to non-executive directors | Not Applicable |
| Policy on dealing with related party transactions | Yes |
| Policy for determining 'material' subsidiaries | Yes |
| Details of familiarization programmes imparted to independent directors | Yes |
| Contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances | Yes |
| Email address for grievance redressal and other relevant details | Yes |
| Financial results | Yes |
| Shareholding pattern | Yes |
| Details of agreements entered into with the media companies and/or their associates | Not Applicable |
| New name and the old name of the listed entity | Not Applicable |

**II. Annual Affirmations:**

| Particulars | Regulation Number | Compliance status (Yes / No / NA) |
|---|---|---|
| Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility' | 16(1)(b) & 25(6) | Yes |
| Board composition | 17(1) | Yes |
| Meeting of Board of directors | 17(2) | Yes |
| Review of Compliance Reports | 17(3) | Yes |
| Plans for orderly succession for appointments | 17(4) | Yes |
| Code of Conduct | 17(5) | Yes |
| Fees/compensation | 17(6) | Yes |
| Minimum Information | 17(7) | Yes |
| Compliance Certificate | 17(8) | Yes |
| Risk Assessment & Management | 17(9) | Yes |
| Performance Evaluation of Independent Directors | 17(10) | Yes |
| Composition of Audit Committee | 18(1) | Yes |
| Meeting of Audit Committee | 18(2) | Yes |
| Composition of nomination & remuneration committee | 19(1) & (2) | Yes |
| Composition of Stakeholder Relationship Committee | 20(1) & (2) | Yes |
| Composition and role of risk management committee | 21(1),(2),(3),(4) | Yes |
| Vigil Mechanism | 22 | Yes |
| Policy for related party Transaction | 23(1),(5),(6),(7) & (8) | Yes |
| Prior or Omnibus approval of Audit Committee for all related party transactions | 23(2)& (3) | Yes |
| Approval for material related party transactions | 23(4) | Yes |
| Composition of Board of Directors of unlisted material Subsidiary | 24(1) | Yes |
| Other Corporate Governance requirements with respect to subsidiary of listed entity | 24(2),(3),(4),(5) & (6) | Yes |
| Maximum Directorship & Tenure | 25(1) & (2) | Yes |
| Meeting of independent directors | 25(3) & (4) | Yes |
| Familiarization of independent directors | 25(7) | Yes |
| Memberships in Committees | 26(1) | Yes |
| Affirmation with compliance to code of conduct from members of Board of Directors and Senior management personnel | 26(3) | Yes |
| Disclosure of Shareholding by Non- Executive Directors | 26(4) | Yes |
| Policy with respect to Obligations of directors and senior management | 26(2) &(5) | Yes |

**f) Commodity price risk or foreign exchange risk and hedging activities:**

Your Company has managed the foreign exchange risk with appropriate hedging activities in accordance with policies of the Company. The Company uses forward exchange contracts to hedge against its foreign currency exposures. Foreign exchange transactions are covered with strict limits placed on the amount of uncovered exposure, if any, at any point in time.

Commodities form a major part of the raw materials required for Company's Products portfolio and hence Commodity price risk is one of the important market risk for the Company. Your Company has a robust framework and governance mechanism in place to ensure that the organization is adequately protected from the market volatility in terms of price and availability.

**g) Discretionary Disclosures:**

The status of compliance with non-mandatory recommendations of the Listing Regulations:

- Shareholders' Rights: As the quarterly and half yearly financial results are published in the newspapers and are also posted on the Company's website, the same are not being sent separately to the shareholders.
- Audit Qualifications: The Company's financial statements for FY2017-18 do not contain any audit qualification.
- Separate posts of Chairman and CEO: The positions of the Chairman and the CEO in the Company are separate.
- Reporting of Internal Auditor: The Internal Auditors of the Company make presentation to the Audit Committee on their reports.

## 8. DECLARATION BY MANGING DIRECTOR

The declaration by the Managing Director stating that all the Board Members and senior management personnel have affirmed their compliance with the laid down code of conduct for the year ended March 31, 2018, is annexed to the Corporate Governance Report.

## 9. PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

As stipulated in regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraph C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") with Stock Exchanges in India, the certificate from Practising Company Secretaries regarding compliance of conditions of corporate governance is annexed to the Board's Report.

## Declaration by Managing Director

I, N.B. Godrej, Managing Director of Godrej Industries Limited (GIL), hereby confirm pursuant to Regulation 34(3) read with Schedule V (D) of the SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015 that:

The Board of Directors of GIL has laid down a code of conduct for all Board members and senior management of the Company. The said code of conduct has also been posted on the Company's website viz. www.godrejindustries.com. All the Board members and senior management personnel have affirmed their compliance with the said code of conduct for the year ended March 31, 2018.

**N. B. Godrej**
Managing Director

Mumbai, May 23, 2018

# Practising Company Secretary's Certificate on Corporate Governance

To the Members of **Godrej Industries Limited**

We have examined the compliance of conditions of corporate governance by Godrej Industries Limited ('the company') for the year ended on March 31, 2018, as stipulated in Regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

**Management Responsibility**
The Compliance of conditions of Corporate Governance is the responsibility of the Company's Management, including the preparation and maintenance of all relevant supporting records and documents.

**PCS' Responsibility**
Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

**Opinion**
In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in above mentioned Listing Regulations as applicable during the year ended March 31, 2018.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the Management has conducted the affairs of the company.

**Restriction on use**
This certificate is issued solely for the purpose of complying with the aforesaid Regulations and may not be suitable for any other purpose.

For
**A. N. Ramani & Co.,**
**Company Secretaries**
UNIQUE CODE - P2003MH000900

Bhavana P. Shewakramani
**PARTNER**
FCS – 8636, COP – 9577

Date: May 23, 2018
Place: Thane

# CONSOLIDATED FINANCIAL STATEMENTS

# Independent Auditor's Report

**TO THE MEMBERS OF**
**GODREJ INDUSTRIES LIMITED**

**Report on the Audit of Consolidated Ind AS Financial Statements**

We have audited the accompanying consolidated Ind AS financial statements of Godrej Industries Limited (hereinafter referred to as "the Company" or "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and its joint ventures, which comprise the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement, for the year then ended, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

**Management's Responsibility for the Consolidated Ind AS Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss (including other comprehensive income), consolidated statement of changes in equity and consolidated cash flows of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. 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; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 consolidated 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 Holding Company, 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 of 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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

A**uditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An

## Independent Auditor's Report

audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements.

We are also responsible to 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 Group and of 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 the 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.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 2(b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

**Basis for qualified opinion**

During the year ended 31 March 2017, one of the Company's subsidiaries had paid remuneration to its Managing Director which is in excess of the limits given under section 197 read with Schedule V of the Companies Act, 2013 by ₹ 86.61 crores. Pending approval from the Central Government, impact thereof on the consolidated financial statements is currently not ascertainable. Refer Note 59 to the consolidated financial statements.

**Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above and based on the consideration of reports of other auditors on separate financial statements and on other financial information of the subsidiaries, associates and joint ventures, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at 31 March 2018, and their consolidated profit (including other comprehensive income), consolidated statement of changes in equity and consolidated cash flows for the year ended on that date.

**Emphasis of matter**

We draw attention to the following matters in the Notes to the consolidated financial statements:

i. Note 59 to the consolidated financial statements wherein the Company has paid remuneration to two Directors during the year ended 31 March 2017 and 31 March 2018, which is in excess of the limits given under section 197 read with Schedule V of the Companies Act, 2013 by ₹ 4.54 crores and ₹ 7.48 crores respectively. The Company has made an application to the Central Government for payment of the excess remuneration for which approval is awaited.

ii. Note 18. IV (i) to the consolidated financial statements wherein the Honorable High Court of the Judicature at Bombay had approved a Scheme of Arrangement whereby the assets and liabilities of the transferor companies (Godrej Oil Palm Limited, Godrej Gokarna Oil Palm Limited and Cauvery Palm Oil Limited) have been taken over and recorded at their book values as on 1 April 2011. Amortisation amounting to ₹ 4.25 crores for the years ended 31 March 2018 and 31 March 2017, on Intangible Assets taken over as per the Scheme is charged against the balance in the General Reserve Account. Had this amount been charged to the consolidated statement of profit and loss, the profit for the year ended 31 March 2018 and 31 March 2017 would have been lower by ₹ 2.77 crores and ₹ 2.78 crores respectively.

iii. Note 18. IV (iii) to the consolidated financial statements wherein the Honorable High Court of Judicature at Bombay had approved a Scheme of Arrangement whereby the assets and liabilities of the transferor company (Goldmuhor Agrochem

## Independent Auditor's Report

& Feeds Limited) have been taken over and recorded at their book values as on 01 October 2013. An amount of ₹ 20 crores has been transferred from the General Reserve Account and used to increase the Reserve for Employee Compensation Expenses, of which ₹ 19.86 crores has been utilised in the year ended 31 March 2017. Had the Scheme not prescribed this treatment, the profit for the year ended 31 March 2017 would have been lower by ₹ 19.86 crores.

iv. Note 18. IV (ii) to the consolidated financial statements wherein the Honorable High Court of the Judicature at Bombay had approved a Scheme for the Reduction of Capital (Securities Premium Account). As per the Scheme, an amount of ₹ 110.04 crores has been transferred from the Securities Premium account and used to create the reserve for Employee Compensation expenses, of which ₹ 3.90 crores has been utilised in the year ended 31 March 2017. Had the Scheme not prescribed this treatment, the profit for the year ended 31 March 2017 would have been lower by ₹ 3.90 crores.

The above treatment prescribed under the respective Court schemes differs from the treatment prescribed under the Indian Accounting Standards according to which, the said amounts should have been debited to the Consolidated Statement of Profit and loss. Had the Schemes not prescribed this accounting treatment, the Company's profit for the year ended 31 March 2018 and 31 March 2017 would have been lower by ₹ 15.94 crores and by ₹ 26.54 crores respectively.

Our opinion is not qualified in respect of the above matters.

**Other Matters**

1. The comparative financial information of the Group, its associates and joint ventures for the year ended 31 March 2017, prepared in accordance with Ind AS, included in these consolidated Ind AS financial statements have been audited by the predecessor auditor who had audited the financial statements for the relevant period. The report of the predecessor auditor on the comparative financial information dated 22 May 2017, had expressed a qualified opinion thereon (modification as more fully explained in the Basis for qualified opinion paragraph and which continues to apply to the accompanying consolidated Ind AS financial statements for the year ended 31 March 2018).

2. (a) We did not audit the financial statements of six subsidiaries, whose financial statements reflect total assets of ₹197.31 crores as at 31 March 2018, total revenues of ₹ 241.40 crores and net cash inflows amounting to ₹ 25.57 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 profit (including other comprehensive income) of ₹ 6.31 crores for the year ended 31 March, 2018, as considered in the consolidated financial statements, in respect of one associate and one joint venture, whose financial statements have not been audited by us. These financial statements 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, joint venture and associate and our report in terms of sub-section (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, joint venture and associate is based solely on the reports of the other auditors.

(b) We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of ₹ 0.10 crores as at 31 March 2018, total revenues of ₹ Nil and net cash outflows amounting to ₹ 2.18 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 profit (including other comprehensive income) of ₹ 4.79 crores for the year ended 31 March 2018, as considered in the consolidated financial statements, in respect of one associate and one joint venture whose financial statements have not been audited by us. These financial statements 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 these subsidiaries, joint venture and associate, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, joint venture and associate, is based solely on such unaudited financial statements.

## Independent Auditor's Report

In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion above on the consolidated financial statements, 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 certified by the Management.

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements and the other financial information of subsidiaries, joint ventures and associates, as noted in the 'Other matters' paragraph above, we report, to the extent applicable, 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 the reports of the other auditors.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity 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 Indian Accounting Standards specified under section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and joint ventures incorporated in India, none of the directors of the Group companies, its associate companies, and joint ventures incorporated in India, are disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, associate companies and joint ventures incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

   g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates and joint ventures, as noted in the 'Other matters' paragraph:

      i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures. Refer Note 38 to the consolidated financial statements.

      ii. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 26 to the consolidated financial statements in respect of such items as it relates to the Group, its associates and joint ventures.

## Independent Auditor's Report

iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and joint ventures incorporated in India, during the year ended 31 March 2018.

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However, amounts as appearing in the audited consolidated financial statements for the year ended 31 March 2017 have been disclosed. Refer Note 56 to the consolidated financial statements.

**For B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

**Vijay Mathur**
Partner
Membership No. 046476

Place: Mumbai
Date: 23 May 2018

# Annexure A to the Independent Auditor's Report

(Referred to in our report of even date)

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated Ind AS financial statements of Godrej Industries Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting of the Holding Company and its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, as of that date.

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

The respective Board of Directors of the Holding Company, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies 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. 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 Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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 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 in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding 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 authorizations 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.

## Annexure A to the Independent Auditor's Report

**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 controls 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, the Holding company, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Holding 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.

**Other matters**

Our aforesaid report under clause (i) of sub-section 3 of Section 143 of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to Four subsidiary companies and one associate, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

**For B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

**Vijay Mathur**
Partner
Membership No. 046476

Place: Mumbai
Date: 23 May 2018

# Consolidated Balance Sheet as at March 31, 2018

Amount ₹ in Crore

| Particulars | Note No. | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non Current Assets** | | | |
| Property, Plant and Equipment | 3 | **2,605.02** | 2,591.56 |
| Capital Work in Progress | 3a | **269.83** | 54.09 |
| Investment Property | 3b | **140.31** | 126.21 |
| Goodwill | | **500.31** | 500.29 |
| Other Intangible Assets | 3c | **56.67** | 63.06 |
| Intangible Assets Under Development | 3d | **0.68** | 0.25 |
| Biological Assets other than bearer plants | 3e | **4.26** | 4.67 |
| Equity accounted investees | 4a | **2,899.72** | 2,480.28 |
| Financial Assets | | | |
| Investments | 4b | **756.96** | 353.67 |
| Trade Receivables | 5 | **13.39** | 13.33 |
| Loans | 6 | **109.53** | 101.95 |
| Other Financial Assets | 7 | **12.62** | 7.76 |
| Deferred Tax Assets (net) | 8 | **293.68** | 289.32 |
| Other Tax Assets (net) | | **132.42** | 152.75 |
| Other Non Current Assets | 9 | **73.72** | 95.43 |
| **Current Assets** | | | |
| Inventories | 10 | **3,429.29** | 5,020.34 |
| Financial Assets | | | |
| Investments | 11 | **546.97** | 369.33 |
| Trade Receivables | 12 | **1,043.91** | 905.86 |
| Cash and cash equivalents | 13a | **280.99** | 179.03 |
| Other Bank balances | 13b | **192.15** | 55.90 |
| Loans | 14 | **1,101.22** | 735.69 |
| Other Financial Assets | 15 | **960.42** | 835.79 |
| Current Tax Assets (net) | | **0.99** | 0.87 |
| Other Current Assets | 16 | **421.20** | 282.89 |
| **TOTAL ASSETS** | | **15,846.26** | 15,220.32 |
| **EQUITY AND LIABILITIES** | | | |
| **EQUITY** | | | |
| Equity Share Capital | 17 | **33.63** | 33.61 |
| Other Equity | 18 | **3,875.26** | 3,162.01 |
| Equity attributable to shareholders of the Company | | **3,908.89** | 3,195.62 |
| Non-controlling interest | | **1,796.88** | 1,474.59 |
| **TOTAL EQUITY** | | **5,705.77** | 4,670.21 |
| **LIABILITIES** | | | |
| **Non Current Liabilities** | | | |
| Financial Liabilities | | | |
| Borrowings | 19 | **952.29** | 1,508.26 |
| Other Financial Liabilities | 20 | **-** | 35.33 |
| Provisions | 21 | **25.32** | 17.11 |
| Deferred Tax Liabilities (net) | 22 | **242.48** | 229.25 |
| Other Non Current Liabilities | 23 | **15.45** | 15.24 |
| **Current Liabilities** | | | |
| Financial Liabilities | | | |
| Borrowings | 24 | **5,311.78** | 5,592.31 |
| Trade Payables | 25 | **1,685.61** | 1,691.23 |
| Other Financial Liabilities | 26 | **1,166.08** | 858.35 |
| Other Current Liabilities | 27 | **639.24** | 556.48 |
| Provisions | 28 | **40.37** | 30.94 |
| Current Tax Liabilities (net) | | **61.87** | 15.61 |
| **TOTAL LIABILITIES** | | **10,140.49** | 10,550.11 |
| **TOTAL EQUITY AND LIABILITIES** | | **15,846.26** | 15,220.32 |
| Significant Accounting Policies | 2 | | |

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

As per our Report attached of even date

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

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

**Vijay Mathur**
Partner
M.No.: 046476

Mumbai, May 23, 2018

**A. B. Godrej**
Chairman
DIN: 00065964

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

**N. B. Godrej**
Managing Director
DIN: 00066195

**Clement Pinto**
Chief Financial Officer

**Nilufer Shekhawat**
Company Secretary

# Consolidated Statement of Profit and Loss for the year ended March 31, 2018

Amount ₹ in Crore

| Particulars | Note No. | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|---|---|---|
| Revenue from Operations | 29 | **9,405.05** | 8,482.53 |
| Other Income | 30 | **563.78** | 168.87 |
| **Total Income** | | **9,968.83** | 8,651.40 |
| **Expenses** | | | |
| Cost of Materials Consumed | 31a | **5,063.59** | 4,730.12 |
| Purchases of Stock in Trade | | **621.70** | 515.04 |
| Cost of Property Development | 31b | **1,464.84** | 1,073.31 |
| Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress | 32 | **2.16** | (54.06) |
| Excise Duty | | **48.56** | 117.40 |
| Employee Benefits Expenses | 33 | **574.16** | 474.52 |
| Finance Costs | 34 | **413.15** | 401.82 |
| Depreciation and Amortization Expenses | 35a | **175.27** | 148.14 |
| Other Expenses | 35b | **1,188.32** | 985.27 |
| **Total Expenses** | | **9,551.75** | 8,391.56 |
| Profit Before Exceptional Items, Share of Profit of Equity Accounted Investees and Tax | | **417.08** | 259.84 |
| Exceptional Items | 36 | **12.05** | 22.76 |
| Profit Before Share of Profit of Equity Accounted Investees and Tax | | **429.13** | 282.60 |
| Share of Profit of Equity Accounted Investees (net of Income Tax) | | **385.63** | 343.63 |
| Profit before Tax | | **814.76** | 626.23 |
| **Tax Expense** | | | |
| Current Tax | | **161.08** | 182.65 |
| Deferred Tax | | **14.24** | (18.51) |
| Prior Period Tax adjustments | | **8.34** | 3.27 |
| **Total Tax Expenses** | | **183.66** | 167.41 |
| **Profit for the Year** | | **631.10** | 458.82 |
| **Other Comprehensive Income** | | | |
| **Items that will not be reclassified to Profit or Loss** | | | |
| Remeasurements of defined benefit plans | | **(10.39)** | (8.63) |
| Equity accounted investees' share of other comprehensive income | | **(0.99)** | (0.24) |
| **Income Tax related to Items that will not be reclassified to Profit or Loss** | | **3.83** | 1.60 |
| **Items that will be reclassified to Profit or Loss** | | | |
| a) Exchange differences on translation of financial statements of foreign operations | | **10.38** | (21.84) |
| b) Effective portion of (losses)/gains on hedging instruments in cash flow hedges | | **(3.50)** | 6.38 |
| **Income Tax related to Items that will be reclassified to Profit or Loss** | | **(0.19)** | (1.09) |
| **Total Other Comprehensive Income** | | **(0.86)** | (23.82) |
| **Total Comprehensive Income for the Year** | | **630.24** | 435.00 |
| **Profit Attributable to :** | | | |
| a) Owners of the Company | | **421.37** | 256.45 |
| b) Non-Controlling Interest | | **209.73** | 202.37 |
| **Other Comprehensive Income Attributable to :** | | | |
| a) Owners of the Company | | **3.14** | (23.08) |
| b) Non-Controlling Interest | | **(4.00)** | (0.74) |
| **Total Comprehensive Income Attributable to :** | | | |
| a) Owners of the Company | | **424.51** | 233.37 |
| b) Non-Controlling Interest | | **205.73** | 201.63 |
| Earnings Per Equity Shares (Face Value of ₹ 1 each) | 37 | | |
| Basic | | **12.48** | 7.13 |
| Diluted | | **12.47** | 7.12 |
| Significant Accounting Policies | 2 | | |

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

As per our Report attached of even date

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

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

**Vijay Mathur**
Partner
M.No.: 046476

Mumbai, May 23, 2018

**A. B. Godrej**
Chairman
DIN:00065964

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

**N. B. Godrej**
Managing Director
DIN: 00066195

**Clement Pinto**
Chief Financial Officer

**Nilufer Shekhawat**
Company Secretary

# Consolidated Statement of Changes in Equity for the year Ended March 31, 2018

## (A) Equity Share Capital

| | As at March 31, 2018 | | As at March 31, 2017 | |
|---|---|---|---|---|
| | No. of Shares | ₹ in Crore | No. of Shares | ₹ in Crore |
| Balance at the beginning of the year | **336,139,786** | **33.61** | 335,988,807 | 33.60 |
| Changes in equity share capital during the year | **132,945** | **0.02** | 150,979 | 0.01 |
| Balance at the end of the year | **336,272,731** | **33.63** | 336,139,786 | 33.61 |

## (B) Other Equity

Amount ₹ in Crore

| Particulars | Other Equity | | | | | | | | | | | | | | Items of Other Comprehensive Income | | Total Before Non-Controlling Interest | Non-Controlling Interest | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Retained Earnings | Non Controlling Interest Reserve | General Reserve | Capital Redemption Reserve | Security Premium Reserve | Capital Reserve | Capital Reserve on account of Amalgamation | Special Reserve | Employee Stock Grant Outstanding | Treasury Stock | Reserve for Employee Compensation Expenses | Debenture Redemption Reserve | Gain on sale of subsidiary without lossing control | Foreign Currency Monetary Item Translation Difference Account | Cash flow Hedge Reserve | Exchange differences on translation of financial statements of foreign operations | | | |
| **Balance at April 01, 2016** | 1,391.41 | 547.80 | 56.80 | 31.46 | 934.34 | 9.88 | 1.81 | 3.98 | 77.98 | (81.27) | 14.52 | 11.93 | | (8.91) | - | (23.62) | 2,968.11 | 1,280.67 | 4,248.78 |
| Profit for the year | 256.45 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 256.45 | 202.37 | 458.82 |
| Other Comprehensive Income (net of tax) | (1.34) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | (21.74) | (23.08) | (0.74) | (23.82) |
| Transfer from Employee Stock Option Grant | - | 132.45 | - | - | 4.87 | - | - | - | - | - | - | - | - | - | - | - | 137.32 | - | 137.32 |
| Transfer from Surplus | - | - | 1.25 | - | - | 7.20 | - | - | - | - | - | (18.75) | - | - | - | - | (10.30) | - | (10.30) |
| Transfer from Reserve for Employee Compensation Expense | - | - | 0.14 | - | - | - | - | - | - | - | - | - | - | - | - | - | 0.14 | - | 0.14 |
| Amortisation of Intangibles as per Merger Scheme | - | - | (2.85) | - | - | - | - | - | - | - | - | - | - | - | - | - | (2.85) | - | (2.85) |
| Exercise of Stock Grant (Net of Deferred Stock Grant Expense) | - | - | - | - | - | - | - | - | 7.45 | - | - | - | - | - | - | - | 7.45 | - | 7.45 |
| Transfer to Securities Premium on exercise of Stock Grants | - | - | - | - | - | - | - | - | (137.32) | - | - | - | - | - | - | - | (137.32) | - | (137.32) |
| Adjustment of employee compensation expense recognised | - | - | - | - | - | - | - | - | - | - | (23.76) | - | - | - | - | - | (23.76) | - | (23.76) |
| ESOP shares subscribed | - | - | - | - | - | - | - | - | - | 76.46 | - | - | - | - | - | - | 76.46 | - | 76.46 |
| Utilisation for issue of bonus shares during the year | (92.57) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | (92.57) | - | (92.57) |
| Adjustment for IND AS Put option Liability | (14.52) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | (14.52) | - | (14.52) |
| Transfer to Debenture Redemption Reserve | 18.75 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 18.75 | - | 18.75 |
| Transfer to General Reserve | (1.25) | - | - | - | - | - | - | - | - | - | (0.14) | - | - | - | - | - | (1.39) | - | (1.39) |
| Additions during the year | - | 4.30 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 4.30 | - | 4.30 |
| Foreign Currency Monetary Item Translation | - | - | - | - | - | - | - | - | - | - | - | - | - | (6.86) | - | 0.03 | (6.83) | | (6.83) |
| Exchange difference arising on currency translation cash flow hedge reserve | - | - | - | - | - | - | - | - | - | - | - | - | - | | 2.08 | - | 2.08 | | 2.08 |
| Adjustment arising on acquisition / Deletion and Non-Controlling Interest | 45.90 | (125.58) | 0.60 | - | - | (3.07) | 0.57 | - | 59.09 | - | 9.38 | 6.82 | - | 7.88 | (0.82) | 2.80 | 3.57 | (7.71) | (4.14) |
| **Balance at March 31, 2017** | **1,602.83** | **(558.97** | **55.94** | **31.46** | **939.21** | **14.01** | **2.38** | **3.98** | **7.20** | **(4.81)** | **-** | **-** | **-** | **(7.89)** | **1.26** | **(42.53)** | **3,162.01** | **1,474.59** | **4,636.60** |
| Profit for the year | 421.37 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 421.37 | 209.73 | 631.10 |
| Other Comprehensive Income (net of tax) | (5.06) | - | - | - | - | - | - | - | - | - | - | - | - | - | (2.19) | 10.41 | 3.16 | (4.00) | (0.85) |
| Addition on gain on sale of subsidiary without lossing control | - | - | - | - | - | - | - | - | - | - | - | - | 180.67 | - | - | - | 180.67 | - | 180.67 |
| Transfer from Employee Stock Option Grant | - | 3.25 | - | - | 4.49 | - | - | - | (7.74) | - | - | - | - | - | - | - | - | - | - |
| Transfer from Surplus | (70.00) | - | 20.00 | - | - | - | - | - | - | - | - | 50.00 | - | - | - | - | - | - | - |
| Amortisation of Intangibles as per Merger Scheme | - | - | (2.77) | - | - | - | - | - | - | - | - | - | - | - | - | - | (2.77) | - | (2.77) |
| Exercise of Stock Grant (Net of Deferred Stock Grant Expense) | - | - | - | - | - | - | - | - | 8.29 | - | - | - | - | - | - | - | 8.29 | - | 8.29 |
| ESOP shares subscribed | - | - | - | - | - | - | - | - | - | 4.81 | - | - | - | - | - | - | 4.81 | - | 4.81 |
| Adjustment for IND AS Put option Liability | (1.64) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | (1.64) | - | (1.64) |
| Additions during the year | - | 281.38 | - | - | - | - | 0.01 | - | - | - | - | - | - | 17.48 | - | - | 298.86 | - | 298.86 |
| **Transactions with the owners of the Company, recorded directly in equity** | | | | | | | | | | | | | | | | | | | |
| Final Dividend | (92.60) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | (92.60) | - | (92.60) |
| Interim dividend declared and paid | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Dividend Distribution Tax (DDT) | (18.80) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | (18.80) | - | (18.80) |
| Adjustment arising on acquisition or Deletion and Non Controlling Interest | 38.86 | (99.21) | (7.32) | - | - | - | (0.08) | - | (0.08) | - | - | (21.34) | - | - | 0.87 | 0.18 | (88.11) | 116.56 | 28.45 |
| **Balance at March 31, 2018** | **1,874.97** | **744.39** | **65.85** | **31.46** | **943.70** | **14.01** | **2.31** | **3.98** | **7.67** | **-** | **-** | **28.66** | **180.67** | **9.59** | **(0.06)** | **(31.94)** | **3,875.26** | **1,796.88** | **5,672.14** |

Refer Note 18 for Nature and Purpose of Reserves. The accompanying notes form an integral part of financial statements.

As per our Report attached of even date

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

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

**Vijay Mathur**
Partner
M.No.: 046476

Mumbai, May 23, 2018

**A. B. Godrej**
Chairman
DIN:00065964

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

**N. B. Godrej**
Managing Director
DIN: 00066195

**Clement Pinto**
Chief Financial Officer

**Nilufer Shekhawat**
Company Secretary

# Consolidated Cash Flow Statement for the year ended March 31, 2018

Amount ₹ in Crore

| Particulars | | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|---|---|---|
| **A.** | **Cash Flow From Operating Activities:** | | |
| | Profit Before Tax | **814.76** | 626.23 |
| | Adjustments for: | | |
| | Depreciation and Amortisation | **175.27** | 148.14 |
| | Unrealised Foreign Exchange revaluation | **(4.02)** | (12.20) |
| | Profit on Sale of Investments (net) | **(210.92)** | (24.01) |
| | (Profit) / Loss on Sale, Write off and Provision of Property, Plant and Equipment (net) | **1.38** | 15.78 |
| | Grant amortisation | **(1.49)** | (1.16) |
| | Share issue expense | **0.01** | - |
| | Expenses on Amalgamation | **1.07** | 1.35 |
| | Interest Income | **(146.22)** | (107.76) |
| | Interest & Finance Charges | **413.15** | 401.81 |
| | Employee Stock Grant Scheme | **6.56** | 9.71 |
| | Income from Investment measured at FVTPL | **(158.98)** | (3.46) |
| | Bad Debts written off | **8.21** | 7.99 |
| | Write down of inventories | **100.87** | 14.27 |
| | Share of profit of Equity accounted investees (net of tax) | **(385.63)** | (343.63) |
| | Provision / (Write back) for Doubtful Debts and Sundry Balances (net) | **46.96** | 7.43 |
| | Liabilities no longer required written back | **(3.81)** | (0.28) |
| | Interest unwinding on Financial Instruments | **(0.68)** | (2.10) |
| | Prepaid Rent Amortisation of Financial Instrument | **0.70** | 2.03 |
| | Exceptional Income | **(12.05)** | (22.76) |
| | Inventory lost due to fire | **2.63** | - |
| | Lease rent from investment property | **(0.37)** | - |
| | **Operating Profit Before Working Capital Changes** | **647.40** | 717.38 |
| | Adjustments for : | | |
| | Increase/ (Decrease) in Non-financial Liabilities | **115.99** | (134.23) |
| | Increase/ (Decrease) in Financial Liabilities | **88.16** | 139.97 |
| | (Increase)/ Decrease in Inventories | **1,206.04** | 55.78 |
| | (Increase)/ Decrease in Biological assets other than bearer plants | **0.41** | 4.20 |
| | (Increase)/ Decrease in Non-financial Assets | **(154.20)** | 98.15 |
| | (Increase)/ Decrease in Financial Assets | **(53.57)** | (62.54) |
| | **Cash Generated from Operations** | **1,850.23** | 818.71 |
| | Direct Taxes Paid | **(160.20)** | (249.31) |
| | **Net Cash Generated from Operating Activities** | **1,690.03** | 569.40 |
| **B.** | **Cash Flow from Investing Activities:** | | |
| | Purchase of Property, Plant and Equipment | **(483.93)** | (282.68) |
| | Proceeds from Sale of Property, Plant and Equipment | **17.75** | 13.08 |
| | Proceeds from sale of stake in subsidiaries | **201.24** | 1.56 |
| | Purchase of Investment | **(1,738.75)** | (987.04) |
| | Proceeds from Sale of Investments | **1,567.65** | 1,088.53 |
| | Loan given to joint ventures, others (net) | **(676.19)** | (222.15) |
| | Intercorporate Deposits / Loans (net) | **(0.84)** | 55.40 |
| | Expenses on Amalgamation | **(1.07)** | (1.35) |
| | Interest Received | **95.60** | 100.16 |
| | Dividend Received | **0.61** | - |
| | Lease rent from investment property | **0.37** | - |
| | **Net Cash (used) in Investing Activities** | **(1,017.56)** | (234.49) |
| **C.** | **Cash Flow from Financing Activities:** | | |
| | Proceeds from issue of Equity shares | **1.85** | 1.54 |
| | Proceeds from sale of Treasury shares | **-** | 35.60 |
| | Transactions with non-controlling interests | **298.98** | (23.48) |
| | Redemption of preference shares | **(0.01)** | - |
| | Share issue expense | **(14.27)** | 0.00 |
| | Proceeds from Non Current Borrowings | **552.59** | 992.09 |
| | Repayment of Non Current Borrowings | **(933.13)** | (346.94) |
| | (Repayment of ) /Proceeds from Current Borrowings (net) | **(192.34)** | (567.76) |
| | Interest & Finance Charges Paid | **(560.83)** | (618.28) |
| | Dividend Paid | **(92.61)** | - |
| | Payment of unclaimed fixed deposits | **(0.69)** | (0.73) |
| | Tax on Distributed Profits | **(18.80)** | (0.08) |
| | **Net Cash (used) in Financing Activities** | **(959.26)** | (528.04) |

# Consolidated Cash Flow Statement for the year ended March 31, 2018

Amount ₹ in Crore

| Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|---|---|
| **Net Increase / (Decrease) in Cash and Cash Equivalents** | **(286.79)** | (193.12) |
| Cash and Cash Equivalents (Opening Balance) | **(75.52)** | 117.60 |
| Cash and Cash Equivalents (Closing Balance) | **(362.31)** | (75.52) |

**Notes:**

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

Amount ₹ in Crore

**2** **Particulars**

| | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|---|---|
| **Cash and Cash Equivalents** | | |
| Cash on Hand and Balances with Banks | **280.99** | 179.03 |
| Bank Overdraft repayable on Demand | **(643.30)** | (254.55) |
| **Cash and Cash Equivalents** | **(362.31)** | (75.52) |

**3** Effect of disposal of subsidiary on the financial position of the Group

Amount ₹ in Crore

| Particulars | Year ended March 31, 2018 |
|---|---|
| Capital work-in-progress | **476.72** |
| Investments in joint ventures and associate | **0.00** |
| Deferred tax assets (net) | **0.10** |
| Current Non-Financial Assets | **2.39** |
| Cash and cash equivalents | **0.13** |
| Non Current Financial Liabilities | **456.56** |
| Current Financial Liabilities | **21.69** |
| Current Non-Financial Liabilities | **0.79** |
| **Assets net of Liabilities** | **0.29** |
| Consideration received, satisfied in cash | **136.17** |
| Cash and Cash Equivalents disposed of | **(0.13)** |
| **Net Cash Inflows** | **136.04** |

**4** Reconciliation of liabilities arising from financing activities

Amount ₹ in Crore

| Particulars | As at March 31, 2017 | Cash Flow | Non Cash Changes | As at March 31, 2018 |
|---|---|---|---|---|
| Non Current Borrowings (including current maturities of long term debt) | 1,960.45 | (353.70) | (20.54) | **1,586.21** |
| Current Borrowings | 5,336.35 | (219.18) | (454.29) | **4,662.88** |
| **Total Borrowings** | 7,296.80 | (572.88) | (474.83) | **6,249.09** |

As per our Report attached of even date

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

**Vijay Mathur**
Partner
M.No.: 046476

Mumbai, May 23, 2018

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

**A. B. Godrej**
Chairman
DIN: 00065964

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

**N. B. Godrej**
Managing Director
DIN: 00066195

**Clement Pinto**
Chief Financial Officer

**Nilufer Shekhawat**
Company Secretary

# Notes to the Consolidated Financial Statements

## Note 1 : General Information

### 1. Group Overview

Godrej Industries Limited ("the Company") including its Subsidiaries, and interest in Joint Ventures, Associates, Limited Liability Partnerships (collectively referred to as "the Group"), is engaged in the business of Chemicals, Agri Inputs, Estate and Property Development, Vegetable Oil, Finance and Investments, Dairy, Animal Feeds, and other related activities. The Company is domiciled and incorporated in the Republic of India with its registered address situated at Second Floor, Godrej One, Pirojshanagar, Vikhroli (East), Mumbai - 400079 and is listed on BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE).

### 2. Basis of preparation

The Consolidated Financial Statements of the Group have been prepared on accrual basis to comply in all material aspects with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and other generally accepted accounting principles in India, under the historical cost convention except for the following

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value (refer accounting policy regarding financial instruments).
- asset held for sale and biological assets – measured at fair value less cost to sell;
- defined benefit plans- plan assets measured at fair value less present value of defined benefit obligation; and
- share based payments.

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

All assets and liabilities have been classified as current or non-current as per the normal operating cycle of each entity in the Group and other criteria as set out in Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities except for under construction real estate projects.

The normal operating cycle in respect of operation relating to under construction real estate project depends on signing of agreement, size of the project, phasing of the project, type of development, project complexities, approvals needed & realization of project into cash & cash equivalents and range from 3 to 7 years. Accordingly project related assets & liabilities have been classified into current & non-current based on operating cycle of respective projects.

The financial statements of the Group for the year ended March 31, 2018 were approved for issue in accordance with the resolution of the Board of Directors on May 23, 2018.

### 3. Functional and presentation currency

The 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.

### 4. Key estimates and assumptions

The preparation of financial statements requires Management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable.

## Notes to the Consolidated Financial Statements

Information about critical judgments in applying accounting policies are in respect of evaluation of control (refer note 7) and leases (determining whether an arrangement contains a lease) (refer note 24), that have the most significant effect on the carrying amounts of assets and liabilities, are as follows

- Evaluation of Percentage Completion

  Determination of revenues under the percentage of completion method necessarily involves making estimates, some of which are of a technical nature, concerning, where relevant, the percentages of completion, costs to completion, the expected revenues from the project or activity and the foreseeable losses to completion. Estimates of project income, as well as project costs, are reviewed periodically. The effect of changes, if any, to estimates is recognised in the financial statements for the period in which such changes are determined.

- Determination of the estimated useful lives of property plant and equipments and intangible assets and the assessment as to which components of the cost may be capitalized.
- Impairment of Property, Plant and Equipments, Financial assets and Other Non-Financial Assets
- Recognition and measurement of defined benefit obligations
- Recognition of deferred tax assets
- Fair valuation of employee share options
- Recognition and measurement of other provisions
- Rebate and Sales Incentives
- Fair value of financial instruments
- Provisions and Contingent Liabilities

**5. Standards issued but not yet effective**

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs which the Group has not applied as they are effective for annual periods beginning on or after April 1, 2018:

Ind AS 115 Revenue from Contracts with Customers

Ind AS 21 The Effect of Changes in Foreign Exchange Rates

**Ind AS 115 – Revenue from Contracts with Customers**

Ind AS 115- Revenue from Contracts with Customer (the new revenue recognition standard) has been notified by Ministry of Corporate Affairs (MCA) on March 28, 2018 and will be effective from April 1, 2018, revenue recognition of the Group shall be drived by this standard.

Ind AS 115, establishes a comprehensive framework for determining whether, how much and when the revenue should be recognized. It replaces existing revenue recognition guidance, including Ind AS 18 Revenue, Ind AS 11 Construction contracts and Guidance note on Accounting for Real Estate Transactions. Ind AS 115 is effective for annual periods beginning on or after April 1, 2018 and will be applied accordingly.

The Group is currently evaluating the effect of this standard on its financial statements.

**Ind AS 21 – The Effect of Changes in Foreign Exchange Rates**

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Group is evaluating the impact of this amendment on its financial statements and the impact is not known or reasonably estimable.

# Notes to the Consolidated Financial Statements

## 6. 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: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

## 7. Basis of Consolidation

(i) Subsidiaries

Subsidiaries are all entities (including special purpose entities) that are controlled by the Company. Control exists when the Group is exposed to, or has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. The financial statements of subsidiaries are included in these consolidated financial statements from the date that control commences until the date that control ceases.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those of previous year. The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and the unrealised profits/ losses, unless cost/revenue cannot be recovered.

The excess of cost to the Group of its investment in subsidiaries, on the acquisition dates over and above the Group's share of equity in the subsidiaries, is recognised as 'Goodwill on Consolidation' being an asset in the consolidated financial statements. The said Goodwill is not amortised, however, it is tested for impairment at each Balance Sheet date and the impairment loss, if any, is provided for. On the other hand, where the share of equity in subsidiaries as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus' in the consolidated financial statements.

Non-controlling interests in the net assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separately within equity.

Non-controlling interests in the net assets of consolidated subsidiaries consists of:

(a) The amount of equity attributable to non-controlling interests at the date on which investment in a subsidiary is made; and

(b) The non-controlling interests share of movements in equity since the date parent subsidiary relationship came into existence.

The profit and other comprehensive income attributable to non-controlling interests of subsidiaries are shown

## Notes to the Consolidated Financial Statements

separately in the Statement of Profit and Loss and Statement of Changes in Equity.

Upon loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the consolidated statement of Profit & Loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost and the differential is recognised in Statement of Profit or Loss. Subsequently, it is accounted for as an equity-accounted investee depending on the level of influence retained.

(ii) Associates and joint ventures (equity accounted investees)

Associates are those entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the entities but is not control or joint control of those policies.

Joint arrangements are those arrangements over which the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. Investments in associates and joint ventures entities are accounted for using the equity method (equity accounted investees) and are initially recognised at cost. The carrying value of the Group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The Group does not consolidate entities where the non-controlling interest ("NCI") holders have certain significant participating rights that provide for effective involvement in significant decisions in the ordinary course of business of such entities. Investments in such entities are accounted by the equity method of accounting. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to zero and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

(iii) Acquisition of non-controlling interests

Acquisition of some or all of the non-controlling interest ("NCI") is accounted for as a transaction with equity holders in their capacity as equity holders. Consequently, the difference arising between the fair value of the purchase consideration paid and the carrying value of the NCI is recorded as an adjustment to Statement of changed in equity that is attributable to the parent company. The associated cash flows are classified as financing activities. No goodwill is recognised as a result of such transactions.

### 8. Business Combinations

Business combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Group. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are recognised in the Statement of Profit and Loss.

Transaction costs are expensed as incurred, other than those incurred in relation to the issue of debt or equity securities. Any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration are recognised in the Statement of Profit and Loss.

# Notes to the Consolidated Financial Statements

## Note 2 : Significant Accounting Policies

**1. Property, Plant and Equipment (PPE)**

(i) Recognition and measurement

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

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

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

Property, Plant and Equipment are de-recognised from financial statements on disposal and gains or losses arising from disposal are recognised in the consolidated Statement of Profit and Loss in the year of occurrence.

Exchange differences on repayment and year end translation of foreign currency loans availed upto March 31, 2016 relating to acquisition of depreciable capital assets are adjusted to the carrying cost of the assets.

(ii) Subsequent expenditure

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

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

(iii) Depreciation

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

| Category | | Useful life |
|---|---|---|
| Leasehold Land | : | Amortised over the primary lease period. |
| Plant and Equipments | : | 7.5 to 30 years |
| Vehicles | : | 3 to 13 years |
| Computer Hardware | : | Depreciated over the estimated useful life of 4 years |
| Leasehold Improvements | : | Lower of the useful life or Lease Period |

However, depreciation on Property, Plant and Equipment of one of the Subsidiaries has been provided as per the written down value method based on the useful lives specified in Schedule II to the Companies Act, 2013.

Assets costing less than ₹ 5,000 are depreciated at 100% in the year of acquisition.

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

# Notes to the Consolidated Financial Statements

**2. Investment Property**

(i) Recognition and measurement

Investment Property comprise of Freehold Land and Building.

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

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

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

(ii) Depreciation

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

**3. Intangible Assets**

(i) Recognition and measurement

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

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

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

(ii) Amortisation

Intangible assets are amortised over their estimated useful life on Straight Line Method. The useful life of intangible assets are assessed as either finite or indefinite. The amortisation period and the amortisation method for an intangible asset with finite useful life are reviewed at the end of each reporting period. Changes in the expected useful life or expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets are amortised as follows

| Category | | Useful life |
|---|---|---|
| Trademark | : | 10 to 20 years |
| Product Registration | : | 6 years |
| Computer Software | : | 3 to 10 years |

**4. Research and Development Expenditure**

Revenue expenditure on Research & Development is charged to the Consolidated Statement of Profit and Loss of the year in which it is incurred. Capital expenditure incurred during the year on Research & Development is included under additions to Property, Plant and Equipment.

# Notes to the Consolidated Financial Statements

**5. Biological Assets**

Biological assets are measured at fair value less costs to sell, with any change therein recognised in the Consolidated Statement of Profit or Loss.

**6. Construction contracts**

When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract by reference to the stage of completion.

Contract costs are recognised as expenses by reference to the stage of completion of the contract activity at the end of the reporting period. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised immediately.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

Variations in contract work, claims and incentive payments are included in contract revenue to the extent that may have been agreed with the customer and are capable of being reliably measured.

Measurement of construction contract revenue and expense:

The Group uses the 'percentage-of-completion' method to determine the appropriate amount to recognize in a given period. The stage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion.

**7. Impairment of non-financial assets**

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

If the carrying amount of the assets exceed the estimated recoverable amount, impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Consolidated Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

Goodwill on business combinations and indefinite life intangibles are included in intangible assets. These are not amortised but are tested for impairment annually or more frequently if events or changes in circumstances indicate that they might be impaired. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognised in the Consolidated Statement of Profit and Loss, to the extent the amount was previously charged to the Consolidated Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

**8. Inventories**

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is determined using the weighted average method. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

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

## Notes to the Consolidated Financial Statements

Land development project in progress includes cost of land, development management fees, construction cost, allocated interest and expenses attributable to the construction of the project undertaken by the Group.

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

Inventories comprising of completed flats and construction Work-in-Progress are valued at lower of cost or net realizable value.

Construction Work in Progress includes cost of land, premium for development rights, construction costs, allocated interest and expenses incidental to the projects undertaken by the Group.

**9. Cash and Cash equivalents**

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

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

**10. Grants and Subsidies**

Grants are recognised when there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an asset, the cost of the asset is shown at gross value and grant thereon is treated as a deferred grant which is recognised as income in the Consolidated Statement of Profit and Loss over the period and in proportion in which depreciation is charged.

Revenue grants are recognised in the Consolidated Statement of Profit and Loss in the same period as the related cost which they are intended to compensate are accounted for.

**11. Assets held for Sale**

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

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

**12. Financial Assets**

(i) Initial recognition and measurement

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

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

## Notes to the Consolidated Financial Statements

(ii) Classification and subsequent measurement

Financial assets are subsequently classified as measured at

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

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

(iii) Trade Receivables and Loans:

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

(iv) Debt Instruments

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

(a) Measured at amortised cost: Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Consolidated Statement of Profit and Loss.

(b) Measured at fair value through other comprehensive income: Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Consolidated Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Consolidated Statement of Profit and Loss.

(c) Measured at fair value through profit or loss: A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Consolidated Statement of Profit and Loss.

(v) Equity Instruments

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

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

## Notes to the Consolidated Financial Statements

(vi) Derecognition

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

(vii) Impairment of Financial Asset

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

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

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

**13. Financial Liabilities**

(i) Initial recognition and measurement

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

(ii) Classification and subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Consolidated Statement of Profit and Loss.

(iii) Derecognition

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

**14. Financial guarantee contracts**

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

**15. Offsetting of financial instruments**

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

**16. Derivative financial instruments**

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks respectively. The Group also uses commodity futures

## Notes to the Consolidated Financial Statements

contracts to hedge the exposure to oil price risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of item being hedged and the type of hedge relationship designated.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of hedged item on a present value basis from the inception of hedge. The gain or loss relating to the effective portion is recognized immediately in the Consolidated Statement of Profit and Loss.

Amounts accumulated in equity are reclassified to the Consolidated Statement of Profit and Loss in the periods when the hedged item affects profit or loss.

**17. Share Capital**

(i) Ordinary equity shares

Incremental costs directly attributable to the issue of ordinary equity shares, are recognized as a deduction from equity.

(ii) Treasury shares

The Group has created an Employee Stock Options Trust (ESOP) for providing share-based payment to its employees. The group uses ESOP as a vehicle for distributing shares to employees under the employee remuneration schemes. The ESOP buys shares of the respective companies from the market, for giving shares to employees. The Group treats ESOP as its extension and shares held by ESOP are treated as treasury shares.

Treasury shares are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in capital reserve. Share options exercised during the reporting period are deducted from treasury shares.

**18. Provisions and Contingent Liabilities**

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

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

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.

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

## Notes to the Consolidated Financial Statements

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

Commitments includes the amount of purchase order (net of advance) issued to parties for completion of assets. Provisions, contingent assets, contingent liabilities and commitments are reviewed at each balance sheet date.

**19. Revenue Recognition**

Sales are recognised when goods are supplied and significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of contracts and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods. Revenue is measured at the fair value of the consideration received or receivable, taking in to account contractually defined terms of payment. Sales are net of taxes or duties collected on behalf of the government, returns, trade discounts and rebates.

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

Rental Income arising from operating leases on investment properties is accounted for on a straight line basis over the lease term and is included in revenue in the Consolidated Statement of Profit and Loss due to its operating nature.

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

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

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

**20. Revenue Recognition for Property Development**

The Group is following the “Percentage of Completion Method” of accounting. As per this method, revenue from sale of properties is recognized in Consolidated Statement of Profit and Loss in proportion to the actual cost incurred as against the total estimated cost of projects under execution with the Group on transfer of significant risks and rewards to the buyer.

In accordance with the “Guidance Note on Accounting for Real Estate Transactions” (for entities to whom Ind AS is applicable), construction revenue on such projects, measured at the fair value (i.e. adjusted for discounts, incentives, time value of money adjustments etc.), have been recognized on percentage of completion method provided the following thresholds have been met:

(a) All critical approvals necessary for the commencement of the project have been obtained;

(b) The expenditure incurred on construction and development costs is not less than 25 per cent of the total estimated construction and development costs;

(c) At least 25 percent of the saleable project area is secured by contracts or agreements with buyers; and

(d) At least 10 percent of the contract consideration is realized at the reporting date in respect of such contracts and it is reasonable to expect that the parties to such contracts will comply with the payment terms as defined in the contracts.

Determination of revenues under the percentage of completion method necessarily involves making estimates, some of which are of a technical nature, concerning, where relevant, the percentages of completion, costs to completion, the expected revenues from the project or activity and the foreseeable losses to completion. Estimates of project income, as well as project costs, are reviewed periodically. The effect of changes, if any, to

## Notes to the Consolidated Financial Statements

estimates is recognized in the financial statements for the period in which such changes are determined. Revenue from projects is recognized net of revenue attributable to the land owners. Losses, if any, are fully provided for immediately.

The Group has been entering into Development & Project Management agreements with land-owners. Accounting for income from such projects, measured at fair value, is done on accrual basis as per the terms of the agreement.

The Group receives maintenance amount from the customers and utilizes the same towards the maintenance of the respective projects. Revenue is recognized to the extent of maintenance expenses incurred by the Group towards maintenance of respective projects. Balance amount of maintenance expenses to be incurred is reflected as liability under the head "other current liabilities".

**21. Loyalty Program**

Sales is allocated between the loyalty programme and the other components of the transaction. The amount allocated to the loyalty programme is deferred, and is recognised as revenue when the Group has fulfilled its obligations to supply the discounted products under the terms of the programme or when it is no longer probable that the points under the programme will be redeemed.

**22. Employee Benefits**

(i) Short-Term Employee Benefits

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

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

(ii) Post-Employment Benefits

(a) Defined Contribution Plans

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

(b) Defined Benefit Plans

Gratuity Fund

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

## Notes to the Consolidated Financial Statements

Provident Fund

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

Pension

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

(iii) Other Long-Term Employee Benefits

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

(iv) Termination Benefits

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

### 23. Share-Based Payments

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

Under the equity settled share based payment, the fair value on the grant date of the awards given to employees is recognised as 'employee benefit expenses' with a corresponding increase in equity over the vesting period. The fair value of the options at the grant date is calculated basis Black Scholes model. At the end of each reporting period, apart from the non-market vesting condition, the expense is reviewed and adjusted to reflect changes to the level of options expected to vest. When the options are exercised, the Group issues fresh equity shares.

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

### 24. Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease date if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in the arrangement.

(i) Finance Lease

Agreements are classified as finance leases, if substantially all the risks and rewards incidental to ownership of the leased asset is transferred to the lessee.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(ii) Operating Leases

Leases of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under operating leases are recognized as an expense on a

## Notes to the Consolidated Financial Statements

straight line basis over the lease term, unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase.

(iii) Lease Assets

Assets held by the Group under leases that transfer to the Group substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognised in the Group's statement of Balance Sheet.

**25. Borrowing Costs**

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

Borrowing costs, pertaining to development of long term projects, are transferred to Construction work in progress, as part of the cost of the projects upto the time all the activities necessary to prepare these projects for its intended use or sale are complete.

All other borrowing costs are recognized as an expense in the period in which they are incurred.

**26. Foreign Exchange Transactions**

(i) Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

(ii) Transactions in foreign currency are recorded at exchange rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currency, remaining unsettled at the period end are translated at closing rates. The difference in translation of monetary assets and liabilities and realised gains and losses on foreign currency transactions are recognised in the Consolidated Statement of Profit and Loss. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

(iii) The difference in translation of long term monetary assets acquired and liabilities incurred prior to April 01, 2016 and realised gains and losses on foreign currency transactions relating to acquisition of depreciable capital assets are added to or deducted from the cost of the asset and depreciated over the balance life of the asset; and in other cases, accumulated in a Foreign Currency Monetary Item Translation Difference Account and amortised over the balance period of such long term asset / liability, by recognition as income or expense but not beyond March 31, 2020.

(iv) Realised gain or losses on cancellation of forward exchange contracts are recognised in the Consolidated Statement of Profit and Loss of the period in which they are cancelled.

(v) In case of foreign operations whose functional currency is different from the parent company's functional currency, the assets and liabilities of such foreign operations, including goodwill and fair value adjustments arising upon acquisition, are translated to the reporting currency at exchange rates at the reporting date. The income and expenses of such foreign operations are translated to the reporting currency at the average exchange rates prevailing during the year. Resulting foreign currency differences are recognized in other comprehensive income/ (loss) and presented within equity as part of 'Exchange differences on translation of financial statements of foreign operations'. When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is transferred to the Consolidated Statement of Profit and Loss.

# Notes to the Consolidated Financial Statements

## 27. Taxes on Income

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

(i) Current Tax

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

(ii) Deferred Tax

Deferred tax is recognized in respect of temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes (including those arising from consolidation adjustments such as unrealized profit on inventory etc.).

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

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

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

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the 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.

## 28. Earnings Per Share

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

## 29. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

# Notes to Consolidated Financial Statements

## Note 3 : Property, Plant and Equipments

Amount ₹ in Crore

| Particulars | Freehold Land | Leasehold Land | Buildings | Plant and Equipments | Furniture and Fixtures | Vehicles | Computer Hardware | Office Equipments | Tree Development Cost | Leasehold Improvements | Livestock used for R&D | Research Centre | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Gross Carrying Amount** | | | | | | | | | | | | | |
| **Balance as at April 01, 2016** | **299.51** | **56.30** | **885.96** | **945.85** | **45.16** | **47.26** | **19.04** | **40.24** | **0.80** | **27.38** | **0.46** | **0.42** | **2,368.38** |
| Additions | 16.44 | - | 102.59 | 298.69 | 15.34 | 18.79 | 2.33 | 19.11 | - | 3.33 | 0.06 | 0.31 | 476.99 |
| Acquisition through business Combination | 16.39 | - | 24.80 | 18.42 | 0.09 | 4.73 | - | 0.22 | - | - | - | - | 64.65 |
| Disposals / Adjustments | 6.45 | - | 3.33 | 47.26 | 6.79 | 3.38 | 0.45 | 3.89 | - | 7.32 | 0.06 | 0.13 | 79.06 |
| **Balance as at March 31, 2017** | **325.89** | **56.30** | **1,010.02** | **1,215.70** | **53.80** | **67.40** | **20.92** | **55.68** | **0.80** | **23.39** | **0.46** | **0.60** | **2,830.96** |
| Additions | 1.34 | - | 49.27 | 92.94 | 7.84 | 7.89 | 6.02 | 7.78 | - | 11.07 | 0.05 | 0.06 | 184.24 |
| Disposals / Adjustments | - | | (0.18) | 1.93 | 0.15 | 2.12 | 0.56 | 0.15 | 0.80 | - | 0.19 | (0.04) | 5.67 |
| **Balance as at March 31, 2018** | **327.23** | **56.30** | **1,059.47** | **1,306.70** | **61.49** | **73.17** | **26.38** | **63.31** | **0.00** | **34.46** | **0.32** | **0.70** | **3,009.53** |
| **Accumulated Depreciation** | | | | | | | | | | | | | |
| **Balance as at April 01, 2016** | **-** | **0.50** | **22.70** | **52.44** | **6.37** | **6.92** | **6.09** | **8.61** | **0.40** | **5.23** | **0.03** | **0.01** | **109.30** |
| Additions | - | 0.66 | 28.18 | 72.75 | 7.09 | 8.72 | 7.47 | 9.86 | 0.40 | 5.57 | 0.05 | 0.10 | 140.85 |
| Disposals / Adjustments | - | - | 0.35 | 2.70 | 1.75 | 1.26 | 0.31 | 1.50 | - | 2.84 | 0.01 | 0.05 | 10.75 |
| **Balance as at March 31, 2017** | **-** | **1.16** | **50.53** | **122.49** | **11.72** | **14.38** | **13.26** | **16.98** | **0.80** | **7.96** | **0.07** | **0.06** | **239.40** |
| Additions | - | 0.65 | 30.59 | 95.43 | 6.25 | 10.80 | 7.93 | 10.21 | - | 5.41 | 0.04 | 0.13 | 167.43 |
| Disposals / Adjustments | - | - | 0.22 | (0.02) | 0.11 | 0.69 | 0.49 | 0.02 | 0.80 | - | 0.03 | 0.01 | 2.32 |
| **Balance as at March 31, 2018** | **-** | **1.81** | **80.90** | **217.94** | **17.86** | **24.49** | **20.68** | **27.17** | **-** | **13.37** | **0.08** | **0.20** | **404.51** |
| **Net Carrying Amount** | | | | | | | | | | | | | |
| Balance as at April 01, 2016 | 299.51 | 55.80 | 863.26 | 893.41 | 38.79 | 40.34 | 12.95 | 31.63 | 0.40 | 22.15 | 0.43 | 0.41 | 2,259.08 |
| Balance as at March 31, 2017 | 325.89 | 55.14 | 959.49 | 1,093.21 | 42.09 | 53.02 | 7.67 | 38.70 | - | 15.43 | 0.39 | 0.54 | 2,591.56 |
| Balance as at March 31, 2018 | 327.23 | 54.49 | 978.57 | 1,088.76 | 43.63 | 48.68 | 5.70 | 36.14 | 0.00 | 21.09 | 0.24 | 0.50 | 2,605.02 |

Notes :

1. Refer Note No 39 for disclosure of contractual commitments for the acquisition of Property, Plant and Equipments.
2. Legal formalities relating to the transfer of title of immovable assets situated at Chennai (acquired as a part of the take over of Agrovet business from Godrej Industries Limited), Hyderabad (as part of the merger of Godrej Plant Biotech Limited), Dhule (as part of the merger of Goldmohur Foods & Feeds Ltd.), Hanuman Jn. (as part of the merger of Golden Feed Products Ltd.), Chintampalli (as part of the merger of Godrej Gokarna Oilpalm Limited), Ariyalur & Varanavasi (as part of the merger of Cauvery Oil Palm Limited) and at Kolkata are being complied with. Stamp duty payable thereon is not presently determinable.
3. Of the above, one of subsidiary's Building, carrying value of ₹ 56.49 Crore (Previous year: ₹ 58.50 Crore) is subject to first charge for secured Bank Loans.
4. Refer to note 19 and 24 for information on property, plant and equipment pledged as security by the group.
5. Buildings includes certain Office Premises given on lease in exchange for similar Office Premises in the same building. [Gross Block - ₹ 94.72 crore (Previous year - ₹ 94.72 crore) and Net Carrying Amount - ₹ 91.90 crore (Previous year- ₹ 90.40 crore)]
6. Addition to Property, Plant and Equipment includes ₹ 0.18 crore (Previous year ₹ (-) 7.85 crore) on account of Exchange Difference arising on conversion of Long Term Foreign Currency Monetary Items relating to acquisition of depreciable assets.

# Notes to the Consolidated Financial Statements

## Note 3a : Capital Work in Progress

Capital work in progress of one of the subsidiary amounting to ₹ 189.85 crore as at March 31, 2018 (31 March 2017: 50.21 crore) includes the borrowing costs capitalised during the year ₹ 0.94 crore, salary & consultancy expenses amounting to ₹ 0.39 crore.

## Note 3b : Investment Property

Amount ₹ in Crore

| Particulars | Freehold Land | Buildings | Total |
|---|---|---|---|
| **Gross Carrying Amount** | | | |
| **Balance as at April 01, 2016** | **0.38** | **130.09** | **130.47** |
| Additions | - | 0.02 | 0.02 |
| Disposals / Adjustments | - | 0.15 | 0.15 |
| **Balance as at March 31, 2017** | **0.38** | **129.96** | **130.34** |
| Additions | - | 16.39 | 16.39 |
| Disposals / Adjustments | - | - | - |
| **Balance as at March 31, 2018** | **0.38** | **146.35** | **146.73** |
| **Accumulated Depreciation** | | | |
| **Balance as at April 01, 2016** | - | **2.01** | **2.01** |
| Additions | - | 2.16 | 2.16 |
| Disposals / Adjustments | - | 0.04 | 0.04 |
| **Balance as at March 31, 2017** | **-** | **4.13** | **4.13** |
| Additions | - | 2.02 | 2.02 |
| Disposals / Adjustments | - | (0.27) | (0.27) |
| **Balance as at March 31, 2018** | **-** | **6.42** | **6.42** |
| **Net Carrying Amount** | | | |
| Balance as at April 01, 2016 | 0.38 | 128.08 | 128.46 |
| Balance as at March 31, 2017 | 0.38 | 125.83 | 126.21 |
| Balance as at March 31, 2018 | 0.38 | 139.93 | 140.31 |
| **Fair Value** | | | |
| As at April 01, 2016 | 4.15 | 218.23 | 222.38 |
| As at March 31, 2017 | 4.15 | 219.75 | 223.90 |
| As at March 31, 2018 | 4.15 | 203.53 | 207.68 |

# Notes to the Consolidated Financial Statements

## Note 3b : Investment Property (Contd.)

1. Information regarding income and expenditure of Investment Property

Amount ₹ in Crore

| Particulars | **For the year ended March 31, 2018** | For the year ended March 31, 2017 |
|---|---|---|
| Rental income derived from investment properties | **9.43** | 6.22 |
| Direct operating expenses | **5.77** | 3.64 |
| Profits arising from investment properties before depreciation | **3.66** | 2.58 |
| Less: Depreciation | **2.02** | 2.16 |
| Profits arising from investment properties | **1.64** | 0.42 |

2. The management has determined that the investment property consists of two class of assets - Freehold Land and Buildings - based on the nature, characteristics and risks of each property.
3. The Company has no restriction on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.
4. The fair valuation is based on current prices in the active market for similar properties. The main input used are quantum, area, location, demand, age of building and trend of fair market rent in the location of the property.
5. The fair value is based on valuation performed by an accredited independent valuer. Fair valuation is based on replacement cost method. The fair value measurement is categorised in level 2 fair value hierarchy.
6. Reconciliation of Fair Value

Amount ₹ in Crore

| **Particulars** | **Freehold Land** | **Buildings** | **Total** |
|---|---|---|---|
| Opening balance as at April 01, 2016 | 4.15 | 218.23 | 222.38 |
| Fair value differences | - | 1.50 | 1.50 |
| Purchases | - | 0.02 | 0.02 |
| Opening balance as at April 01, 2017 | 4.15 | 219.75 | 223.90 |
| Fair value differences | - | (38.22) | (38.22) |
| Purchases | - | 22.00 | 22.00 |
| Closing balance as at March 31, 2018 | 4.15 | 203.53 | 207.68 |

# Notes to the Consolidated Financial Statements

## Note 3c : Other Intangible Assets

Amount ₹ in Crore

| Particulars | Trademark | Brand | Product Registration | Computer Software | Total |
|---|---|---|---|---|---|
| **Gross Carrying Amount** | | | | | |
| **Balance as at April 01, 2016** | **18.70** | **38.22** | **2.71** | **18.50** | **78.13** |
| Additions | - | - | - | 5.96 | 5.96 |
| Disposals / Adjustments | - | - | - | 0.11 | 0.11 |
| **Balance as at March 31, 2017** | **18.70** | **38.22** | **2.71** | **24.35** | **83.98** |
| Additions | - | - | - | 3.68 | 3.68 |
| Disposals / Adjustments | 2.18 | - | - | - | 2.18 |
| **Balance as at March 31, 2018** | **16.52** | **38.22** | **2.71** | **28.03** | **85.48** |
| **Accumulated Depreciation** | | | | | |
| **Balance as at April 01, 2016** | **4.23** | **-** | **1.15** | **4.06** | **9.44** |
| Additions | 4.23 | - | 0.57 | 4.58 | 9.38 |
| Disposals / Adjustments | (2.21) | - | - | 0.11 | (2.10) |
| **Balance as at March 31, 2017** | **10.67** | **-** | **1.72** | **8.53** | **20.92** |
| Additions | 4.25 | - | 0.56 | 5.25 | 10.07 |
| Disposals / Adjustments | 2.17 | - | - | 0.01 | 2.18 |
| **Balance as at March 31, 2018** | **12.75** | **-** | **2.28** | **13.77** | **28.81** |
| **Net Carrying Amount** | | | | | |
| Balance as at April 01, 2016 | 14.47 | 38.22 | 1.56 | 14.44 | 68.69 |
| Balance as at March 31, 2017 | 8.03 | 38.22 | 0.99 | 15.82 | 63.06 |
| Balance as at March 31, 2018 | 3.77 | 38.22 | 0.43 | 14.26 | 56.67 |

Note: To give effect to the Order of the Honorable High Court of Judicature at Bombay passed during 2011-12 regarding the Scheme of Amalgamation of Godrej Gokarna Oil Palm Limited & Godrej Oil Palm Limited, the amortisation of Grant of Licenses are charged against the balance in the General Reserve Account. (Refer Note No. 18 IV (i))

## Note 3d : Intangible Assets Under Development

| Particulars | Amount ₹ in Crore |
|---|---|
| As at March 31, 2017 | 0.25 |
| As at March 31, 2018 | 0.68 |

# Notes to the Consolidated Financial Statements

## Note 3e: Biological Assets other than bearer plants

**(I) Reconciliation of carrying amount**

Amount ₹ in Crore

| Particulars | Oil palm saplings | |
|---|---|---|
| | Qty. | Total |
| Balance as April 1, 2016 | 1,205,458 | 8.87 |
| Add : Purchases | 60,000 | 0.12 |
| Add : Production/ Cost of Development | - | 0.42 |
| Less :Sales/ Disposals | (653,286) | (4.66) |
| Change in fair value less cost to sell: | | (0.08) |
| Realised | | (0.16) |
| Unrealised | | 0.08 |
| **Balance as at March 31, 2017** | **612,172** | **4.67** |
| Add : Purchases | 588,559 | 2.60 |
| Add : Production/Cost of Development | - | 1.03 |
| Less : Sales/ Disposals | (524,186) | (3.95) |
| Change in fair value less cost to sell: | | (0.09) |
| Realised | | (0.26) |
| Unrealised | | 0.17 |
| **Balance as at March 31, 2018** | **676,545** | **4.26** |

The Group has trading operations in oil palm saplings whereby the group purchases the saplings and sells the saplings once it has achieved the desired growth. During the year ended 2017-18 the group purchased 588,559 (Previous year 60,000) number of saplings, out of which 588,559 (Previous year 60,000 sapling) were still under cultivation .

**(II) Measurement of Fair value**

**i. Fair Value hierarchy**

The fair value measurements for oil palm saplings has been categorised as Level 3 fair values based on the inputs to valuation technique used.

**ii. Level 3 Fair values**

The following table shows a break down of the total gains (losses) recognised in respect of Level 3 fair values:

Amount ₹ in Crore

| Particulars | March 31, 2018 | March 31, 2017 |
|---|---|---|
| **Gain/(loss) included in 'other operating revenue'** | **(0.09)** | (0.08) |
| Change in fair value (realised) | **(0.26)** | (0.16) |
| Change in fair value (unrealised) | **0.17** | 0.08 |

**iii. Valuation techniques and significant unobservable inputs**

| Type | Valuation technique | Significant unobservable inputs | Inter-relationship between significant unobservable inputs and fair value measurement |
|---|---|---|---|
| Oil Palm Saplings - it comprises the stock under cultivation | Cost approach and percentage completion method | Estimated cost of completing the stock under cultivation ₹ 47.72 to ₹ 91.00 per sapling | The estimated fair valuation would increase/(decrease) if - Estimated cost to complete was lower (higher) |

# Notes to the Consolidated Financial Statements

## Note 3e: Biological Assets other than bearer plants (Contd.)

**(III) Risk Management strategies related to agricultural activities**

The group is exposed to the following risks relating to its plantations

**a. Regulatory and environmental risks**

The Group is subject to laws and regulations in the country in which it operates. It has established various environmental policies and procedures aimed at compliance with the local environmental and other laws.

**b. Supply and demand risks**

The Group is exposed to risks arising from fluctuations in the price and sales volume of plants. When possible, the Group manages this risk by aligning its harvest volume to market supply and demand. Management performs regular industry trend analyses for projected harvest volumes and pricing.

**c. Climate and other risks**

The Group's plantations are exposed to the risk of damage from climatic changes, diseases, forest fires and other natural forces. The Group has extensive processes in place aimed at monitoring and mitigating those risks, including regular plantation health surveys and industry pest and disease surveys.

A reasonably possible change of 10% in Estimated cost of completing the stock under cultivation at the reporting date would have increased (decreased) profit or loss by the amounts shown below.

Amount ₹ in Crore

| | **Profit or (loss) for the year ended March 31, 2018** | | Profit or (loss) for the year ended March 31, 2017 | |
|---|---|---|---|---|
| | **10% increase** | **10% decrease** | 10% increase | 10% decrease |
| Variable cost | **(0.80)** | **0.85** | (0.70) | 0.76 |
| **Cash flow sensitivity (net)** | **(0.80)** | **0.85** | (0.70) | 0.76 |

# Notes to the Consolidated Financial Statements

## Note 4a : Equity accounted investees

Amount ₹ in Crore

| | Name | Note | Face Value | As at March 31, 2018 Number | As at March 31, 2018 Amount | As at March 31, 2017 Number | As at March 31, 2017 Amount |
|---|---|---|---|---|---|---|---|
| (I) | Investment in Equity Instruments (Fully Paid up unless stated otherwise) | | | | | | |
| | (a) Quoted Investment | | | | | | |
| | (i) Associates | | | | | | |
| | Godrej Consumer Products Ltd. | | 1 | **161,875,240** | **2,448.13** | 80,937,620 | 2,251.30 |
| | (b) Unquoted Investment | | | | | | |
| | (i) Associates | | | | | | |
| | Polchem Hygiene Laboratories Private Limited | | 10 | **-** | **-** | - | - |
| | Al Rahaba International Trading Limited Liability Company | 2 | AED 1500 | **24** | **-** | 24 | 0.20 |
| | Godrej Maxximilk Private Limited | | 10 | **307,915** | **4.14** | - | - |
| | Personalitree Academy Ltd. | 1 | 10 | **389,269** | **1.10** | 389,269 | 1.10 |
| | Less: Provision for Diminution in value of Investments | | | | **(1.10)** | | (1.10) |
| | (ii) Joint Ventures | | | | | | |
| | Godrej Tyson Foods Limited | | 10 | **97,461** | **88.94** | 97,461 | 84.65 |
| | ACI Godrej Agrovet Private Limited | | | **1,850,000** | **67.97** | 1,850,000 | 62.73 |
| | Joint Ventures and Associates of Property Business | | | | **290.54** | | 81.40 |
| | Godrej Realty Private Limited | | 10 | **884,850** | **5.11** | 884,850.00 | 5.42 |
| | Wonder Space Properties Private Limited | | 10 | **114,191** | **0.87** | 111,054.00 | 0.81 |
| | Wonder City Buildcon Private Limited | | 10 | **810,420** | **-** | 810,420.00 | - |
| | Godrej Home Constructions Private Limited | | 10 | **1,071,770** | **-** | 1,071,770.00 | - |
| | Wonder Projects Development Private Limited | | 10 | **1,050,100** | **-** | 1,050,100.00 | - |
| | Godrej Real View Developers Private Limited | | 10 | **1,306,000** | **-** | 176,000.00 | 0.18 |
| | Pearlite Real Properties Private Limited | | 10 | **3,552,500** | **-** | 3,552,500.00 | - |
| | Godrej Greenview Housing Private Limited | | 10 | **1,264,560** | **-** | 1,264,560.00 | - |
| | Godrej Green Homes Limited | | 10 | **338,847** | **199.04** | - | - |
| | Godrej Skyline Developers Private Limited | | 10 | **260,000** | **-** | 100.00 | - |
| | Godrej Landmark Redevelopers Private Limited | | 10 | **25,500** | **51.54** | 25,500.00 | 51.62 |
| | Godrej Redevelopers (Mumbai) Private Limited | | 10 | **28,567** | **12.18** | 28,567.00 | 9.27 |
| (II) | Investment in Preference Shares (Fully paid-up unless stated otherwise) (at Amortised Cost) | | | | | | |
| | Godrej Green Homes Limited | | 10 | **10,000** | **0.01** | - | - |
| | Skyline Developers Private Limited | | 10 | **13,000,000** | **5.34** | - | - |
| (III) | Investment In Limited Liability Partnerships | | | | | | |
| | Mosiac Landmarks LLP | | | | **11.15** | | 11.04 |
| | Oxford Realty LLP | | | | **2.89** | | - |
| | Dream World Landmarks LLP | | | | **0.10** | | 2.07 |
| | M S Ramaiah Ventures LLP | | | | **0.95** | | 0.97 |
| | Oasis Landmarks LLP | | | | **0.00** | | - |
| | Bavdhan Realty @ Pune 21 LLP | | | | **-** | | 0.01 |
| | Godrej Highview LLP | | | | **1.36** | | - |
| | Godrej Irismark LLP | | | | **0.01** | | - |
| | | | | | **2,899.72** | | **2,480.28** |
| Aggregate Amount of Quoted Investments | | | | | **2,448.13** | | 2,251.30 |
| Aggregate Amount of Unquoted Investments | | | | | **452.69** | | 230.08 |
| Aggregate Provision for Diminution in the Value of Investments | | | | | **(1.10)** | | (1.10) |
| Market Value of Quoted Investments | | | | | **17,686.49** | | 13,516.58 |

Note

1 Includes ₹ 0.03 crore paid towards share application money to Personalitree Academy Limited which is considered Doubtful.

2 During the year, the management has decided to divest its stake in Al Rahaba International Trading Limited Liability Company. Further the equity accounted investment in Al Rahaba International Trading Limited Liability Company is ₹ Nil as at March 31, 2018 on account of losses for the year.

# Notes to the Consolidated Financial Statements

## Note 4b : Non Current Financial Assets- Investments

Amount ₹ in Crore

| | Name | Note | Face Value | As at March 31, 2018 Number | As at March 31, 2018 Amount | As at March 31, 2017 Number | As at March 31, 2017 Amount |
|---|---|---|---|---|---|---|---|
| (I) | Investment in Equity Instruments (Fully Paid up unless stated otherwise) | | | | | | |
| | At Fair Value Through Profit and Loss | | | | | | |
| | (a) Quoted Investment | | | | | | |
| | Zicom Electronics Security System Ltd. | | 10 | **173,918** | **0.27** | 416,432 | 1.65 |
| | Ruchi Soya Industries Ltd. | | 2 | **3,532** | **0.01** | 23,532 | 0.06 |
| | Hindustan Unilever Ltd. * | 1 | 1 | **751** | **0.10** | 751 | 0.07 |
| | Bajaj Finance Ltd. | | 10 | **200** | **0.04** | 3,000 | 0.35 |
| | Cera Sanitaryware Ltd. | | 5 | **1,189** | **0.41** | 1,103 | 0.33 |
| | HDFC Bank Ltd. | | 2 | **222** | **0.04** | 222 | 0.03 |
| | Infosys Ltd. | | 5 | **305** | **0.03** | 305 | 0.03 |
| | Just Dial Ltd. | | 10 | **82** | **-** | 82 | - |
| | Advanced Enzyme Technologies Ltd. | | 2 | **3,000** | **0.06** | - | - |
| | Vadilal Industries Ltd. | | 10 | **2,000** | **0.17** | - | - |
| | DCM Ltd. | | 10 | **5,000** | **0.04** | - | - |
| | Maruti Suzuki India Ltd. | | 5 | **-** | **-** | 200 | 0.12 |
| | KSE Limited | | 10 | **59,549** | **15.62** | 37,330 | 3.14 |
| | Ujjivan Financial Services Ltd. | | 10 | **12,204** | **0.42** | 9,204 | 0.39 |
| | Alacrity Housing Limited | | 10 | **100** | **0.00** | 100 | 0.00 |
| | Ansal Buildwell Limited | | 10 | **100** | **0.00** | 100 | 0.00 |
| | Ansal Housing and Construction Limited | | 10 | **300** | **0.00** | 300 | 0.00 |
| | Ansal Properties and Infrastructure Limited | | 5 | **600** | **0.00** | 600 | 0.00 |
| | Lok Housing and Construction Limited | | 10 | **100** | **0.00** | 100 | 0.00 |
| | Global Infrastructure & Technologies Limited | | 10 | **100** | **0.00** | 100 | 0.00 |
| | Premier Energy and Infrastructure Limited | | 10 | **100** | **0.00** | 100 | 0.00 |
| | D.S. Kulkarni Developers Limited | | 10 | **100** | **0.00** | 100 | 0.00 |
| | Unitech Limited | | 2 | **13,000** | **0.00** | 13,000 | 0.00 |
| | The Great Eastern Shipping Company Limited | | 10 | **72** | **0.00** | 72 | 0.00 |
| | GOL Offshore Limited | | 10 | **18** | **0.00** | 18 | 0.00 |
| | Radhe Developers (India) Limited | | 10 | **100** | **0.00** | 100 | 0.00 |
| | United Textiles Limited | | 10 | **23,700** | **0.00** | 23,700 | 0.00 |
| | Others | | | | **0.01** | | 0.03 |
| | (b) Unquoted Investment | | | | | | |
| | Bharuch Eco-Aqua Infrastructure Ltd. | | 10 | **440,000** | **0.44** | 440,000 | 0.44 |
| | Less : Provision for Diminution in the Value of Investment | | | | **(0.44)** | | (0.44) |
| | | | | | **-** | | - |
| | Avesthagen Ltd. | | 7 | **469,399** | **12.43** | 469,399 | 12.43 |
| | Less : Provision for Diminution in the Value of Investment | | | | **(12.43)** | | (12.43) |
| | | | | | **-** | | - |
| | CBay Infotech Ventures Pvt. Ltd. | | 10 | **112,579** | **2.33** | 112,579 | 2.33 |
| | Less : Provision for Diminution in the Value of Investment | | | | **(2.33)** | | (2.33) |
| | | | | | **-** | | - |
| | Gharda Chemicals Ltd. | 2 | 100 | **114** | **0.12** | 114 | 0.12 |
| | Less : Provision for Diminution in the Value of Investment | | | | **(0.12)** | | (0.12) |
| | | | | | **-** | | - |
| | HyCa Technologies Pvt. Ltd. | | 10 | **12,436** | **1.24** | 12,436 | 1.24 |
| | Less : Provision for Diminution in the Value of Investment | | | | **(1.24)** | | (1.24) |
| | | | | | **-** | | - |
| | Tahir Properties Ltd (Partly paid) * | 3 | 100 | **25** | **0.00** | 25 | 0.00 |
| | Boston Analytics Inc. | | $1 | **1,354,129** | **6.91** | 1,354,129 | 6.91 |
| | Less : Provision for Diminution in the Value of Investment | | | | **(6.91)** | | (6.91) |
| | | | | | **-** | | - |
| | The Saraswat Co-op Bank Ltd. * | | 10 | **3,500** | **0.08** | 3,500 | 0.07 |
| | Sachin Industrial Co-operative Society Ltd. * | | 500 | | **0.00** | | 0.00 |
| | New Market Limited | | £ 1 | | | | |
| | Isprava Technologies Ltd. (formerly karROX Technologies Ltd.) | | 10 | **195,832** | **1.60** | 195,832 | 1.60 |
| | Clean Max Enviro Energy Solution Pvt. Ltd . | | 10 | **3,093** | **1.00** | 3,093 | 1.00 |
| | AB Corp Limited | | 10 | **25,000** | **0.00** | 25,000 | 0.00 |
| | Others * | | | | | | |

# Notes to the Consolidated Financial Statements

## Note 4b : Non Current Financial Assets- Investments (contd.)

Amount ₹ in Crore

| Name | Note | Face Value | As at March 31, 2018 Number | As at March 31, 2018 Amount | As at March 31, 2017 Number | As at March 31, 2017 Amount |
|---|---|---|---|---|---|---|
| (II) Investment in Debentures or Bonds | | | | | | |
| (a) Unquoted Investment | | | | | | |
| (i) Joint Ventures | | | | | | |
| Godrej Realty Private Limited | | 10 | **2,989,095** | **2.99** | 2,989,095 | 2.99 |
| Godrej Green Homes Limited | | 1000 | **2,756,000** | **275.60** | - | - |
| Wonder City Buildcon Private Limited | | 1000 | **307,833** | **30.50** | 307,833 | 31.50 |
| Wonder Space Properties Private Limited | | 1000 | **377,464** | **37.82** | 365,541 | 37.96 |
| Godrej Home Constructions Private Limited | | 1000 | **413,949** | **41.99** | 413,949 | 41.34 |
| Godrej Redevelopers (Mumbai) Private Limited | | 1000 | **843,736** | **86.68** | 843,736 | 85.71 |
| Godrej Landmark Redevelopers Private Limited | | 1000 | **1,513,128** | **15.13** | 1,513,128 | 15.16 |
| Wonder Projects Development Private Limited | | 1000 | **266,019** | **26.60** | 133,019 | 13.30 |
| Pearlite Real Properties Private Limited | | 1000 | **674,975** | **67.25** | 674,975 | 67.49 |
| Godrej Real View Developers Private Limited | | 1000 | **284,140** | **24.78** | 33,440 | 3.34 |
| Godrej Skyline Developers Private Limited | | 100 | **5,096,000** | **50.80** | - | - |
| Godrej Greenview Housing Private Limited | | 1000 | **260,946** | **26.18** | 136,880 | 13.55 |
| (III) Investment in Mutual Funds | | | | **10.02** | | - |
| (IV) Other Investment | | | | | | |
| Investment in Units of Venture Capital Fund | | | | | | |
| Indian Fund for Sustainable Energy (Infuse Capital) | | 100 | **511,105** | **6.53** | 461,732 | 4.58 |
| Omnivore India Capital Trust | | | | **34.18** | | 27.88 |
| | | | | **756.96** | | 353.67 |
| Aggregate Amount of Quoted Investments | | | | **27.24** | | 6.20 |
| Aggregate Amount of Unquoted Investments | | | | **753.19** | | 370.94 |
| Aggregate Provision for Diminution in the Value of Investments | | | | **(23.47)** | | (23.47) |
| Market Value of Quoted Investments | | | | **27.24** | | 6.20 |

* Amount less than ₹ 0.01 crore.

Notes

1 750 Shares of Hindustan Unilever Ltd. are not in Demat or physical form and no further information is available with the Company. However dividend are received on entire 751 shares in the said company during the year.

2 The said shares have been refused for registration by the investee company.

3 Uncalled Liability on partly paid shares
- Tahir Properties Ltd. - Equity - ₹ 80 per share (Previous year - ₹ 80 per share).

# Notes to the Consolidated Financial Statements

## Note 5 : Non Current Financial Assets - Trade Receivables

Amount ₹ in Crore

| | | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|---|
| (I) | Unsecured and Considered Good | **13.39** | 13.33 |
| (II) | Unsecured and Considered Doubtful | **15.78** | - |
| | Less : Allowance for Bad and Doubtful Debt | **(15.78)** | - |
| | Net Unsecured and Considered Doubtful | **-** | - |
| | | **13.39** | 13.33 |

## Note 6 : Non-Current Financial Assets- Loans

Amount ₹ in Crore

| | Particulars | As at March 31, 2018 | | As at March 31, 2017 | |
|---|---|---|---|---|---|
| (I) | Security Deposit | | | | |
| | (a) Secured and Considered Good (Refer Note 1 below) | | **83.81** | | 76.42 |
| | (b) Unsecured and Considered Good | | **24.65** | | 24.50 |
| | (c) Unsecured and Considered Doubtful | **2.12** | | 1.22 | |
| | Less : Allowance for Bad and Doubtful Deposit | **(2.12)** | | (1.22) | |
| | | | **-** | | - |
| (II) | Other Loans | | | | |
| | (a) Secured and Considered Doubtful (Ref Note 2 and 3 below) | **-** | | 10.33 | |
| | Less : Allowance for Bad and Doubtful Loans | **-** | | (10.33) | |
| | | | **-** | | - |
| | (b) Unsecured and Considered Good | | | | |
| | Loans to employees (Refer note 3 below) | | **1.07** | | 1.03 |
| | Other Loans | | **-** | | - |
| | (c) Unsecured and Considered Doubtful | **0.50** | | 0.32 | |
| | Less : Allowance for Bad and Doubtful Loans | **(0.50)** | | (0.32) | |
| | | | **-** | | - |
| | | | **109.53** | | 101.95 |

Notes

1 Secured Deposits - Projects, are Secured against Terms of Development Agreement.

2 The Company had advanced an amount of ₹ 10.33 crore to certain individuals who also pledged certain equity shares as security against the said advance. The Company has enforced its security and lodged the shares for transfer in its name. The said transfer application was rejected and Company has preferred an appeal to the Company Law Board (CLB). The CLB rejected the application and advised the parties to approach the High Court. The Company had filed an appeal before the Honorable High Court against the order of the Company Law Board under section 10 F of the Companies Act, which was disposed of with the direction to keep the transfer of shares in abeyance till the arbitration proceedings between the parties are on. The Honorable Bombay High Court passed an interim order dated September 18, 2012, restraining the Company from inter alia, dealing, selling or creating third party rights, etc. in the pledged shares and referred the matter to arbitration. The Company had filed a Special Leave Petition (SLP) before the Supreme Court against this interim order of the Honorable Bombay High Court which the Supreme Court has dismissed and the matter is presently before the Arbitrator. The Management is confident of recovery of this amount as underlying value of the said shares is substantially greater than the amount of loan and interest thereon. However, on a conservative basis, the Company has provided for the entire amount of ₹ 10.33 crore in the books of account.

# Notes to the Consolidated Financial Statements

## Note 6 : Non-Current Financial Assets- Loans (Contd.)

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

Amount ₹ in Crore

| Particulars | As at March 31, 2018 | | As at March 31, 2017 | |
|---|---|---|---|---|
| | **Maximum Balance during the Year** | **Amount outstanding** | Maximum Balance during the Year | Amount outstanding |
| Loans where there is no repayment schedule | | | | |
| (i) Federal & Rashmikant | **5.83** | **5.83** | 5.83 | 5.83 |
| (ii) M/s Dhruv & Co. (Regd.) | **4.18** | **4.18** | 4.18 | 4.18 |
| (iii) D. R. Kavasmaneck & Dr. P. R. Kavasmaneck | **0.32** | **0.32** | 0.32 | 0.32 |

## Note 7 : Non-Current Financial Assets- Others

Amount ₹ in Crore

| Particulars | | As at March 31, 2018 | | As at March 31, 2017 | |
|---|---|---|---|---|---|
| (I) | Bank Deposit with more than 12 months maturity (Refer Note 1 below) | | 0.46 | | 1.47 |
| (II) | Secured | | | | |
| | (a) Interest Accrued on Loans (Refer Note 2 below) | 3.15 | | 3.15 | |
| | Provision for Doubtful Loans | (3.15) | - | (3.15) | - |
| (III) | Unsecured | | | | |
| | (a) Interest Accrued on Loans | 1.03 | | 1.08 | |
| | Provision for Doubtful Loans | (1.03) | - | (1.03) | 0.05 |
| (IV) | Others | | | | |
| | (a) Non-Trade Receivables | 0.58 | | - | |
| | Less: Provision for Doubtful Debts | (0.58) | | - | |
| | | | - | | - |
| | (b) NSC placed with Government | | 0.16 | | - |
| | (c) Lease Receivable | | - | | 3.16 |
| | (d) Balances with Statutory Authorities | | 9.66 | | - |
| | (e) Claim Receivable | | 1.46 | | 1.46 |
| | (f) Deposit | | - | | 1.51 |
| | (g) Others | | 0.88 | | 0.11 |
| | | | 12.62 | | 7.76 |

Notes

Bank Deposit with more than 12 months maturity includes.

1 (i) Fixed Deposits of ₹ 0.02 crore, (As at March 31, 2017 ₹ 0.04 crore ) are pledged with a Bank for guarantees issued.

(ii) Deposit with Banks amounting to ₹ 0.01 (Previous year: ₹ 0.76 Crore) is received from flat buyers and held in trust on their behalf in a corpus fund by a subsidiary.

(iii) Includes ₹ 0.01 crore (Previous year 2017 ₹ 0.01 crore) held as margin money and lien marked for issuing bank guarantee by a subsidiary.

2 Interest on loan referred to in sub note (1) under Note 6 Non-Current Financial Assets- Loans, amounting to ₹ 3.15 crore was accrued upto March 31, 2000 and has been fully-provided for, no interest is being accrued thereafter.

# Notes to the Consolidated Financial Statements

## Note 8 : Deferred Tax Assets (Net)

Amount ₹ in Crore

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| (I) Liabilities | | |
| (a) WDV of Assets | **110.05** | 130.18 |
| (b) Others | **-** | 0.23 |
| (II) Assets | | |
| (a) Provision for Employee Benefits | **8.02** | 2.31 |
| (b) Provision for Doubtful Debts / Advances | **6.31** | 6.27 |
| (c) Other Provisions | **295.33** | 297.13 |
| (d) Unabsorbed Depreciation | **93.20** | 111.37 |
| (e) Indexation benefit on Land | **0.87** | 2.65 |
| | **293.68** | 289.32 |

## Note 9 : Other Non-Current Assets

Amount ₹ in Crore

| Particulars | As at March 31, 2018 | | As at March 31, 2017 | |
|---|---|---|---|---|
| (I) Capital Advances | | | | |
| Considered Good | **47.63** | | 53.09 | |
| Considered Doubtful | **0.35** | | 0.35 | |
| Provision for Doubtful Advance | **(0.35)** | | (0.35) | |
| | | **47.63** | | 53.09 |
| (II) Other Advances | | | | |
| Considered Good | | | | |
| (a) Statutory Deposit | | **3.74** | | 35.75 |
| (b) Balance with Government Authorities | | **5.75** | | - |
| (c) Prepaid Expense | | **1.92** | | 1.88 |
| (d) Others | | **14.68** | | 4.71 |
| Considered Doubtful | | **0.27** | | - |
| Provision for Doubtful Advance | | **(0.27)** | | - |
| | | **73.72** | | 95.43 |

## Note 10 : Inventories

Amount ₹ in Crore

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| (I) Raw Materials | **546.04** | 526.19 |
| (II) Packing Material | **4.35** | 3.41 |
| (III) Work in Progress | **125.30** | 134.34 |
| (IV) Construction Work in Progress (Rerfer note 3 below) | **2,279.24** | 3,909.37 |
| (V) Project in Progress | **68.36** | 60.72 |
| (VI) Finished Goods | **230.13** | 206.83 |
| (VII) Finished Goods - Property Development (Refer Note 2 below) | **64.46** | 56.73 |
| (VIII) Stock in Trade | **75.05** | 91.23 |
| (IX) Stores and Spares | **36.36** | 31.52 |
| | **3,429.29** | 5,020.34 |

Notes

1 Inventories are valued at lower of cost and net realisable value. Cost is computed on weighted average basis.

2 Working capital facilities sanctioned by banks under consortium arrangement are secured by hypothecation of stocks.

3 The write-down of inventories to net realisable value during the year amounted to ₹ 100.87 crore (Previous year: Nil).

# Notes to the Consolidated Financial Statements

## Note 11 : Current Financial Assets- Investments

Amount ₹ in Crore

| | Name | Note | Face Value | As at March 31, 2018 | | As at March 31, 2017 | |
|---|---|---|---|---|---|---|---|
| (I) | Investment in Mutual Funds (At Fair Value Through Profit and Loss) | | | | **546.97** | | 369.33 |
| (II) | Other Investment | | | | | | |
| | At Fair Value Through Profit and Loss | | | | | | |
| | (a) Unquoted Investment | | | | | | |
| | Optionally Convertible Loan Notes/Promissory Notes | | | | | | |
| | Boston Analytics Inc. (15%) | 1 | $ 750,000 | **3.00** | | 3.00 | |
| | Less : Provision for Diminution in the Value of Investment | | | **(3.00)** | | (3.00) | |
| | | | | | **-** | | - |
| | Boston Analytics Inc. (20%) | 1 | $ 15,50,000 | **6.73** | | 6.73 | |
| | Less : Provision for Diminution in the Value of Investment | | | **(6.73)** | | (6.73) | |
| | | | | | **-** | | - |
| | Boston Analytics Inc. (12%) | 2 | $ 950,000 | **4.69** | | 4.69 | |
| | Less : Provision for Diminution in the Value of Investment | | | **(4.69)** | | (4.69) | |
| | | | | | **-** | | - |
| | | | | | **546.97** | | 369.33 |
| Aggregate Amount of Quoted Investments | | | | | **-** | | - |
| Aggregate Amount of Unquoted Investments | | | | | **561.39** | | 383.75 |
| Aggregate Provision for Diminution in the Value of Investments | | | | | **(14.42)** | | (14.42) |
| Market Value of Quoted Investments | | | | | **-** | | - |

Notes

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

2 12% promissory notes were repayable on or before December 31, 2011, along with interest on maturity. The said promissory notes have not been redeemed as of the Balance Sheet date and have been fully provided for.

## Note 12 : Current Financial Assets-Trade Receivables

Amount ₹ in Crore

| | Particulars | As at March 31, 2018 | | As at March 31, 2017 | |
|---|---|---|---|---|---|
| (I) | Secured and Considered Good (Refer Note 1 below) | | **83.06** | | 87.93 |
| (II) | Unsecured and Considered Good | | **960.85** | | 817.93 |
| (III) | Unsecured and Considered Doubtful | **2.97** | | 2.89 | |
| | Less : Allowance for Bad and Doubtful Debt | **(2.97)** | | (2.89) | |
| | Net Unsecured and Considered Doubtful | | **-** | | - |
| | | | **1,043.91** | | 905.86 |

Notes

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

2 Refer note 24 for information on trade receivables pledged as security by the Group.

# Notes to the Consolidated Financial Statements

## Note 13a :Cash and Cash Equivalents

Amount ₹ in Crore

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| (I) Balances with Banks | | |
| (a) Current Accounts | **182.30** | 146.88 |
| (b) Deposits having maturity less than 3 months | **91.10** | 21.00 |
| (II) Cheques, Drafts on Hand | **2.55** | 5.88 |
| (III) Cash on Hand | **5.04** | 5.27 |
| | **280.99** | 179.03 |

## Note 13b : Current Financial Assets - Other Bank Balances

Amount ₹ in Crore

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| (I) Deposits with more than 3 months but less than 12 months maturity (Refer Note 1 below) | **188.73** | 51.80 |
| (II) Other Bank Balances (Refer Note 2 to 4) | **3.42** | 4.10 |
| | **192.15** | 55.90 |

Notes

1 Include

(i) ₹ 9.07 Crore (March 31, 2017: ₹ 12.54 Crore) received from flat buyers and held in trust on their behalf in a corpus fund.

(ii) Deposits held as Deposit Repayment Reserve amounting to ₹ 0.20 Crore (March 31, 2017: ₹ 1.15 Crore)

(iii) Fixed deposits held as margin money and lien marked for issuing bank guarantees amounting to ₹ 5.62 Crore (March 31, 2017: ₹ 9.53 Crore).

(iv) Fixed Deposit held by bank as security against guarantees issued amounting to ₹ 0.19 Crore as on March 31, 2018 (March 31, 2017 ₹ 0.96 Crore ).

2 Balance of ₹ 0.37 Crore as on March 31, 2018 (March 31, 2017 ₹ 0.39 Crore) held against unclaimed dividend.

3 Balances with Banks in current accounts ₹ 1.65 Crore (March 31, 2017 : ₹ 2.11 Crore) is amount received from buyers towards maintenance charges.

4 Includes Margin money deposits ₹ 1.11 Crore (March 31, 2017 ₹ 1.33 Crore ) relating to a subsidiary that are restricted and the same is held towards security of letter of credit and bank guarantees.

# Notes to the Consolidated Financial Statements

## Note 14 : Current Financial Assets-Loans

Amount ₹ in Crore

| | Particulars | As at March 31, 2018 | | As at March 31, 2017 | |
|---|---|---|---|---|---|
| (I) | Security Deposit | | | | |
| | (a) Secured and Considered Good (Refer Note 1 below) | | **142.89** | | 161.18 |
| | (b) Unsecured and Considered Good | | **4.26** | | 4.20 |
| (II) | Loans to Related Parties | | | | |
| | (a) Unsecured and Considered Good | | **909.40** | | 538.97 |
| (III) | Other Loans | | | | |
| | (a) Unsecured and Considered Good | | | | |
| | Loans to employees | | **1.18** | | 0.83 |
| | Other Loans & Advances | | **43.49** | | 30.51 |
| | (b) Unsecured and Considered Doubtful | | | | |
| | Inter Corporate Deposit | **5.77** | | 5.77 | |
| | Less : Allowance for Bad and Doubtful Deposit | **(5.77)** | | (5.77) | |
| | | | **-** | | - |
| | | | **1,101.22** | | 735.69 |

Note

1 Secured Deposits are Secured against Terms of Development Agreement for a subsidiary.

## Note 15 : Current Financial Assets-Others

Amount ₹ in Crore

| | Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|---|
| (I) | Other Receivables | **26.44** | 143.19 |
| (II) | Unbilled Revenue | **660.88** | 522.68 |
| (III) | Fair Value of Derivative Contracts | **0.23** | 0.12 |
| (IV) | Forward Cover Contracts Receivable | **0.90** | 2.26 |
| (V) | Deposits - Others | **44.95** | 6.73 |
| (VI) | Deposits - Banks (Refer note 1 below) | **17.97** | - |
| (VII) | Interest Accrued on Loans and Deposits | **169.07** | 146.91 |
| (VIII) | Income Accrued | **-** | 3.00 |
| (IX) | Export Benefits Receivables | **13.20** | 10.34 |
| (X) | Others | **26.78** | 0.56 |
| | | **960.42** | 835.79 |

1. ₹ 0.76 Crore (Previous year: Nil) received from flat buyers and held in trust on their behalf in a corpus fund.

# Notes to the Consolidated Financial Statements

## Note 16 : Other Current Assets

Amount ₹ in Crore

| Particulars | As at March 31, 2018 | | As at March 31, 2017 | |
|---|---|---|---|---|
| (I) Advances other than Capital Advance | | | | |
| (a) Security Deposit | | | | |
| Statutory Deposits | **234.23** | | 113.78 | |
| Other Deposits | **2.47** | | 2.25 | |
| | | **236.70** | | 116.03 |
| (b) Other Advances | | | | |
| Advance to Suppliers - Considered Good (Refer Note 1 below) | **88.71** | | 82.55 | |
| Advance to Suppliers - Considered Doubtful | **1.19** | | 0.65 | |
| Provision for Doubtful Advance | **(1.19)** | | (0.65) | |
| | | **88.71** | | 82.55 |
| Other Receivables - Considered Good | | **64.35** | | 68.01 |
| Export Benefit | | **9.90** | | 5.10 |
| Employee Advance | | **0.02** | | 0.08 |
| Prepaid and Other Advances | | **20.97** | | 10.57 |
| Assets held for Sale | | **0.55** | | 0.55 |
| | | **421.20** | | 282.89 |

Note

1 Advances to Suppliers and Contractors include advances amounting to ₹ 16.11 Crore (Previous year 2017 ₹ 27.02 Crore) secured against Bank Guarantee.

# Notes to the Consolidated Financial Statements

## Note 17 : Equity

| | Particulars | As at March 31, 2018 Nos. | As at March 31, 2018 Amount ₹ in Crore | As at March 31, 2017 Nos. | As at March 31, 2017 Amount ₹ in Crore |
|---|---|---|---|---|---|
| 1 | **Authorised Share Capital** | | | | |
| (a) | Equity Shares of ₹ 1 each | **800,000,000** | **80.00** | 800,000,000 | 80.00 |
| (b) | Unclassified Shares of ₹ 10 each | **100,000,000** | **100.00** | 100,000,000 | 100.00 |
| | | | **180.00** | | 180.00 |
| 2 | **Issued, Subscribed and Paid up Share Capital** | | | | |
| | Equity Shares of ₹ 1 each fully paid up | **336,272,731** | **33.63** | 336,139,786 | 33.61 |
| | Par Value of Equity Share is ₹ 1 each | | | | |
| | Par Value of Unclassified Share is ₹ 10 each | | | | |
| 3 | **Reconciliation of Number of Shares** | | | | |
| | Equity Shares | | | | |
| | Number of Shares outstanding at the beginning of the year | **336,139,786** | **33.61** | 335,988,807 | 33.60 |
| | Issued during the year | **132,945** | **0.02** | 150,979 | 0.01 |
| | Number of Shares outstanding at the end of the year | **336,272,731** | **33.63** | 336,139,786 | 33.61 |
| 4 | **Rights, Preferences and Restrictions attached to Shares** | | | | |
| | Equity Shares : The Company has one class of equity shares. Each equity share entitles the holder to one vote. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholding. | | | | |
| 5 | **Shareholding Information** | | | | |
| (a) | Equity Shares held by Holding Company: | | | | |
| | Vora Soaps Limited | **193,904,681** | **19.39** | 193,904,681 | 19.39 |
| b) | Shareholders holding more than 5% of Equity Shares in the Company: | | | | |
| | Vora Soaps Limited - 57.66% (Previous year 57.69%) | **193,904,681** | **19.39** | 193,904,681 | 19.39 |
| 6 | **Equity Shares Reserved for Issue Under Employee Stock Grant (Re. 1 each)** | | | | |
| | Employee Stock Grant for which vesting date shall be such date as may be decided by the Compensation Committee (*) | | | | |
| (a) | Employee Stock Grant vesting on 31/05/17 | **-** | **-** | 148,998 | 0.01 |
| (b) | Employee Stock Grant vesting on 30/11/17 | **-** | **-** | 1,513 | 0.00 |
| (c) | Employee Stock Grant vesting on 31/03/18 | **2,075** | **0.00** | 2,075 | 0.00 |
| (d) | Employee Stock Grant vesting on 31/05/18 | **109,052** | **0.01** | 97,223 | 0.01 |
| (e) | Employee Stock Grant vesting on 30/09/18 | **807** | **0.00** | 807 | 0.00 |
| (f) | Employee Stock Grant vesting on 30/11/18 | **3,454** | **0.00** | - | - |
| (g) | Employee Stock Grant vesting on 31/05/19 | **72,234** | **0.01** | 47,985 | 0.00 |
| (h) | Employee Stock Grant vesting on 31/05/20 | **31,758** | **0.00** | - | - |
| | The exercise period in respect of the stock grants mentioned above is one month. | | | | |

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

Pursuant to the Scheme of Amalgamation of Wadala Commodities Limited (WCL) with the Company :

(i) 2,00,243 equity shares allotted as fully paid up to the Equity Shareholders of WCL and 10 equity shares allotted as fully paid up to the Preference Shareholders of WCL, without payment being received in cash.

(ii) 67,627 equity shares have been allotted as fully paid up bonus shares to the non-promoter shareholders of the Company.

8 **There are no calls unpaid.**

9 **There are no forfeited shares.**

(*) Amount less than ₹ 0.01 crore.

Note

In the FY 2014-15, the Honourable Bombay High Court and High Court of Madhya Pradesh, Indore Bench, approved a Scheme of Amalgamation ("Scheme") of Wadala Commodities Limited (WCL) with the Company effective from April 1, 2014, being the appointed date. The Effective Date was November 21, 2014, being the date of filing the approval of the Respective High Courts with the ROC. Accordingly, the Company had issued 200,243 equity shares of the Company in lieu of the equity shares in WCL and 10 equity shares of the Company in lieu of the preference shares in WCL held by the shareholders of the erstwhile WCL and also issued 67,504 bonus equity shares of the Company to the non-promoter shareholders of the Company.

In current year, the Company has issued Nil (Previous year 38) bonus equity shares of the Company to the non-promoter shareholders on exercise of ESGS options.

# Notes to the Consolidated Financial Statements

## Note 18 : Other Equity

Refer Statement of Changes in Equity for detailed movement in Equity balance

### I Summary of Other Equity Balance

Amount ₹ in Crore

| | Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|---|
| I. | Capital Reserve on Account of Amalgamation | **2.31** | 2.38 |
| II. | Capital Redemption Reserve | **31.46** | 31.46 |
| III. | Securities Premium Account | **943.70** | 939.21 |
| IV. | Capital Reserve | **14.01** | 14.01 |
| V. | Special Reserve | **3.98** | 3.98 |
| VI. | Foreign Currency Monetary Items Translation Reserve | **9.59** | (7.89) |
| VII. | Items of Other Comprehensive Income | **(32.00)** | (41.27) |
| VIII. | Employee Stock Grants Outstanding | **7.67** | 7.20 |
| IX. | Treasury Stock | **-** | (4.81) |
| X. | General Reserve | **65.85** | 55.94 |
| XI. | Debenture Redemption Reserve | **28.66** | - |
| XII. | Gain on sale of subsidiary without losing control | **180.67** | - |
| XIII. | Non Controlling Interest Reserve | **744.39** | 558.97 |
| XIV. | Retained Earnings | **1,874.97** | 1,602.83 |
| | | **3,875.26** | 3,162.01 |

### II Nature and purpose of reserve

a Capital Reserve on Account of Amalgamation : During amalgamation, the excess of net assets taken over the cost of consideration paid is treated as Capital Reserve on Account of Amalgamation.

b Capital Redemption Reserve : The Company has recognised Capital Redemption Reserve on buyback of equity shares from its retained earnings.

c Securities Premium Account : The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium reserve.

d Capital Reserve : During amalgamation, the excess of net assets taken, over the cost of consideration paid is treated as capital reserve and also created on Sale of treasury Shares, also profit on sale of treasury shares held by the ESOP Trust is recognised in Capital Reserve. The utilisation will be as per the requirements of the Companies Act, 2013.

e Special Reserve : Reserve created under Section 45IC of RBI Act, 1934.

f Foreign Currency Translation Reserve : The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

g Employee Stock Grants Outstanding : The fair value of the equity-settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to Employee Stock Grants Outstanding Account.

h Treasury Reserve : The reserve for treasury shares of the Company held by the ESOP trust.

i Reserve for Employee Compensation Expense : The expenses in respect of the Company's ESOP scheme will be charged against the Reserve for employee compensation expense as per court Scheme.

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

k Debenture Redemption Reserve : The Company is required to create a debenture redemption reserve out of the profits which is available for payment of dividend for the purpose of redemption of debentures.

# Notes to the Consolidated Financial Statements

## Note 18 : Other Equity (Contd.)

l Gain on sale of subsidiary without losing control : The Company participated in the IPO of Godrej Agrovet Limited (GAVL) as a promoter shareholder and sold part of its stake and realised a gain of ₹ 267.38 crore in the Standalone financial statements. Since the Company continues to hold controlling stake in GAVL, the resultant gain is not considered as a part of Consolidated net profit, but is included in Reserve as per the accounting treatment prescribed under IND AS 110 (Consolidated Financial Statements).

m Non-controlling Interest Reserve : It represents the difference between the consideration paid and the carrying value of non-controlling interest acquired in subsidiaries.

n Retained Earnings : Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

**III Other Comprehensive Income accumulated in Other Equity, net of tax**

Amount ₹ in Crore

| | **As at March 31, 2018** | As at March 31, 2017 |
|---|---|---|
| Opening Balance | **(41.27)** | (23.62) |
| Exchange differences on translation of financial statements of foreign operations | **10.59** | (18.91) |
| Cash flow hedges | **(1.32)** | 1.26 |
| | **(32.00)** | (41.27) |

**IV** Notes

(i) To give effect to the Scheme of Amalgamation ("the Scheme") of Godrej Gokarna Oil Palm Ltd (GGOPL), Godrej Oil Palm Ltd. (GOPL) and Cauvery Palm Oil Ltd. (CPOL) ("the Transferor Companies") with Godrej Agrovet Limited ("the Transferee Company"), effective April 1, 2011, ("the Appointed date") as sanctioned by the Hon'ble High Court of Judicature at Bombay ("the Court"), vide its Order dated March 16, 2012, the following entries have been recorded.

i. Amortisation of Intangible Assets of the Transferor Companies amounting to ₹1.06 Crore each for the Quarters ended March 31, 2018, December 31, 2018 and March 31, 2017, ₹ 4.25 Crore each for the Financial year ended March 31, 2018 and March 31, 2017 recorded in the books of the Transferee Company are charged against the balance in the General Reserve Account of the Transferee Company. The Gross Book value of these Assets now held by the Transferee Company is ₹ 42.51 Crore.

ii. Provision created against the loan advanced to the ESOP Trust of Godrej Industries Limited amounting to ₹ 20.00 Crore was directly charged against the balance in the Securities Premium Account of the Transferee Company. During the Financial Year ended March 31, 2017, the Company has written back this provision of ₹ 20.00 Crore as the said advance has been recovered and hence, no longer doubtful and the same has been shown as exceptional item.

Had the Scheme not prescribed the above treatment, profit for each of the Financial year ended March 31, 2018 and March 31, 2017 would have been lower by ₹ 2.77 Crore and ₹ 2.78 Crore respectively.

(ii) To give effect to the Hon'ble Bombay High Court's Order dated March 8, 2013, an amount of ₹ 110.04 Crore standing to the credit of the Securities Premium Account of the Company has been utilised to create Reserve for Employee Compensation Account of the Company. The expenses in respect of the Company's ESOP scheme will be charged against the Reserve for Employee Compensation Account, of which ₹ 3.90 Crore has been utilised for the Financial Year ended March 31, 2017.

Had the Scheme not prescribed this treatment, the profit for the Financial Year ended March 31, 2017 would have been lower by ₹ 3.90 Crore.

(iii) A Scheme of Amalgamation ("the Scheme") for the amalgamation of Goldmuhor Agrochem & Feeds Limited (called "the Transferor Company") with Godrej Agrovet Limited (the "Transferee Company"), with effect from October 1, 2013, ("the Appointed date") was sanctioned by the Honorable High Court of Judicature at Bombay ("the Court"), vide its Order dated September 20, 2013 and certified copies of the Order of the Court sanctioning the Scheme were filed with the Registrar of Companies, Maharashtra on December 13, 2013 (the "Effective Date").

To give effect to the Hon'ble Bombay High Court's Order dated September 20, 2013 regarding Scheme of the Arrangement, the following entry has been recorded.

An amount of ₹ 20 Crore has been transferred from the General Reserve Account and used to increase the Reserve for Employee Compensation Expenses, of which ₹19.86 Crore has been utilised for the Financial Year ended March 31, 2017. Had the Scheme not prescribed this treatment the profit for Financial Year ended March 31, 2017 would have been lower by ₹ 19.86 Crore.

# Notes to the Consolidated Financial Statements

## Note 19 : Non-Current Financial Liabilities - Borrowings

Amount ₹ in Crore

| | Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|---|
| (I) | Secured Borrowings | | |
| | (a) Bonds and Debentures | **500.00** | - |
| | 7.82% 5,000 (Previous year: Nil) redeemable non-convertible debentures ("NCD") of face Value ₹ 1,000,000 each | | |
| | (b) Term Loans | | |
| | (i) From Banks (Refer Note 1 and 2a) | **27.92** | 489.78 |
| | (ii) From Other Parties (Refer Note 2b) | **4.99** | 11.88 |
| (II) | Unsecured Borrowings | | |
| | (a) Term Loans | | |
| | (i) From Banks (Refer Note 3 below) | **380.68** | 931.89 |
| | (ii) From Other Parties (Refer Note 4 below) | **33.34** | 66.67 |
| | (b) Deferred Payment Liabilities (Refer Note 5 and 6 below) | **5.36** | 6.70 |
| | (c) Other Deposits | **-** | 1.33 |
| | (d) Other Loans | | |
| | (i) Preference Share Capital (Refer Note 7) | **-** | 0.01 |
| | | **952.29** | 1,508.26 |

**Note:**

1. Secured term loan in the previous year amounting to ₹ 474.75 Crore bearing interest @ CPLR minus 730 BPS and secured by way of exclusive mortgage and charge of movable and immovable property, right, title interest in the designated account / escrow account and receivables of the project situated at Bandra Kurla Complex at Mumbai and pledge of 51% of equity shares of Godrej Buildcon Private Limited held by the Company. During the year the term loan has been repaid.

# Notes to the Consolidated Financial Statements

## Note 19 : Non Current Financial Liabilities - Borrowings (Contd.)

2 a)

Amount ₹ in Crore

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Vehicle Loan from Bank taken @ 9.50% to 11.50% repayable in 36/60 installments from the date of disbursements | **0.26** | 0.58 |
| Loan from Bank carrying Interest rate ranging from 9.34% to 9.55% p.a. repayable by August 2020 is secured by hypothecation of moveable plant and machinery, furniture, fixtures consisting of refrigeration and interior work, both present and future of funded stores of a subsidiary. | **2.75** | 4.95 |
| Loan from Bank carrying Interest @ 10.30% p.a. repayable by December 2022 is secured by hypothecation of moveable plant and machinery, furniture, fixtures consisting of refrigeration and interior work, both present and future of funded stores of a subsidiary. | **7.83** | 9.50 |
| Loan from Bank carrying Interest rate ranging from 9.60% to 9.85% p.a. repayable by December 2022 is secured by hypothecation of moveable plant and machinery, furniture, fixtures consisting of refrigeration and interior work, both present and future of funded stores of a subsidiary. | **10.00** | - |
| Loans at the interest rate of 2.0% to 2.6% p.a. repayable in 60 installments from the date of disbursements.The interest bearing loan in denominated in Singapore dollar. | **7.08** | - |

2 b)

Amount ₹ in Crore

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Loans carrying Interest @ 9.70% p.a. repayable by March 2020 is secured by hypothecation of the Property, Plant and Equipment and Current Assets of the funded stores & head office of a subsidiary. | **4.99** | 11.88 |

# Notes to the Consolidated Financial Statements

## Note 19 : Non Current Financial Liabilities - Borrowings (Contd.)

3 Unsecured Loans from Banks

Amount ₹ in Crore

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Loan carries interest rate at Base Rate for an original term upto 36 months and repayable starting September 2018 to March 2019. | **-** | 100.00 |
| Loan carries interest at Base Rate/ 1 year MCLR for an original term upto 36 months and repayable starting December 2018 to June 2019. | **25.00** | 50.00 |
| Loan carries interest at 3 months MCLR for an original term upto 36 months and repayable starting March 2019 to September 2019. | **50.00** | 100.00 |
| Loan carries interest at Fixed rate of 8.50% p.a for an original term upto 60 months and repayable starting June 2018 to March 2022. | **93.75** | 125.00 |
| Loan carries interest at 1 year MCLR for an original term upto 60 months and repayable starting June 2018 to March 2022. | **67.50** | 90.00 |
| Loan carries interest at 1 year MCLR for an original term upto 60 months and repayable starting July 2018 to April 2022. | **28.44** | - |
| Loan carries interest at 6 months MCLR + 1.50 % p.a. for an original term upto 36 months and repayable starting June 2018 to March 2019. | **-** | 100.00 |
| Loan carries interest at 3 years MCLR + 0.05% p.a. for an original term upto 36 months and repayable starting November 2018 to August 2019. | **25.00** | 50.00 |
| Loan carries interest at SBI Base Rate + 0.35% p.a. for an original term upto 36 months and repayable starting July 2017 to April 2018. | **-** | 25.00 |
| Loan carries interest at LIBOR + 2.05% p.a. for an original term upto 60 months and repayable by August 2018. | **-** | 32.44 |
| Loan carries interest at LIBOR + 2.40% p.a., fixed under IRS at 4.28% p.a for an original term upto 60 months and repayable by July 2019. | **41.18** | 122.93 |
| Loan carries interest at LIBOR + 2.35% p.a., fixed under IRS at 4.25% p.a for an original term upto 60 months and repayable by July 2019. | **27.61** | 82.42 |
| Loan carried interest at LIBOR + 2.45% p.a., fixed under IRS at 4.39% p.a for an original term upto 60 months and repayable by July 2019. | **13.67** | 40.82 |
| Loan carries interest rate of 8.50% p.a. repayable in 16 structured quarterly instalments commencing from January 2018 to December 2022. | **2.95** | 3.75 |
| Loan carries interest rate of 8.65% p.a. repayable in 18 equal quarterly instalments commencing from 6 months from the date of first disbursement i.e. March 30, 2016. | **2.98** | 5.21 |
| Loan carries interest rate of T.Bill +0.19 spread p.a and repayable 50% at the end of 18 months and 50% at the end of 36 months. | **2.60** | 4.32 |

4 Unsecured Loans from Others

Amount ₹ in Crore

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Loan carries interest at SBI Base Rate + 0.35% p.a. for an original term upto 60 months and repayable by March 2020. | **16.67** | 33.33 |
| Loan carries interest at SBI Base Rate + 0.35% p.a. for an original term upto 60 months and repayable by March 2020. | **16.67** | 33.34 |

# Notes to the Consolidated Financial Statements

## Note 19 : Non-Current Financial Liabilities - Borrowings (Contd.)

5 Deferred Loan of a subsidiary against acquisition of Lease hold Land is availed at interest rate 14% under the scheme floated by the Directorate of Industries, Government of Uttar Pradesh. Loan repayment shall be performed on a half yearly basis 6 years from 1st July 2016 up to 1st January 2022. Total loan availed was ₹ 6.17 crore and outstanding for the year ended March 31, 2018 was ₹ 4.11 crore (Previous year ₹ 5.15 crore) with current maturity disclosed separately in note no. 26 at ₹ 1.03 crore (Previous year ₹ 1.03 crore).

6 Deferred Sales Tax Loan of a subsidiary is availed interest free under the scheme floated by the Directorate of Industries, Government of Andhra Pradesh. Loan repayment shall be performed on an annual basis 14 years from the year of collection, commencing from March 2014 up to March 2021. Total loan availed was ₹ 4.67 crore and outstanding for the year ended March 31, 2018 was ₹ 3.11 crore (Previous year ₹ 2.93 crore) with current maturity disclosed separately in note 26 at ₹ 0.85 crore (Previous year ₹ 0.35 crore)

7 Non-Convertible Redeemable Preference Shares having a par value of ₹ 10 per share. Each eligible Shareholder is entitled for 8% dividend on par value of shares.

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

Amount ₹ in Crore

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| **Note 20 : Non-Current Financial Liabilities - Others** | | |
| (I) Put Option Liability | - | 35.33 |
| | - | 35.33 |
| **Note 21 : Non-Current Provisions** | | |
| I. Defined Benefit Obligation | **22.26** | 13.89 |
| II. Other Long Term Benefit | **3.06** | 3.22 |
| | **25.32** | 17.11 |
| **Note 22 : Deferred Tax Liabilities (Net)** | | |
| (I) Liabilities | | |
| (a) WDV of Assets | **181.35** | 169.54 |
| (b) Other | **62.43** | 64.57 |
| (II) Assets | | |
| (a) Provision for Retirement Benefits | **1.30** | 1.63 |
| (b) Provision for Doubtful Debts / Advances | - | 3.23 |
| | **242.48** | 229.25 |
| **Note 23 : Other Non-Current Liabilities** | | |
| (I) Others | | |
| Deferred Grant | **14.05** | 15.24 |
| Others | **1.40** | - |
| | **15.45** | 15.24 |

# Notes to the Consolidated Financial Statements

## Note 24 : Current Financial Liabilities Borrowings

Amount ₹ in Crore

| | Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|---|
| (I) | Secured Borrowings | | |
| | (a) Loans Repayable on Demand | | |
| | (i) From Banks (Refer Note 1 below) | **805.85** | 802.19 |
| | (b) Other Loans | | |
| | (i) Cash Credit (Refer Note 2 below) | **146.59** | 481.85 |
| | (ii) Buyer's Credit (Refer Note 3 below) | **6.46** | 1.00 |
| | (ii) Working Capital Loan | **-** | 14.54 |
| (II) | Unsecured Borrowings | | |
| | (a) Term Loans | | |
| | (i) From Banks (Refer Note 4 below) | **1,273.04** | 675.33 |
| | (b) Loans Repayable on Demand | | |
| | (i) From Banks (Refer Note 5 below) | **759.88** | 660.75 |
| | (ii) Bank Overdraft repayable on demand (Refer Note 6 below) | **643.30** | 255.20 |
| | (c) Other Loans | | |
| | (i) Commercial Papers (Refer Note 7 below) | **1,603.41** | 2,574.49 |
| | (ii) Working Capital Loan (Refer Note 8 below) | **51.03** | 97.32 |
| | (iii) Cash Credit | **22.22** | 29.64 |
| | | **5,311.78** | 5,592.31 |

1 Loan repayble on demand includes

(i) Secured Working Capital Demand Loan having a balance of ₹ 804.73 crore (March 31, 2017 ₹ 801.93 crore) availed by a subsidiary from Banks secured by hypothecation of Current Assets of the Company, mortgage of Immovable property of the said subsidiary company at Unit No. 5C, on the 5th Floor in Godrej One (along with car parking spaces) at Pirojshanagar, Vikhroli East, Mumbai and hypothecation of Current Assets of Godrej Projects Development Limited (formerly known as Godrej Projects Development Private Limited) (wholly owned subsidiary) is provided as collateral security.

(ii) Working capital facilities sanctioned by banks under consortium arrangement are secured by hypothecation of stocks and book debts.

(iii) Foreign currency loans of a subsidiary from Banks are at an interest rate of LIBOR + 75 bps and are repayable in 30 days.

2 (i) Cash credit of a subsidiary availed from bank having a balance of ₹ 135.58 crore (March 31, 2017 ₹ 460.43 crore) is on account of Cash Credit availed by a subsidiary from Banks and is secured by hypothecation of the Current Assets of the Company, mortgage of Immovable property of the said subsidiary company at Unit No. 5C, on the 5th Floor in Godrej One (along with car parking spaces) at Pirojshanagar, Vikhroli East, Mumbai and hypothecation of Current Assets of Godrej Projects Development Limited (formerly known as Godrej Projects Development Private Limited) (wholly owned subsidiary) is provided as collateral security and payable on demand.

(ii) Cash Credit of a subsidiary having a balance of ₹ 11.01 crore (March 31, 2017 ₹ 21.42 crore) from banks are repayable on demand and carries interest at 1 year MCLR + 35 to 50 bps (Previous year 1 year MCLR + 35 to 50 bps). This cash credit from Bank is secured against inventories and receivables. Cash Credit of a subsidiary from banks are repayable on demand and carries interest at MCLR + 0.55% to 1.10%) have first pari passu charge on the Current Assets of the subsidiary, including inventory and receivables both present & future and second charge on property, plant and equipments of the company present & future (including Equitable Mortgage/Hypothecation of Factory Land & Building / Plant & Machinery).

3 Buyers credit are at an interest rate of 3 months LIBOR + 40 to 100 bps and are repayable within 6 months.

# Notes to the Consolidated Financial Statements

## Note 24 : Current Financial Liabilities Borrowings (Contd.)

4 Unsecured Loans from Bank

Amount ₹ in Crore

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Loan carries interest rate at 1 month MCLR repayable by April 2018 | **220.00** | - |
| Loan carries interest rate at 1 month MCLR repayable by May 2018 | **260.00** | - |
| Loan carries interest rate at 1 month MCLR repayable by June 2018 | **155.00** | - |
| Loan carries interest rate at 3 months MCLR repayable by June 2018 | **160.00** | - |
| Loan carries interest rate from 7.55%p.a. to 7.88% p.a. repayable by June 2018 | **150.00** | - |
| Loan carries interest rate at 3 months MCLR + 0.25 % p.a. repayable by June 2018 | **65.00** | - |
| Loans from Banks are at an interest rate of LIBOR + 75 bps and are repayable in 30 days. | **37.99** | - |
| Loan carries interest rate of 9.25% | **20.00** | 10.00 |
| Loan carries interest rate at 1 month MCLR repayable by May 2017 | **-** | 90.00 |
| Loan carries interest rate at 1 month MCLR + 0.05% p.a. repayable by April 2017 | **-** | 30.00 |
| Loan carries interest rate at 3 month MCLR repayable by May 2017 | **-** | 50.00 |
| Loan carries interest rate at 3 month MCLR + 0.10 % p.a. repayable by April 2017 | **-** | 75.00 |
| Loan carries interest rate at 3 month MCLR repayable by June 2017 | **-** | 130.00 |
| Loan carries interest rate at 1 month MCLR repayable by April 2017 | **-** | 90.00 |
| Loan carries interest rate of 5.95% to 9.35% (Previous year 5.96% to 13.60%) repayable on different dates up to 3 months from the date of financial statements | **205.04** | 200.33 |

5 Loans Repayable on Demand

Amount ₹ in Crore

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Other loans carrying interest rate 7.85% to 8.00% | **697.84** | 598.60 |
| Loan carries interest at 5% repayable within 6 months | **57.14** | 62.15 |
| Buyers credit are at an interest rate of 3 months LIBOR + 40 to 100 bps and are repayable within 6 months. | **4.90** | - |

6 Overdraft facilities having balance of ₹ 626.30 crore (March 31, 2017 ₹ 255.20) carries interest rate of 7.85% to 8.00%

7 Commercial Papers

Amount ₹ in Crore

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Commercial Papers carries interest at 7.1% p.a. to 7.25% p.a. repayable during the period April to June 2018. | **615.00** | - |
| Commercial Papers carries interest at 6.03% to 6.59% repayable during the period April to June 2017. | **-** | 910.00 |
| Commercial Papers carries interest at 7.44% to 7.65% p.a. repayable during the period April to June 2018. | **938.41** | 1,389.49 |
| Commercial Papers carries interest at 5.95% to 8.85% repayable during the period April to June 2017. | **-** | 275.00 |
| Commercial Paper carries interest rate of 6.15% to 7.25% p.a. repayable during the period April to June 2018. | **50.00** | - |

8 Working capital loan (Rupee) of a subsidiary from banks carries interest rate of 7.50% to 7.85% (Previous Year at interest rates linked to MCLR). These loans are repayable on different dates within 3 months.

9 The company does not have any default as on the Balance Sheet date in repayment of loan or Interest.

# Notes to the Consolidated Financial Statements

## Note 25 : Current Financial Liabilities - Trade Payables

Amount ₹ in Crore

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| (I) Trade Payables | | |
| (a) Outstanding dues of Micro and Small Enterprises (Refer Note 1 below) | **19.97** | 20.95 |
| (b) Others | **1,028.34** | 1,142.18 |
| (II) Acceptances | **637.30** | 528.10 |
| | **1,685.61** | 1,691.23 |

Note

1 Disclosure of outstanding dues of Micro and Small Enterprises under Trade Payables is based on the information available with the Company regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006. There is no undisputed amount overdue as on March 31, 2018, to Micro, Small and Medium Enterprises on account of principal or interest.

## Note 26 : Current Financial Liabilities - Others

Amount ₹ in Crore

| Particulars | As at March 31, 2018 | | As at March 31, 2017 | |
|---|---|---|---|---|
| (I) Current Maturities of Long Term Debts | | | | |
| (a) Secured | | | | |
| Term Loan from Bank | **10.76** | | 10.43 | |
| Term Loan from Others | **0.37** | | 1.26 | |
| (b) Unsecured | | | | |
| Term Loan from Bank | **582.85** | | 407.13 | |
| Term Loan from Others | **38.08** | | 33.33 | |
| | | **632.05** | | 452.15 |
| (II) Current Maturities of Deferred Sales Tax Liability | | **0.85** | | 1.38 |
| (III) Interest Accrued but not due | | **27.41** | | 11.36 |
| (IV) Unpaid Dividends | | **0.44** | | 0.45 |
| (V) Unpaid Matured Deposits | | | | |
| (a) Principal Amount | **1.63** | | 2.81 | |
| (b) Interest accrued | **0.06** | | 0.09 | |
| | | **1.69** | | 2.90 |
| (VI) Others | | | | |
| (a) Non-Trade Payable | **124.23** | | 105.08 | |
| (b) Deposits | **91.51** | | 72.55 | |
| (c) Forward Cover Contracts Payable | **-** | | 2.92 | |
| (e) Derivative Liability | **0.09** | | 2.23 | |
| (f) Put Option Liability | **36.96** | | - | |
| (g) Others | **250.85** | | 207.33 | |
| | | **503.64** | | 390.11 |
| | | **1,166.08** | | 858.35 |

# Notes to the Consolidated Financial Statements

## Note 27 : Other Current Liabilities

Amount ₹ in Crore

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| (I) Other Advances | | |
| (a) Amount received against Sale of Flats / Units and Advances from Customers | **506.76** | 449.95 |
| (II) Others | | |
| (a) Other Liabilities | **41.81** | 43.70 |
| (b) Statutory Liabilities | **89.54** | 61.70 |
| (c) Deferred Grant | **1.13** | 1.13 |
| | **639.24** | 556.48 |

## Note 28 : Current Provisions

Amount ₹ in Crore

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| (I) Provision for Employee Benefits | | |
| a) Defined Benefit Obligation | **5.42** | 4.89 |
| b) Other Long Term Benefit | **8.18** | 5.31 |
| (II) Others | | |
| a) Provision for Sales Return (Refer Note 1 below) | **25.27** | 20.74 |
| b) Others (Refer Note 2 below) | **1.50** | - |
| | **40.37** | 30.94 |
| 1 Movement of provision for sales return | | |
| Opening Provision | **20.74** | 16.60 |
| Add : Provision made for the year | **138.63** | 123.13 |
| Less: Utilised during the year | **133.80** | 118.99 |
| Less: Reversed during the year | **0.30** | - |
| | **-** | - |
| Closing Provision | **25.27** | 20.74 |

The Group makes a provision on estimated sales return based on historical experience. The Sales returns are generally expected within a year.

2 Others include provision made during the year for legal cases. The same is expected to be settled in 1-3 years.

# Notes to the Consolidated Financial Statements

## Note 29 : Revenue From Operations

Amount ₹ in Crore

| | Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|---|---|---|
| I | Sale of Products | **9,109.62** | 8,243.73 |
| II | Sale of Services | **103.91** | 109.19 |
| III | Other Operating Revenue | | |
| | (a) Export Incentives | **25.93** | 19.62 |
| | (b) Rental Income | **6.75** | 6.07 |
| | (c) Processing Charges | **4.10** | 5.47 |
| | (d) Sale of Scrap | **28.54** | 26.43 |
| | (e) Dividend Income | **0.22** | 0.03 |
| | (f) Other Income from Customers of Property Business | **83.09** | 44.70 |
| | (g) Others | **42.98** | 27.37 |
| | | **9,405.14** | 8,482.61 |
| | Fair value of Biological Assets | **(0.09)** | (0.08) |
| | | **9,405.05** | 8,482.53 |

## Note 30 : Other Income

Amount ₹ in Crore

| | Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|---|---|---|
| I | Interest Income | **146.89** | 105.66 |
| II | Gain on Foreign Exchange Translation | **4.26** | 1.75 |
| III | Profit on sale of Property, Plant and Equipment | **0.27** | 0.98 |
| IV | Profit on Sale of Current Investments | **210.98** | 24.00 |
| V | Changes in fair value of financial assets of FVTPL | **158.98** | 3.46 |
| VI | Profit on Sale of Non-Current Investments | **0.33** | - |
| VII | Claims Received | **3.07** | 0.49 |
| VIII | Liabilities no longer required written back | **3.81** | 1.04 |
| IX | Recovery of Bad Debts written off | **0.59** | 0.29 |
| X | Royalty & Technical Knowhow | **1.44** | 2.48 |
| XI | Grant amortization | **1.49** | 1.16 |
| XII | Miscellaneous Income | **31.67** | 27.56 |
| | | **563.78** | 168.87 |

**Note**

1 Previous year Profit on sale of current investment includes profit of ₹ 2.21 crore on extinguishing of investment in subsidiary company Godrej Seeds and Genetics Limited.

# Notes to the Consolidated Financial Statements

## Note 31a : Cost of Material Consumed

Amount ₹ in Crore

| | Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|---|---|---|
| I | Raw Material Consumed | | |
| | Inventory at the Commencement of the year | **526.19** | 551.26 |
| | Add : Purchases (Net) | **5,034.81** | 4,663.20 |
| | | **5,561.00** | 5,214.46 |
| | Less : Inventory at the Close of the year | **(546.04)** | (526.19) |
| | Total Raw Material Consumed | **5,014.94** | 4,688.27 |
| II | Packing Material Consumed | | |
| | Inventory at the Commencement of the year | **3.41** | 2.83 |
| | Add : Purchases (Net) | **49.59** | 42.43 |
| | | **53.00** | 45.26 |
| | Less : Inventory at the Close of the year | **(4.35)** | (3.41) |
| | Total Packing Material Consumed | **48.65** | 41.85 |
| | Total Material Consumed (I+II) | **5,063.59** | 4,730.12 |

## Note 31b : Cost of Sale - Property Development

Amount ₹ in Crore

| | Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|---|---|---|
| I | Inventory at the Commencement of the Year | | |
| | Finished Goods | **56.73** | 56.74 |
| | Construction Work in Progress | **3,909.37** | 3,866.34 |
| | Add : Expenditure during the year | | |
| | Land/Development Rights | **240.20** | 165.42 |
| | Construction, Material & Labour | **473.55** | 591.18 |
| | Architect Fees | **18.98** | 8.47 |
| | Other Cost | **127.71** | 162.07 |
| | Finance Cost | **161.00** | 190.33 |
| | | **4,987.54** | 5,040.55 |
| | Less : | | |
| | Transferred to Expenses | **(0.33)** | (0.65) |
| | Transferred to Property, Plant and Equipment | **(12.79)** | - |
| | Transferred to Capital WIP | **(69.63)** | - |
| | Transferred to Investment Property | **(2.59)** | - |
| | Transferred on Loss of Control | **(476.72)** | (0.49) |
| | Recovery of cost towards area | **(616.94)** | - |
| | Less : Inventory at the Close of the year | | |
| | Finished Goods | **(64.46)** | (56.73) |
| | Construction Work-in-Progress | **(2,279.24)** | (3,909.37) |
| | | **(2,343.70)** | (3,966.10) |
| | Total Cost of Sale - Property Development | **1,464.84** | 1,073.31 |

# Notes to the Consolidated Financial Statements

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

Amount ₹ in Crore

| | Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|---|---|---|
| I | Inventory at the Commencement of the year | | |
| | Finished Goods | **206.83** | 191.03 |
| | Stock-in-Trade | **91.23** | 86.82 |
| | Work-in-Progress | **134.34** | 96.29 |
| | Total Inventory at the Commencement of the year | **432.40** | 374.14 |
| | Consumption of Poultry Stock and stock under cultivation | **0.23** | 4.20 |
| II | Inventory at the end of the year | | |
| | Finished Goods | **(230.13)** | (206.83) |
| | Stock-in-Trade | **(75.05)** | (91.23) |
| | Work-in-Progress | **(125.30)** | (134.34) |
| | Total Inventory at the end of the year | **(430.48)** | (432.40) |
| | Changes in Inventories (I-II) | **2.16** | (54.06) |

## Note 33 : Employee Benefit Expense

Amount ₹ in Crore

| | Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|---|---|---|
| I | Salaries and Wages | **502.65** | 414.18 |
| II | Contribution to Provident and Other Funds | **27.09** | 21.79 |
| III | Expenses on Employee Stock Option Scheme | **9.12** | 10.52 |
| IV | Staff Welfare Expense | **35.30** | 28.03 |
| | | **574.16** | 474.52 |

## Note 34 : Finance Costs

Amount ₹ in Crore

| | Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|---|---|---|
| I | Interest | **482.21** | 508.88 |
| | Less : Transferred to Construction work-in-progress and Capital work-in-progress | **(163.94)** | (193.27) |
| | Less: Recovery of Finance Cost | **(8.20)** | (24.32) |
| | Net Interest | **310.07** | 291.29 |
| II | Exchange Differences regarded as an adjustment to Borrowing Costs | **0.32** | 3.31 |
| III | Other Borrowing Costs | **102.76** | 107.22 |
| | | **413.15** | 401.82 |

# Notes to the Consolidated Financial Statements

## Note 35 a : Depreciation and Amortisation Expenses

Amount ₹ in Crore

| | Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|---|---|---|
| I | Depreciation on Property, Plant and Equipment | **167.43** | 140.85 |
| II | Depreciation on Investment Property | **2.02** | 2.16 |
| III | Amortisation on Intangible Assets | **10.07** | 9.38 |
| | Less : Transferred from General Reserve (Refer Note. 18 IV (i)) | **(4.25)** | (4.25) |
| | | **175.27** | 148.14 |

## Note 35 b : Other Expenses

Amount ₹ in Crore

| | Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|---|---|---|
| I | Consumption of Stores and Spares | **39.52** | 31.39 |
| II | Power and Fuel | **184.08** | 171.51 |
| III | Processing Charges | **112.84** | 93.07 |
| IV | Rent (Refer note 1 below) | **58.02** | 60.74 |
| V | Rates & Taxes | **33.88** | 30.79 |
| VI | Repairs and Maintenance | | |
| | (a) Machinery | **27.87** | 20.93 |
| | (b) Buildings | **14.89** | 13.81 |
| | (c) Other Assets | **10.11** | 9.16 |
| VII | Insurance | **6.79** | 6.43 |
| VIII | Freight | **81.15** | 60.37 |
| IX | Commission | **4.82** | 4.43 |
| X | Advertisement and Publicity | **52.22** | 59.18 |
| XI | Selling and Distribution Expenses | **99.87** | 84.80 |
| XII | Bad Debts Written Off | **8.21** | 7.99 |
| XIII | Provision / (Write back) for Doubtful Debts and Advances | **7.01** | 6.98 |
| XIV | Loss on Foreign Exchange Translation | **2.52** | 0.95 |
| XV | Loss on Sale of Property, Plant and Equipment | **1.66** | 14.50 |
| XVI | Loss on Sale of Investments | **-** | 1.20 |
| XVII | Research Expense | **2.34** | 3.00 |
| XVIII | Legal and Professional fees | **63.03** | 50.19 |
| XIX | Corporate Social Responsibility | **5.17** | 4.84 |
| XX | Miscellaneous Expenses | **372.31** | 249.00 |
| | | **1,188.32** | 985.27 |

Note :

1 Rental expenses of the holding company amounting to ₹ 7.06 crore (previous year ₹ 6.95 crore) are netted off with rental income in respect of certain premises in the same building.

## Note 36 : Exceptional Items

Amount ₹ in Crore

| | Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|---|---|---|
| I | Profit / (Loss) on sale of Strategic Investments | **-** | 22.76 |
| II | Gain on cancellation of an agreement for supply of products | **19.33** | - |
| III | Loss on account of inventory write off | **(7.28)** | - |
| | | **12.05** | 22.76 |

# Notes to the Consolidated Financial Statements

## Note 37 : Earnings Per Share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

| | Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|---|---|---|
| (a) | Calculation of weighted average number of equity shares - Basic | | |
| | (i) Number of equity shares at the beginning of the year (in units) | **336,139,786** | 335,988,807 |
| | (ii) Number of equity shares issued during the year (in units) | **132,945** | 150,979 |
| | (iii) Number of equity shares outstanding at the end of the year (in units) | **336,272,731** | 336,139,786 |
| | (iv) Weighted average number of equity shares outstanding during the year (in units) | **336,244,991** | 336,032,962 |
| (b) | Calculation of weighted average number of equity shares - Diluted | | |
| | (i) Number of potential equity shares at the beginning of the year (in units) | **336,482,336** | 336,321,903 |
| | (ii) Number of potential equity shares at the end of the year (in units) | **336,486,056** | 336,482,336 |
| | (iii) Weighted average number of potential equity shares outstanding during the year (in units) | **336,484,969** | 336,404,105 |
| (c) | Net Profit Attributable to Owners of the Company (Amount ₹ in Crore) | **421.37** | 256.45 |
| | Less : Impact of Court approved Scheme on Net Profit (Amount ₹ in Crore) | **(1.61)** | (16.90) |
| | Adjusted Net Profit Attributable to Owners of the Company (Amount ₹ in Crore) | **419.76** | 239.56 |
| | (i) Basic Earnings Per Share of ₹ 1 each | **12.48** | 7.13 |
| | (ii) Diluted Earnings Per Share of ₹ 1 each | **12.47** | 7.12 |

# Notes to the Consolidated Financial Statements

## Note 38 : Contingent Liabilities

Amount ₹ in Crore

| | Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|---|
| I | **Claims against the Group not acknowledged as debts** | | |
| | (a) Excise duty / Service Tax demands relating to disputed classification, post manufacturing expenses, assessable values, etc. which the Group has contested and are under appeal at various levels. | **210.60** | 215.70 |
| | (b) Customs Duty demands relating to lower charge, differential duty, classification, etc. | **5.00** | 4.93 |
| | (c) Sales Tax demands relating to purchase tax on Branch Transfer / disallowance of high seas sales, etc. at various levels. | **54.67** | 112.50 |
| | (d) Octroi demand relating to classification issue on import of Palm Stearine and interest thereon. | **0.29** | 0.29 |
| | (e) Stamp duties claimed on certain properties which are under appeal by the Group. | **1.82** | 21.84 |
| | (f) Income tax demands against which the Company has preferred appeals. | **96.18** | 101.64 |
| | (g) Industrial relations matters under appeal. | **0.47** | 2.62 |
| | (h) Claims not acknowledged as debts represent cases filed by parties in the Consumer forum, Civil Court and High Court and disputed by the Group as advised by our advocates. In the opinion of the management the claims are not sustainable. | **69.94** | 75.64 |
| | (i) Others | **7.15** | 1.68 |
| II | **Surety Bonds** | | |
| | (a) Surety Bonds given by the Holding Company in respect of refund received from excise authority for exempted units of associate company (Refer Note 1 below) | **26.88** | 26.88 |
| | (b) Bonds issued by Group on behalf of related party | **1.21** | 1.21 |
| III | **Other money for which the Group is Contingently liable** | | |
| | (a) Case / Claim filed by Processors for claiming various expenses | **175.42** | 196.46 |
| IV | **Contingent liabilities relating to interest in Associates** | **212.44** | 173.59 |

**Notes**

(1) The Corporate surety bond of ₹ 26.88 crore (₹ 26.88 crore as on March 31, 2017) is in respect of refund received from excise authority for exempted units (North East) of Godrej Consumer Products Limited, an associate company.

(2) The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its consolidated financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

It is not practicable to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

# Notes to the Consolidated Financial Statements

## Note 39 : Commitments

Amount ₹ in Crore

| | Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|---|
| I | Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for. | **70.83** | 123.30 |
| II | Outstanding Export Obligation under EPCG Scheme | **39.36** | 38.96 |
| III | Uncalled liability on partly paid shares / debentures (*) | **-** | - |
| IV | Contracts for Purchase of Raw Material | **75.43** | 65.39 |
| V | Commitments relating to interest in Associates | **7.67** | 12.43 |

* Amount less than ₹ 0.01 crore

**Notes**

1 One of the Subsidiary Company enters into construction contracts for Civil, Elevator, External Development, MEP work etc. with its vendors. The total amount payable under such contracts will be based on actual measurements and negotiated rates, which are determinable as and when the work under the said contracts are completed.

2 One of the Subsidiary Company has entered into development agreements with owners of land for development of projects. Under the agreements the company is required to pay certain payments/ deposits to the owners of the land and share in built up area/ revenue from such developments in exchange of undivided share in land as stipulated under the agreements.

# Notes to the Consolidated Financial Statements

## Note 40 : Information on Subsidiaries, Joint Ventures and Associates :

**(a) The subsidiary Companies considered in the Consolidated Financial Statements are :**

| Sr. No. | Name of the Company | Place of business / Country of incorporation | Percentage of Holding | |
|---|---|---|---|---|
| | | | **As at March 31, 2018** | As at March 31, 2017 |
| **Companies** | | | | |
| **Subsidiaries of Godrej Industries Limited** | | | | |
| 1 | Godrej Agrovet Ltd. | India | **57.99%** | 63.67% |
| 2 | Godrej Properties Ltd. | India | **57.31%** | 57.37% |
| 3 | Natures Basket Ltd. | India | **100%** | 100% |
| 4 | Ensemble Holdings & Finance Ltd. | India | **100%** | 100% |
| 5 | Godrej International Ltd. | Isle of Man | **100%** | 100% |
| 6 | Godrej International Trading & Investments Pte. Ltd. | Singapore | **100%** | 100% |
| 7 | Godrej International Ltd. | Labuan | **100%** | 100% |
| 8 | Godrej One Premises Management Pvt. Ltd. | India | **58.00%** | 39.72% |
| **Subsidiaries of Godrej Agrovet Ltd.** | | | | |
| 9 | Godvet Agrochem Ltd. | India | **100%** | 100% |
| 10 | Astec Lifesciences Ltd. | India | **57.45%** | 55.53% |
| 11 | Creamline Dairy Products Ltd. | India | **51.91%** | 51.91% |
| **Subsidiaries of Godrej Properties Ltd.** | | | | |
| 12 | Godrej Real Estate Private Ltd. (merged with Godrej Properties w.e.f. 1st April 2017) | India | **-** | 100% |
| 13 | Godrej Buildcon Pvt. Ltd. | India | **100%** | 100% |
| 14 | Godrej Project Development Pvt. Ltd. | India | **100%** | 100% |
| 15 | Godrej Garden City Properties Pvt. Ltd. | India | **100%** | 100% |
| 16 | Godrej Hillside Properties Pvt. Ltd. | India | **100%** | 100% |
| 17 | Godrej Home Developers Pvt. Ltd. | India | **100%** | 100% |
| 18 | Godrej Investment Advisers Pvt. Ltd. (ceased to be Subsidiary from June 21, 2017) | India | **100%** | 100% |
| 19 | Godrej Prakriti Facilities Pvt. Limited | India | **100%** | 100% |
| 20 | Godrej Highrises Properties Pvt. Limited | India | **100%** | 100% |
| 21 | Godrej Green Homes Ltd. (classified as Joint Venture w.e.f March 17, 2018) | India | **-** | 100% |
| 22 | Godrej Genesis Facilities Management Pvt. Limited | India | **100%** | 100% |
| 23 | Godrej Fund Management Pte. Ltd. (100% subsidiary from January 25, 2016) (100% Subsidiary of Godrej Investment Advisers Private Limited) (ceased to be Subsidiary from June 21, 2017) | Singapore | **-** | 100% |
| 24 | Prakritiplaza Facilities Management Pvt. Limited (Incorporated on July 28, 2016) | India | **100%** | 100% |
| 25 | Godrej Vikhroli Properties India Limited (Converted to Company on January 25, 2017) (merged with Godrej Properties Ltd. w.e.f. April 1, 2017) | India | **100%** | 100% |
| 26 | Citystar Infra Projects Limited | India | **100%** | 100% |
| 27 | Godrej Residency Pvt. Limited (Incorporated on March 16, 2017) | India | **100%** | 100% |
| **Limited Liability Partnership (LLP) (held through Godrej Properties Limited)** | | | | |
| 1 | Godrej Land Developers LLP | India | **100%** | 100% |
| 2 | Godrej Highrises Realty LLP | India | **100%** | 100% |
| 3 | Godrej Project Developers & Properties LLP | India | **100%** | 100% |
| 4 | Godrej Skyview LLP | India | **100%** | 100% |
| 5 | Godrej Green Properties LLP | India | **100%** | 100% |
| 6 | Godrej Projects (Pune) LLP | India | **100%** | 100% |
| 7 | Godrej Projects (Soma) LLP | India | **100%** | 100% |

# Notes to the Consolidated Financial Statements

## Note 40 : Information on Subsidiaries, Joint Ventures and Associates : (Contd.)

| Sr. No. | Name of the Company | Place of business / Country of incorporation | Percentage of Holding As at March 31, 2018 | Percentage of Holding As at March 31, 2017 |
|---|---|---|---|---|
| 8 | Godrej Projects North LLP (formerly known as Godrej Projects (Blue Jay) LLP) | India | **100%** | 100% |
| 9 | Godrej Athenmark LLP (incorporated on April 20, 2017) | India | **100%** | - |
| 10 | Godrej Vestamark LLP (incorporated on April 20, 2017) | India | **100%** | - |
| 11 | Godrej Avamark LLP (incorporated on April 20, 2017) | India | **100%** | - |
| 12 | Godrej Developers & Properties LLP (Classified as Joint Venture w.e.f. October 30, 2017) | India | **-** | 100% |
| 13 | Godrej Projects North Star LLP (formerly known as Godrej Century LLP) (Classified as Joint Venture w.e.f. September 27, 2017) | India | **-** | 100% |
| 14 | Godrej Highview LLP (Classified as Joint Venture w.e.f. June 15, 2017) | India | **-** | 100% |

**(b) Interests in Joint Ventures :**

| Sr. No. | Name of the Company | Place of business / Country of incorporation | Percentage of Holding As at March 31, 2018 | Percentage of Holding As at March 31, 2017 |
|---|---|---|---|---|
| **Companies** | | | | |
| 1 | ACI Godrej Agrovet Pvt. Ltd. (joint venture partner of Godrej Agrovet Ltd.) | Bangladesh | **50%** | 50% |
| 2 | Godrej Tyson Foods Ltd. (joint venture partner of Godrej Agrovet Ltd.) | India | **49%** | 49% |
| 3 | Wonder Space Properties Pvt. Ltd. (joint venture partner of Godrej Properties Ltd.) | India | **25.10%** | 25.10% |
| 4 | Wonder City Buildcon Pvt. Ltd. (joint venture partner of Godrej Properties Ltd.) | India | **25.10%** | 25.10% |
| 5 | Godrej Home Constructions Pvt Ltd (joint venture partner of Godrej Properties Ltd.) | India | **25.10%** | 25.10% |
| 6 | Godrej Realty Pvt. Ltd. (joint venture partner of Godrej Properties Ltd.) | India | **51%** | 51% |
| 7 | Godrej Landmark Redevelopers Pvt. Ltd. (joint venture partner of Godrej Properties Ltd.) | India | **51%** | 51% |
| 8 | Godrej Redevelopers (Mumbai) Pvt. Ltd. (joint venture partner of Godrej Properties Ltd.) | India | **51%** | 51% |
| 9 | Godrej Greenview Housing Pvt Ltd. (joint venture partner of Godrej Properties Ltd.) | India | **20%** | 20% |
| 10 | Wonder Projects Development Private Limited (joint venture partner of Godrej Properties Ltd.) | India | **20%** | 20% |
| 11 | Godrej Real View Developers Private Limited (joint venture partner of Godrej Properties Ltd.) | India | **20%** | 20% |
| 12 | Pearlite Real Properties Private Limited (joint venture partner of Godrej Properties Ltd.) | India | **49%** | 49% |
| 13 | Godrej Skyline Developers Private Limited (joint venture partner of Godrej Properties Ltd.) | India | **26%** | 100% |
| 14 | Godrej Green Homes Limited (joint venture partner of Godrej Properties Ltd.) | India | **50%** | - |
| **Limited Liability Partnership (LLP)** | | | | |
| 1 | Mosiac Landmarks LLP | India | **1%** | 1% |
| 2 | Dream World Landmarks LLP (Control through Majority Voting Rights) | India | **40%** | 40% |

# Notes to the Consolidated Financial Statements

## Note 40 : Information on Subsidiaries, Joint Ventures and Associates : (Contd.)

| Sr. No. | Name of the Company | Place of business / Country of incorporation | Percentage of Holding | |
|---|---|---|---|---|
| | | | As at March 31, 2018 | As at March 31, 2017 |
| 3 | Oxford Realty LLP (Control through Majority Voting Rights) | India | **35%** | 35% |
| 4 | Godrej SSPDL Green Acres LLP , Formerly known as SSPDL Green Acres LLP (Control through Majority Voting Rights) | India | **37%** | 37% |
| 5 | Oasis Landmarks LLP (Control through Majority Voting Rights) | India | **38%** | 38% |
| 6 | M S Ramaiah Ventures LLP (Control through Majority Voting Rights) | India | **49.50%** | 49.50% |
| 7 | Caroa Properties LLP (Control through Majority Voting Rights) | India | **35%** | 35% |
| 8 | Godrej Construction Projects LLP (Control through Majority Voting Rights) | India | **34%** | 34% |
| 9 | Godrej Housing Projects LLP (Control through Majority Voting Rights) | India | **50%** | 50% |
| 10 | Amitis Developers LLP (Control through Majority Voting Rights) | India | **46%** | 46% |
| 11 | A R Landcraft LLP | India | **40%** | 40% |
| 12 | Prakhhyat Dwellings LLP | India | **42.50%** | 42.50% |
| 13 | Bavdhan Realty @ Pune 21 LLP | India | **45%** | 45% |
| 14 | Godrej Property Developers LLP (joint venture partner of Godrej Properties Ltd.) | India | **32%** | 32% |
| 15 | Godrej Highview LLP (joint venture partner of Godrej Properties Ltd.) (w.e.f. June 15, 2017) | India | **40%** | - |
| 16 | Godrej Irismark LLP (joint venture partner of Godrej Properties Ltd.) (w.e.f. January 24, 2018) | India | **28.66%** | - |
| 17 | Godrej Projects North Star LLP (formerly known as Godrej Century LLP (joint venture partner of Godrej Properties Ltd.) (w.e.f. Sep 26, 2017) | India | **55%** | - |
| 18 | Godrej Developers & Properties LLP (joint venture partner of Godrej Properties Ltd.) (w.e.f. Oct 30, 2017) | India | **37.50%** | - |
| 19 | Sai Srushti Onehub Projects LLP (joint venture partner of Godrej Properties Ltd.) (w.e.f January 31, 2018) | India | **75%** | - |

**(c) Investment in Associates :**

| Sr. No. | Name of the Company | Country of incorporation | Percentage of Holding | |
|---|---|---|---|---|
| | | | As at March 31, 2018 | As at March 31, 2017 |
| 1 | Godrej Consumer Products Ltd. | India | 23.76% | 23.76% |
| 2 | Personalitree Academy Ltd. (Associate of Ensemble Holdings & Finance Ltd.) | India | 25.49% | 25.49% |
| 3 | Al Rahaba International Trading LLC (Associate of Godrej Agrovet Ltd.) | Abu Dhabi | 24% | 24% |
| 4 | Godrej Maxximilk P. Ltd. (Associate of Godrej Agrovet Ltd.) | India | 49.90% | - |

# Notes to the Consolidated Financial Statements

## Note 41 : 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 :

Amount ₹ in Crore

| Name of the entity | Place of business / Country of incorporation | % of ownership interest | Relationship | Accounting method | Carrying Amounts | |
|---|---|---|---|---|---|---|
| | | | | | March 31, 2018 | March 31, 2017 |
| Godrej Consumer Products Limited | India | 23.76% | Associate | Equity method | **2,448.13** | 2,251.30 |
| Godrej Tyson Foods Limited | India | 49.00% | Joint Venture | Equity method | **88.94** | 84.65 |
| ACI Godrej Agrovet Private Limited | Bangladesh | 50.00% | Joint Venture | Equity method | **67.97** | 62.73 |
| Al Rahaba International Trading Limited Liability Company | U.A.E | 24.00% | Associate | Equity method | **-** | 0.20 |
| Godrej Maxximilk Private Limited | India | 49.90% | Associate | Equity method | **4.14** | - |
| Personalitree Academy Ltd. | India | 25.49% | Associate | Equity method | **-** | - |
| Godrej Skyline Developers Private Limited | India | 26.00% | Joint Venture | Equity method | **-** | - |
| Caroa Properties LLP | India | 35.00% | Joint Venture | Equity method | **-** | - |
| A R Landcraft LLP | India | 40.00% | Joint Venture | Equity method | **-** | - |
| Other Joint Ventures in Property Business | | | Joint Venture | Equity method | **290.54** | 81.40 |
| **Total equity accounted investments** | | | | | **2,899.72** | 2,480.28 |
| Omnivore India Capital Trust | India | | Investment entity | Equity method | **34.18** | 27.88 |

**2 Summary financial information of material Joint Venture and Associates not adjusted for the percentage ownership held by the Company, is as follows:**

Amount ₹ in Crore

| | Godrej Consumer Products Limited | | Godrej Tyson Foods Limited | | ACI Godrej Agrovet Private Limited | | Godrej Skyline Developers Private Limited | Caroa Properties LLP | | A R Landcraft LLP | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2018 | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2018 | As at March 31, 2017 |
| Ownership | **23.76%** | 23.76% | **49%** | 49% | **50%** | 50% | **26%** | **35%** | 35% | **40%** | 40% |
| Cash and cash equivalent | **898.02** | 895.05 | **8.78** | 19.53 | **8.60** | 3.35 | **0.01** | **2.08** | 0.08 | **38.48** | 16.49 |
| Other current assets | **4,269.66** | 3,483.00 | **43.51** | 48.46 | **137.81** | 111.86 | **290.26** | **405.74** | 332.26 | **587.41** | 451.41 |
| Total current assets | **5,167.68** | 4,378.05 | **52.29** | 67.99 | **146.41** | 115.21 | **290.27** | **407.81** | 332.34 | **625.89** | 467.90 |
| Total non-current assets | **8,795.03** | 8,658.48 | **177.91** | 159.36 | **178.40** | 200.05 | **0.16** | **5.53** | 4.63 | **18.66** | 5.81 |
| **Total assets** | **13,962.71** | **13,036.53** | **230.20** | **227.35** | **324.81** | **315.26** | **290.43** | **413.34** | **336.97** | **644.55** | **473.71** |
| Current liabilities | | | | | | | | | | | |
| Financial liabilities (excluding trade payables and provisions) | **1,425.90** | 1,255.19 | **19.46** | 21.68 | **129.72** | 80.80 | **229.90** | **211.63** | 162.26 | **431.37** | 431.37 |
| Other liabilities | **2,738.90** | 2,092.17 | **17.32** | 14.97 | **19.63** | 31.74 | **9.99** | **211.03** | 182.12 | **176.71** | 176.71 |
| Total current liabilities | **4,164.80** | 3,347.36 | **36.78** | 36.65 | **149.35** | 112.54 | **239.89** | **422.66** | 344.38 | **608.08** | 608.08 |
| Non-Current liabilities | | | | | | | | | | | |
| Financial liabilities (excluding trade payables and provisions) | **3,134.27** | 4,019.49 | **-** | - | **32.39** | 58.61 | **-** | **-** | - | **-** | - |
| Other liabilities | **405.33** | 367.73 | **10.96** | 12.21 | **6.23** | 4.92 | **50.00** | **-** | - | **-** | - |
| Total non current liabilities | **3,539.60** | 4,387.22 | **10.96** | 12.21 | **38.62** | 63.53 | **50.00** | **-** | - | **-** | - |
| **Total liabilities** | **7,704.40** | **7,734.58** | **47.74** | **48.86** | **187.97** | **176.07** | **289.89** | **422.66** | **344.38** | **608.08** | **608.08** |
| **Net assets** | **6,258.31** | 5,301.95 | **182.46** | 178.49 | **136.84** | 139.19 | **0.54** | **(9.32)** | (7.41) | **36.47** | (134.37) |
| **Groups' share of net assets** | **1,486.97** | 1,259.74 | **89.41** | 87.46 | **68.42** | 69.60 | **0.14** | **(3.26)** | (2.59) | **14.59** | (53.75) |
| **Adjustment on Consolidation** | **-** | - | **-** | - | **-** | - | **0.14** | **(3.26)** | (2.59) | **14.59** | (53.75) |
| **Carrying amount of interest in Associate / Joint Venture** | **2,448.13** | 2,251.30 | **88.94** | 84.65 | **67.97** | 62.73 | **-** | **-** | - | **-** | - |

# Notes to the Consolidated Financial Statements

## Note 41 : Disclosures of Joint Ventures and Associates : (Contd.)

Amount ₹ in Crore

| | Godrej Consumer Products Limited | | Godrej Tyson Foods Limited | | ACI Godrej Agrovet Private Limited | | Godrej Skyline Developers Private Limited | Caroa Properties LLP | | A R Landcraft LLP | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Year ended March 31, 2018** | Year ended March 31, 2017 | **Year ended March 31, 2018** | Year ended March 31, 2017 | **Year ended March 31, 2018** | Year ended March 31, 2017 | **Year ended March 31, 2018** | **Year ended March 31, 2018** | Year ended March 31, 2017 | **Year ended March 31, 2018** | Year ended March 31, 2017 |
| Revenues | **9,936.99** | 9,608.80 | **433.53** | 447.54 | **675.35** | 604.04 | **0.25** | **6.95** | 6.95 | **92.08** | 0.06 |
| Interest income | **68.50** | 40.81 | **0.68** | 0.97 | **0.07** | 0.08 | | | | | |
| Depreciation and amortisation | **155.68** | 141.57 | **(15.06)** | (15.12) | **(19.94)** | (16.07) | **-** | **0.06** | 0.10 | **0.27** | 0.29 |
| Interest expense | **160.74** | 145.22 | **(0.02)** | (0.01) | **(9.08)** | (10.91) | **0.25** | **6.95** | 6.95 | **0.19** | 0.06 |
| Income tax expense | **404.70** | 379.16 | **(2.28)** | (9.92) | **(8.68)** | (5.49) | **(0.16)** | **(0.80)** | (0.12) | **(0.90)** | (4.50) |
| **Profit from continuing operations** | **1,634.18** | 1,307.97 | **4.15** | 15.99 | **13.03** | 22.56 | **(0.46)** | **(1.91)** | (0.26) | **(3.34)** | (10.15) |
| Profit from discontinued operations | **-** | - | **-** | - | **-** | - | **-** | **0** | 0 | **-** | - |
| **Profit for the year** | **1,634.18** | 1,307.97 | **4.15** | 15.99 | **13.03** | 22.56 | **(0.46)** | **(1.91)** | (0.26) | **(3.34)** | (10.15) |
| Other comprehensive income | **36.95** | (83.41) | **(0.18)** | (0.15) | **(2.01)** | - | **-** | **-** | - | **-** | - |
| **Total comprehensive income** | **1,671.13** | 1,224.56 | **3.97** | 15.84 | **11.02** | 22.56 | **(0.46)** | **(1.91)** | (0.26) | **(3.34)** | (10.15) |
| Group's share of profit as per JV / Associate Books | **388.28** | 310.77 | **2.03** | 7.84 | **6.52** | 11.28 | **(0.12)** | **(0.67)** | (0.09) | **(1.34)** | (4.06) |
| Add: Adjustments on Consolidation | **-** | - | **2.33** | 2.33 | **-** | - | | | | | |
| Group's share of profit | **-** | - | **4.36** | 10.17 | | | | | | | |
| Group's share of Other comprehensive income | **8.78** | (19.82) | **(0.09)** | (0.07) | **(1.01)** | - | | | | | |
| Group's share of Total comprehensive income | **397.06** | 290.96 | **4.28** | 10.10 | **5.51** | 11.28 | **(0.12)** | **(0.67)** | (0.09) | **(1.34)** | (4.06) |

Aggregate information for those joint ventures and associate that are not material to the Group are as under:

Amount ₹ in Crore

| | | **Year ended March 31, 2018** | Year ended March 31, 2017 |
|---|---|---|---|
| **(i)** | **Investment In Joint Ventures** | | |
| | Profit For the Year | **10.36** | 71.25 |
| | Other Comprehensive Income for the year | **-** | - |
| | Total Comprehensive Income | **10.36** | 71.25 |
| | Group's share of total comprehensive income | **8.15** | 35.83 |
| **(ii)** | **Investment In Associate** | | |
| | Profit For the Year | **0.00** | 0.00 |
| | Other Comprehensive Income for the year | **0.00** | 0.00 |
| | Total Comprehensive Income | **0.00** | 0.00 |
| | Group's share of total comprehensive income | **0.00** | 0.00 |

₹ 0.00 represents amount less than ₹ 50,000

# Notes to the Consolidated Financial Statements

## Note 42 : Financial Information of subsidiaries that have material non-controlling interests

**1 Subsidiaries that have material non-controlling interests is provided below :**

| Name of the entity | Place of business / country of incorporation | Ownership interest held by the group | | Ownership interest held by non-controlling interest | | Principal activities |
|---|---|---|---|---|---|---|
| | | **As at March 31, 2018** | As at March 31, 2017 | **As at March 31, 2018** | As at March 31, 2017 | |
| Godrej Agrovet Limited | India | **57.99%** | 63.67% | **42.01%** | 36.33% | Animal Feeds, Agri Inputs, Vegetable Oil, Dairy, Integrated Poultry business, Cultivation of Seeds |
| Godrej Properties Limited | India | **57.31%** | 57.37% | **42.69%** | 42.63% | Estate and Property Development |

**2 The following table summarises Financial Information of subsidiaries that have material non-controlling interests, before any inter-company eliminations**

**(i) Summarised Statement of Profit and Loss**

Amount ₹ in Crore

| | Godrej Agrovet Limited | | Godrej Properties Limited | |
|---|---|---|---|---|
| | **As at March 31, 2018** | As at March 31, 2017 | **As at March 31, 2018** | As at March 31, 2017 |
| Total Income | **5,249.78** | 5,005.40 | **2,390.67** | 1,701.38 |
| Profit for the year | **229.21** | 248.82 | **234.96** | 206.80 |
| Other Comprehensive Income | **(6.21)** | (0.26) | **(2.81)** | (0.68) |
| Profit allocated to non-controlling interests | **87.60** | 90.40 | **100.30** | 88.16 |
| OCI allocated to non-controlling interests | **(2.61)** | (0.09) | **(1.20)** | 37.58 |
| Dividends paid to non-controlling interests | **35.00** | - | **-** | - |

**(ii) Summarised Balance Sheet**

Amount ₹ in Crore

| | Godrej Agrovet Limited | | Godrej Properties Limited | |
|---|---|---|---|---|
| | **As at March 31, 2018** | As at March 31, 2017 | **As at March 31, 2018** | As at March 31, 2017 |
| Non-current liabilities | **207.66** | 242.47 | **511.92** | 481.50 |
| Current liabilities | **1,664.17** | 1,709.11 | **4,369.98** | 4,695.63 |
| | **1,871.83** | 1,951.58 | **4,881.90** | 5,177.13 |
| Non-current assets | **1,963.87** | 1,792.72 | **1,537.31** | 872.10 |
| Current assets | **1,588.60** | 1,421.71 | **5,584.89** | 6,308.76 |
| | **3,552.47** | 3,214.43 | **7,122.20** | 7,180.86 |
| Net assets | **1,680.64** | 1,262.85 | **2,240.30** | 2,003.73 |
| Net assets attributable to non-controlling interest | **842.12** | 620.67 | **954.76** | 853.92 |

**(iii) Summarised Cash Flow**

Amount ₹ in Crore

| | Godrej Agrovet Limited | | Godrej Properties Limited | |
|---|---|---|---|---|
| | **As at March 31, 2018** | As at March 31, 2017 | **As at March 31, 2018** | As at March 31, 2017 |
| Cash flows from (used in) operating activities | **353.54** | 897.30 | **1,157.55** | (343.97) |
| Cash flows from (used in) investing activities | **(252.79)** | (63.33) | **(976.16)** | (195.87) |
| Cash flows from (used in) financing activities | **(124.71)** | (811.55) | **(492.87)** | 314.65 |
| Net increase / (decrease) in cash and cash equivalents | **(23.96)** | 22.42 | **(311.48)** | (225.19) |

# Notes to the Consolidated Financial Statements

## Note 43 : Goodwill and Other Intangible Assets with indefinite useful life

The Goodwill and Indefinite life intangible assets are tested for impairment and accordingly no impairment charges were identified for FY 2017-18 (Nil for FY 2016-17)

The Goodwill arises from the Group's Cash Generating Units as follows:

Amount ₹ in Crore

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| CGUs of Godrej Agrovet Limited | **308.76** | **308.76** |
| CGUs of Godrej Properties Limited | **177.30** | **177.28** |
| Others | **14.25** | **14.25** |
| | **500.31** | **500.29** |

1 Godrej Agrovet Limited

The recoverable amount of this CGU is the higher of its fair value less cost to sell and its value in use. The goodwill allocated to Agrovet business pertains to a listed entity and accordingly, the fair value of the CGU is determined based on market capitalisation (level 1 fair value).

2 Godrej Properties Limited

The recoverable amount of this CGU is the higher of its fair value less cost to sell and its value in use. The goodwill allocated to estate & property development pertains to a listed entity and accordingly, the fair value of the CGU is determined based on market capitalisation (level 1 fair value) .

# Notes to the Consolidated Financial Statements

## Note 44 : Income Tax Expense

Amount ₹ in Crore

| | Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|---|---|---|
| I | **Tax Expense recognised in the Consolidated Statement of Profit and Loss** | | |
| | Current Income Tax | **161.08** | 182.65 |
| | Adjustments in respect of earlier years | **8.34** | 3.27 |
| | Deferred Income Tax Liability / (Asset), net | | |
| | Origination and reversal of temporary differences | **31.46** | 27.76 |
| | Reduction in tax rate | **-** | 1.00 |
| | Increase in tax rate | **0.70** | - |
| | Recognition of previously unrecognised tax losses | **(17.92)** | (47.27) |
| | Deferred Tax Expense | **14.24** | (18.51) |
| | Tax Expense for the Year | **183.66** | 167.41 |
| II | **Amounts recognised in other comprehensive income** | | |
| | Items that will not be reclassified to profit or loss | | |
| | Remeasurements of defined benefit liability (asset) | **(10.39)** | (8.63) |
| | Equity accounted investee's share of other comprehensive income | **(0.99)** | (0.24) |
| | Income Tax | **3.83** | 1.60 |
| | Items that will be reclassified to profit or loss | | |
| | Foreign operations – foreign currency translation differences | **10.38** | (21.84) |
| | The effective portion of gains and loss on hedging instruments in a cash flow hedge | **(3.50)** | 6.38 |
| | Income Tax | **(0.19)** | (1.09) |
| | | **(0.86)** | (23.82) |
| III | **Amounts recognised in Equity** | | |
| | Share based payments | **-** | (3.24) |
| | Tax (expense) benefit | **-** | 1.12 |
| | Share based payments (net of tax) | **-** | (2.12) |
| | Amortisation of Intangibles as per Oil Palm Companies Merger Scheme approved by Bombay High Court | **4.25** | 4.25 |
| | Tax (expense) benefit on | **(1.48)** | (1.47) |
| | Amortisation of Intangibles as per Oil Palm Companies Merger Scheme approved by Bombay High Court (net of tax) | **2.77** | 2.78 |
| | | **2.77** | 0.66 |
| IV | **Reconciliation of effective tax rate** | | |
| | Profit Before Tax | **814.76** | 626.23 |
| | Tax using the Company's domestic tax rate | **278.42** | 210.53 |
| | Tax effect of | | |
| | Tax impact of income not subject to tax | **(99.42)** | (29.28) |
| | Tax effects of amounts which are not deductible for taxable income | **146.92** | 37.53 |
| | Previously unrecognised tax losses and unabsorbed depreciation now recouped to reduce deferred tax expense | **(17.92)** | (47.27) |
| | Deferred tax assets not recognised because realization is not probable | **6.13** | 114.96 |
| | Additional allowance for tax purpose | **(5.85)** | - |
| | Change in recognised deductible temporary differences | **2.81** | (6.49) |
| | Adjustment for current tax of prior years | **8.34** | 3.27 |
| | Tax on share of (profit)/loss of equity accounted investees | **(124.25)** | (116.60) |
| | Utilisation of MAT credit during the year | **-** | (0.02) |
| | Effect of different tax rate | **6.85** | (3.43) |
| | Additional tax paid on book profits | **4.32** | - |
| | Others | **(22.39)** | 4.21 |
| | Undistributed earnings of subsidiaries and equity accounted investees. | **(0.31)** | - |
| | | **183.66** | 167.41 |

# Notes to the Consolidated Financial Statements

## Note 44 : Income Tax Expense (Contd.)

**V. Movement in deferred tax balances**

Amount ₹ in Crore

| Particulars | Net balance April 1, 2017 | Recognised in profit or loss | Recognised in OCI | Recognised directly in equity | Other | Net balance March 31, 2018 | Deferred tax asset March 31, 2018 | Deferred tax liability March 31, 2018 |
|---|---|---|---|---|---|---|---|---|
| Deferred tax asset | | | | | | | | |
| Property, plant and equipment | (298.42) | 10.98 | 0.00 | 1.28 | 0.00 | **(286.16)** | **(104.81)** | **(181.35)** |
| Indexation benefit on land and shares | 2.65 | (1.78) | - | - | - | **0.87** | **0.87** | **-** |
| Investments | 0.96 | (0.23) | - | - | - | **0.73** | **1.32** | **(0.59)** |
| Inventories | 61.76 | (22.62) | - | - | - | **39.14** | **39.14** | **-** |
| Employee benefits | 6.49 | 2.16 | 1.99 | - | - | **10.64** | **8.02** | **2.60** |
| Equity-settled share-based payments | 1.28 | 0.35 | - | - | - | **1.63** | **1.63** | **-** |
| MAT Credit Entitlement | 28.52 | (7.63) | - | - | 0.01 | **20.90** | **20.90** | **0.01** |
| Biological Assets | (0.11) | 0.03 | - | - | - | **(0.08)** | **0.00** | **(0.08)** |
| Provision for Doubtful Debts / Advances | 9.52 | 2.56 | - | - | - | **12.08** | **6.31** | **5.76** |
| Brought forward Losses | 63.50 | 20.67 | - | - | - | **84.17** | **84.76** | **(0.59)** |
| Unabsorbed Depreciation | 117.76 | (24.84) | - | - | - | **92.92** | **92.92** | **-** |
| Other provisions | 68.65 | (3.25) | - | - | 0.79 | **66.19** | **134.48** | **(68.28)** |
| Other items | (2.49) | 9.36 | 1.26 | - | 0.05 | **8.18** | **8.14** | **0.04** |
| Tax assets (Liabilities) | 60.07 | (14.24) | 3.25 | 1.28 | 0.85 | **51.20** | **293.68** | **(242.48)** |
| Set off tax | | | | | | | | |
| Net tax assets | 60.07 | (14.24) | 3.25 | 1.28 | 0.85 | **51.20** | **293.68** | **(242.48)** |

Amount ₹ in Crore

| Particulars | Net balance April 1, 2016 | Recognised in profit or loss | Recognised in OCI | Recognised directly in equity | Other | Net balance March 31, 2017 | Deferred tax asset March 31, 2017 | Deferred tax liability March 31, 2017 |
|---|---|---|---|---|---|---|---|---|
| Deferred tax asset | | | | | | | | |
| Property, plant and equipment | (255.64) | (43.98) | - | 1.20 | - | (298.42) | (128.98) | (169.44) |
| Indexation benefit on land and shares | 2.53 | 0.12 | - | - | - | 2.65 | 2.65 | - |
| Investments | 1.80 | (0.84) | - | - | - | 0.96 | 0.96 | - |
| Inventories | 74.84 | (13.08) | - | - | - | 61.76 | 61.76 | - |
| Employee benefits | 4.46 | 2.98 | (0.95) | - | - | 6.49 | 4.87 | 1.62 |
| Equity-settled share-based payments | 0.26 | 1.02 | - | - | - | 1.28 | 1.28 | - |
| MAT Credit Entitlement | 30.23 | 1.57 | - | - | (3.28) | 28.52 | 20.89 | 7.63 |
| Biological Assets | (0.14) | 0.03 | - | - | - | (0.11) | - | (0.11) |
| Provision for Doubtful Debts / Advances | 8.82 | 0.70 | - | - | - | 9.52 | 6.28 | 3.24 |
| Brought forward Losses | 42.73 | 20.77 | - | - | - | 63.50 | 63.70 | (0.20) |
| Unabsorbed Depreciation | 102.29 | 15.47 | - | - | - | 117.76 | 117.76 | - |
| Other provisions | 55.61 | 13.04 | - | - | - | 68.65 | 131.36 | (62.71) |
| Other items | (23.34) | 20.71 | (0.98) | 1.12 | - | (2.50) | 6.78 | (9.29) |
| Tax assets (Liabilities) | 44.45 | 18.51 | (1.93) | 2.32 | (3.28) | 60.07 | 289.32 | (229.25) |
| Set off tax | | | | | | | | |
| Net tax assets | 44.45 | 18.51 | (1.93) | 2.32 | (3.28) | 60.07 | 289.32 | (229.25) |

The Group 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.

# Notes to the Consolidated Financial Statements

## Note 45 : Leases

### I Operating Leases Granted by the Company

The Group's significant leasing arrangements are in respect of operating leases for Commercial premises. Lease income from operating leases is recognised on a straight-line basis over the period of lease. The particulars of the premises given under operating leases are as under:

Amount ₹ in Crore

| | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Future Lease Income | | |
| - Within one year | **5.97** | 10.28 |
| - Later than one year and not later than five years | **26.35** | 20.11 |
| - Later than five years | **53.47** | 51.41 |

### II Lease Taken by the Company

The Company's significant leasing arrangements are in respect of operating lease for land, office premises, residential premises, machinery and storage tanks. The aggregate lease rentals paid by the Group are charged to the Consolidated Statement of Profit and Loss.

Amount ₹ in Crore

| | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Future Lease Commitments | | |
| - Within one year | **36.07** | 43.74 |
| - Later than one year and not later than five years | **91.50** | 104.19 |
| - Later than five years | **6.05** | 16.28 |

### III Finance Lease

The Group assessed one of its arrangements as an embedded lease transaction and determined the same as finance lease. Accordingly, Property, Plant and Equipment have been derecognised and finance lease receivable have been accounted at present value of minimum lease payments and resultant difference have been charged to retained earnings. Revenue elements identified as fixed charges towards leasing as per the agreement which are covered under minimum lease receivable definition for finance lease accounting is adjusted partly against finance lease receivable to the extent of principal amount and partly recognised as finance income.

At March 31, the future minimum lease receivable under finance lease arrangement as follows.

Amount ₹ in Crore

| | Future value of minimum lease receivables | Unearned finance income | Present value of minimum lease receivables |
|---|---|---|---|
| Less than one year | - | - | - |
| *Previous Year* | *1.09* | *0.53* | *0.56* |
| Between one and five years | - | - | - |
| *Previous Year* | *4.36* | *1.19* | *3.16* |
| More than five years | - | - | - |
| *Previous Year* | - | - | - |

# Notes to the Consolidated Financial Statements

## Note 46 : Employee Benefits

**I Defined Contribution Plan**

**Provident Fund :**

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

**II Defined Benefit Plan**

**Gratuity :**

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

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

**Provident Fund :**

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

The Group has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. These administered rates are determined annually predominantly considering the social rather than economic factors and the actual return earned by the Group has been higher in the past years. The actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the below provided assumptions there is no shortfall as at March 31, 2018.

| Particulars | Amount ₹ in Crore |
|---|---|
| Plan assets at period end, at fair value | 209.47 |
| Provident Fund Corpus | 203.83 |
| Valuation assumptions under Deterministic Approach: | |
| Weighted Average Yield | 8.61% |
| Weighted Average YTM | 8.60%-8.66% |
| Guaranteed Rate of Interest | 8.55% |

**Pension :**

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

# Notes to the Consolidated Financial Statements

## Note 46 : Employee Benefits (Contd.)

### III The amounts recognised in the Group's Consolidated financial statements as at the year end are as under :

Amount ₹ in Crore

| | | Gratuity | | Pension | |
|---|---|---|---|---|---|
| | | **As at March 31, 2018** | As at March 31, 2017 | **As at March 31, 2018** | As at March 31, 2017 |
| a) | **Change in Present Value of Obligation** | | | | |
| | Present value of the obligation at the beginning of the year | **67.19** | 60.05 | **0.53** | **0.46** |
| | Current Service Cost | **5.42** | 4.21 | **-** | **-** |
| | Past Service Cost | **0.38** | - | **-** | **-** |
| | Interest Cost | **5.00** | 4.76 | **-** | **-** |
| | Contribution by Plan Participants | | | | |
| | Actuarial (Gain) / Loss on Obligation due to demographic assumptions | **0.49** | 0.75 | **-** | **-** |
| | Actuarial (Gain) / Loss on Obligation due to experience adjustments | **5.51** | 1.29 | **-** | **-** |
| | Actuarial (Gain) / Loss on Obligation due to financial assumptions | **2.07** | 5.96 | **0.10** | **0.21** |
| | Effect of Liability Transfer in / out | **0.24** | 0.03 | **-** | **-** |
| | Benefits Paid | **(9.92)** | (9.86) | **(0.10)** | **(0.14)** |
| | Present value of the obligation at the end of the year | **76.37** | 67.19 | **0.53** | **0.53** |
| b) | **Change in Plan Assets** | | | | |
| | Fair value of Plan Assets at the beginning of the year | **50.66** | 46.72 | **-** | **-** |
| | Return on Plan Assets | **2.27** | 4.30 | **-** | **-** |
| | Actuarial (Gain) / Loss on Plan Assets | **0.04** | (0.43) | **-** | **-** |
| | Contributions by the Employer | **5.92** | 7.88 | **-** | **-** |
| | Interest Cost | **1.27** | - | **-** | **-** |
| | Effect of Liability Transfer in / out | **0.23** | - | **-** | **-** |
| | Benefits Paid | **(8.70)** | (8.67) | **-** | **-** |
| | Fair value of Plan Assets at the end of the year | **51.61** | 50.66 | **-** | **-** |
| c) | **Amounts Recognised in the Balance Sheet :** | | | | |
| | Present value of Obligation at the end of the year | **76.37** | 67.19 | **-** | **-** |
| | Fair value of Plan Assets at the end of the year | **51.61** | 50.66 | **-** | **-** |
| | Net Obligation at the end of the year | **24.77** | 16.53 | **-** | **-** |
| d) | **Amounts Recognised in the statement of Profit and Loss :** | | | | |
| | Current Service Cost | **5.42** | 4.21 | **-** | **-** |
| | Interest cost on Obligation | **5.00** | 4.76 | **-** | **-** |
| | Return on Plan Assets | **(2.27)** | (4.30) | **-** | **-** |
| | Net Cost Included in Personnel Expenses | **8.15** | 4.67 | **-** | **-** |
| e) | **Amounts Recognised in Other Comprehensive Income (OCI):** | | | | |
| | Actuarial (Gain) / Loss on Obligation for the Period | **8.06** | 6.63 | **-** | **-** |
| | Return on Plan Assets, Excluding Interest Income | **0.01** | 0.95 | **-** | **-** |
| | Net (Income) / Expense for the Period Recognised in OCI | **8.07** | 7.58 | **-** | **-** |
| f) | **Actual Return on Plan Assets** | **2.23** | 4.73 | **-** | **-** |
| g) | **Actuarial Assumptions** | | | | |
| | i) Discount Rate | **7.69-7.88% p.a.** | 7.39%-12% p.a. | **7.78% p.a.** | **7.39%** p.a. |
| | ii) Expected Rate of Return on Plan Assets | **7.78%-7.88% p.a.** | 7.39%-8.07% p.a. | **-** | **-** |
| | iii) Salary Escalation Rate | **5.00-9.50% P.A.** | 4%-7.50% p.a. | **-** | - |
| | iv) Employee Turnover | For service 4 yrs and below 8.50%-15.00 % p.a. & For service 5 yrs. and above 2.00-2.80% p.a. | 1% p.a. | 1.00% **p.a.** | 1.00% **p.a.** |
| | v) Mortality | Indian Assured Lives Mortality (2006-08) | Indian Assured Lives Mortality (2006-08) Ultimate | Indian Assured Lives Mortality (2006-08) Ultimate | Indian Assured Lives Mortality (2006-08) Ultimate |

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

# Notes to the Consolidated Financial Statements

## Note 46 : Employee Benefits (Contd.)

### IV Sensitivity analysis

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

Amount ₹ in Crore

| | As at March 31, 2018 | | As at March 31, 2017 | |
|---|---|---|---|---|
| | **Increase** | **Decrease** | Increase | Decrease |
| Discount rate (1% movement) | **(5.07)** | **5.87** | (7.58) | 9.12 |
| Future salary growth (1% movement) | **5.88** | **(5.17)** | 9.14 | (7.69) |
| Rate of employee turnover (1% movement) | **0.66** | **(0.88)** | 3.99 | (5.11) |

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

Amount ₹ in Crore

| | **As at March 31, 2018** | As at March 31, 2017 |
|---|---|---|
| **V Plan assets comprise the following** | | |
| Insurer managed fund (100%) | **51.61** | 50.66 |

### VI Expected future benefit payments of Gratuity

Amount ₹ in Crore

| | |
|---|---|
| March 31, 2019 | **13.52** |
| March 31, 2020 | **5.26** |
| March 31, 2021 | **6.83** |
| March 31, 2022 | **6.36** |
| March 31, 2023 | **4.99** |
| Thereafter | **32.65** |

## Note 46 : Employee Stock Benefit Plans

### I Godrej Industries Limited Employee Stock Option Plans & Stock Grant Scheme

#### a Employee Stock Option Plans of Godrej Industries Limited

In December 2005, the Company had instituted an Employee Stock Option Plan I (GIL ESOP I) as approved by the Board of Directors and the Shareholders, for the allotment of 15,00,000 options, increased to 90,00,000 options on split of shares convertible into 90,00,000 equity shares of Re.1 each to eligible employees of participating companies. The maximum number of options that may be granted per employee per year shall not exceed 600,000 options.

In July 2009, the Company had instituted an Employee Stock Option Plan II (GIL ESOP II) as approved by the Board of Directors and the Shareholders, for the allotment of 90,00,000 options convertible into 90,00,000 shares of ₹ 1 each to eligible employees of participating companies. The maximum number of options that may be granted per employee per year shall not exceed 1,000,000 options.

The Plans are administered by an independent ESOP Trust created with IL&FS Trust Co. Ltd. which purchased from the market shares equivalent to the number of options granted by the Compensation Committee. Pursuant to SEBI notification dated January 17, 2013, no further securities of the Company will be purchased from the open market. The particulars of the plans and movements during the year are as under :

# Notes to the Consolidated Financial Statements

## Note 46 : Employee Stock Benefit Plans (Contd.)

**ESOP I**

| Particulars | Year ended March 31, 2018 | | Year ended March 31, 2017 | |
|---|---|---|---|---|
| | No. of Options | Wt. average exercise price ₹ (*) | No. of Options | Wt. average exercise price ₹ (*) |
| Options Outstanding at the Beginning of the Year | **204,250** | **406.52** | 2,049,500 | 420.63 |
| Options Exercised During the Year | **158,250** | **405.75** | 1,645,000 | 420.84 |
| Options Forfeited / Expired During the Year | **46,000** | **409.16** | 200,250 | 423.73 |
| Options Outstanding at the Year end | **-** | **-** | 204,250 | 406.52 |

**ESOP II**

| Particulars | Year ended March 31, 2018 | | Year ended March 31, 2017 | |
|---|---|---|---|---|
| | No. of Options | Wt. average exercise price ₹ (*) | No. of Options | Wt. average exercise price ₹ (*) |
| Options Outstanding at the Beginning of the Year | **-** | **-** | 230,500 | 377.99 |
| Options Exercised During the Year | **-** | **-** | 230,500 | 377.99 |
| Options Outstanding at the Year End | **-** | **-** | - | - |

( * ) The weighted average exercise price stated above is the price of the equity shares on the grant date increased by the interest cost to the ESOP Trust at the prevailing rates upto March 31, 2012.

The total excess shares at the year end are Nil (Previous year 66,250).

The weighted average balance life of ESOP I options outstanding as on March 31, 2018 is Nil years.

The Options granted shall vest after three / five years from the date of grant of option, provided the employee continues to be in employment and the option is exercisable within two / four years after vesting.

**b Employee Stock Grant Scheme of Godrej Industries Limited**

i The Company had set up the Employees Stock Grant Scheme 2011 (ESGS) pursuant to the approval by the Shareholders at their Meeting held on January 17, 2011.

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

iii The Scheme applies to the Eligible Employees who are in whole time employment of the Company or its Subsidiary Companies. The entitlement of each employee would be decided by the Compensation Committee of the respective Company based on the employee's performance, level, grade, etc.

iv The total number of Stock Grants to be awarded under the ESGS Scheme are restricted to 25,00,000 (Twenty five Lac) fully paid up equity shares of the Company. Not more than 5,00,000 (Five Lac) fully paid up equity shares or 1% of the issued equity share capital at the time of awarding the Stock Grant, whichever is lower, can be awarded to any one employee in any one year.

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

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

vii The Exercise Price of the shares has been fixed at ₹ 1 per share. The fair value of the employee share options has been measured using the Black-Scholes Option Pricing Model and charged to the Statement of Profit and Loss. The value of the options is treated as a part of employee compensation in the financial statements and is amortised over the vesting period.

# Notes to the Consolidated Financial Statements

## Note 46 : Employee Stock Benefit Plans (Contd.)

Following table lists the average inputs to the model used for the plan for the year ended March 31, 2018:

| Particulars | For the Year ended March 31, 2018 | For the Year ended March 31, 2017 | Description of the Inputs used |
|---|---|---|---|
| Dividend yield % | **0.30%** | 0.50% | Dividend yield of the options is based on recent dividend activity. |
| Expected volatility % | **30%-32%** | 33%-34% | Expected volatility of the option is based on historical volatility, during a period equivalent to the option life, of the observed market prices of the Company's publicly traded equity shares. |
| Risk free Interest rate % | **6.54% to 6.80%** | 7.88% to 7.94% | Risk-free interest rates are based on the government securities yield in effect at the time of the grant. |
| Expected life of share options | **1 to 3 years** | 1 to 3 years | |
| Weighted Average Market price on date of granting the options | **578** | 347.05 | |

viii The Status of the above plan is as under:

| Particulars | Numbers | | | |
|---|---|---|---|---|
| | For the Year ended March 31, 2018 | For the Year ended March 31, 2017 | Weighted average Exercise Price (₹) | Weighted average Share Price (₹) |
| Options Outstanding at the Beginning of the Year | **298,601** | 333,096 | | |
| Options Granted | **103,828** | 160,395 | | |
| Options Vested | **132,945** | 148,319 | 1.00 | 339.51 |
| Options Exercised | **132,945** | 150,941 | | |
| Options Lapsed / Forfeited | **50,104** | 43,949 | | |
| **Total Options Outstanding at the end of the year** | **219,380** | 298,601 | | |

ix The weighted average exercise price of the options outstanding as on March 31, 2018 is ₹ 1 (previous year 2017: ₹ 1 per share) and the weighted average remaining contractual life of the options outstanding as on March 31, 2018 is 0.78 years (previous year 0.83 years).

**II Godrej Properties Limited Employee Stock Option Plans & Stock Grant Scheme**

**a Employee Stock Option Plans of Godrej Properties Limited**

During the financial year ended March 31, 2008, the GPL instituted an Employee Stock Option Plan (GPL ESOP) approved by the Board of Directors, Shareholders and the Remuneration Committee, which provided allotment of 885,400 options convertible into 885,400 Equity Shares of ₹ 5/- each to eligible employees of Godrej Properties Limited and its Subsidiary Companies (the Participating Companies) with effect from December 28, 2007.

The Scheme is administered by an Independent ESOP Trust which has purchased shares from Godrej Industries Limited (The Holding Company), equivalent to the number of options granted to the eligible employees of the Participating Companies.

# Notes to the Consolidated Financial Statements

## Note 46 : Employee Stock Benefit Plans (Contd.)

| Particulars | No. of Options | | Weighted Average Exercise Price |
|---|---|---|---|
| | **As at March 31, 2018** | As at March 31, 2017 | |
| Options Outstanding at the beginning of the year | **-** | 245,400 | |
| Options granted | **-** | - | ₹ 310 (plus interest till |
| Options exercised | **-** | - | March 31, 2012) |
| Less : Forfeited / Lapsed /Idle/ Available for Reissue | **-** | 245,400 | |
| Options Outstanding at the year end | **-** | - | |

The exercise period of the GPL ESOP has expired on December 27, 2016 and consequently all the unexercised options were rendered lapsed. The GPL ESOP now stands terminated and the shares held by the Trust have been sold during the year.

**b. Employee Stock Grant Scheme of Godrej Properties Limited**

The GPL instituted an Employee Stock Grant Scheme (GPL ESGS) approved by the Board of Directors, shareholders and the Remuneration Committee.

i) Details of Stock Grants are as under:

| Particulars | No. of Options | | Weighted average Exercise Price (₹) | Weighted average Share Price (₹) |
|---|---|---|---|---|
| | **As at March 31, 2018** | As at March 31, 2017 | | |
| Options Outstanding at the beginning of the year | **214,537** | 254,597 | | |
| Options granted | **88,546** | 122,127 | | |
| Less: Options exercised | **115,436** | 104,326 | 5.00 | 511.65 |
| Less : Option lapsed | **5,788** | 57,861 | | |
| Options Outstanding at the year end | **181,859** | 214,537 | | |

ii) The weighted average exercise price of the options outstanding as at March 31, 2018 is ₹ 5 (Previous year: ₹ 5 per share) and the weighted average remaining contractual life of the options outstanding as at March 31, 2018 is 0.38 years (Previous year: 0.89 years)

iii) The fair value of the employee share options has been measured using the Black-Scholes Option Pricing Model. The weighted average fair value of the options granted is ₹ 414.32 (Previous year: ₹ 279.78).

The following table lists the average inputs to the model used for the plan for the year ended March 31, 2018:

| Particulars | **For the Year ended March 31, 2018** | For the Year ended March 31, 2017 | Description of the Inputs used |
|---|---|---|---|
| Dividend yield % | **-** | - | Dividend yield of the options is based on recent dividend activity. |
| Expected volatility % | **32% - 42%** | 29 % - 43% | Expected volatility of the option is based on historical volatility, during a period equivalent to the option life, of the observed market prices of the Company's publicly traded equity shares. |
| Risk free Interest rate % | **6.31% - 8.57%** | 6.31 % - 8.57% | Risk-free interest rates are based on the government securities yield in effect at the time of the grant. |
| Expected life of share options | **1 to 3 years** | 1 to 3 years | |
| Weighted Average Market price on date of granting the options | **₹ 419.47** | ₹ 286.40 | |

# Notes to the Consolidated Financial Statements

## Note 46 : Employee Stock Benefit Plans (Contd.)

iv) The expense arising from ESGS scheme during the year is ₹ 3.97 Crore (Previous Year: ₹ 2.51 Crore).

**III Godrej Agrovet Limited Employee Stock Option Plans & Stock Grant Scheme**

**a Employee Stock Option Plans of Godrej Agrovet Limited**

Godrej Agrovet Limited (GAVL) has participated in the Godrej Industries Limited Employee Stock Grant Scheme 2011 and on May 30, 2011 the Compensation Committee of the Company has approved the grant of stocks to certain eligible employees in terms of the Employee Stock Grant Scheme 2011. The grants would vest in three equal parts every year over the next three years. The exercise price is ₹ 1 per equity share as provided in the scheme. GAVL has provided ₹ 2.20 crore (Previous year ₹ 1.90 crore) for the aforesaid eligible employees for the current period.

**Employee Stock Option - Equity Settled**

In December 2012, the GAVL instituted an Employee Stock Option Plan (GAVL ESOP) as approved by the Board of Directors and the Shareholders, for the allotment of 5,86,764 options convertible into 5,86,764 equity shares of ₹ 10 each and Bonus Shares issued against the initial allotment for 35,20,584 shares of ₹ 10 each to eligible employees of the company.

The scheme is administered by an independent ESOP Trust created. The GAVL has issued 586,764 equity shares and Bonus Shares issued against the initial allotment for 76,27,932 shares to the said ESOP Trust at face value of ₹ 10 each amounting to ₹ 0.59 crore. All the stock options were vested, exercised and transferred to the eligible employees by March 31, 2017.

**Category A**

| **Particulars** | For the year ended 31 March 2017 | | | |
|---|---|---|---|---|
| | Shares arising out of options | Range of exercise prices | Weighted average exercise price | Weighted average remaining contractual life |
| Options outstanding at the beginning of the year | 1,843,457 | 10.00 | 1.43 | 21.5 months |
| Add: Options granted during the year | 148,463 | 10.00 | 1.43 | |
| Less: Options lapsed during the year | (148,463) | - | | |
| Bonus shares issue against the allotment | 1,843,457 | - | | |
| Less: Options exercised during the year | (3,686,914) | 10.00 | 0.71 | - |
| Options outstanding at the year end | - | | | |
| Exercisable at the end of the period | | | | |

The weighted average grant date fair value of par value options granted under Category A during the year ended March 31, 2017 was ₹ 154.60 per option. The weighted average share price during the year ended March 31, 2017 is ₹ 297.17 per share.

**Category B**

| **Particulars** | For the year ended 31 March 2017 | | | |
|---|---|---|---|---|
| | Shares arising out of options | Range of exercise prices | Weighted average exercise price | Weighted average remaining contractual life |
| Options outstanding at the beginning of the year | 2,263,891 | 10.00 | 1.43 | |
| Add: Options granted during the year | - | - | - | |
| Less: Options lapsed during the year | - | - | - | |
| Bonus shares issue against the allotment | 2,263,891 | 10.00 | - | |
| Less: Options exercised during the year | (4,527,782) | 10.00 | 0.71 | - |
| Options outstanding at the year end | - | | | |
| Exercisable at the end of the period | | | | |

# Notes to the Consolidated Financial Statements

## Note 46 : Employee Stock Benefit Plans (Contd.)

The weighted average grant date fair value of par value options granted under Category B during the years ended March 31, 2017 was ₹ 154.60 per option, respectively. The weighted average share price during the years ended March 31, 2017 is ₹ 297.17 per share .

**Valuation of stock options**

The fair value of stock options granted during the previous period has been measured using the Black–Scholes option pricing model at the date of the grant. The Black-Scholes option pricing model includes assumptions regarding dividend yields, expected volatility, expected terms and risk free interest rates. The key inputs and assumptions used are as follows:

Share price: The share price has been obtained through valuation report.

Exercise Price: Exercise Price is the market price or face value or such other price as determined by the Remuneration and Compensation Committee.

Expected Volatility: The historical volatility of the stock till the date of grant has been considered to calculate the fair value of the options.

Expected Option Life: Expected Life of option is the period for which the Company expects the options to be live. The minimum life of a stock option is the minimum period before which the options cannot be exercised and the maximum life is the period after which the options cannot be exercised.

Expected dividends: Expected dividend yield has been calculated as an average of dividend yields for the four financial years preceding the date of the grant.

Risk free interest rate: The risk free interest rate on the date of grant considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero coupon yield curve for Government Securities.

These assumptions reflect management's best estimates, but these assumptions involve inherent market uncertainties based on market conditions generally outside of the Company's control. As a result, if other assumptions had been used in the current period, stock-based compensation expense could have been materially impacted. Further, if management uses different assumptions in future periods, stock based compensation expense could be materially impacted in future years. The estimated fair value of stock options is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was, in-substance, multiple awards. The weighted average inputs used in computing the fair value of options granted were as follows:

| **Particulars** | |
|---|---|
| Grant date | 16/01/2013 |
| Fair value | 154.14 |
| Share price | 154.60 |
| Exercise price | 10.00 |
| Expected volatility (weighted-average) | 0.00% |
| Expected life (weighted-average) | 5 |
| Expected dividends | 0.00% |
| Risk-free interest rate (based on government bonds) | 9.00% |

**IV Astec Lifescience Limited Employee Stock Option Plans & Stock Grant Scheme**

**a Employee stock option scheme (ESOS, 2015)**

The Company has implemented Employees under Employee stock option scheme (ESOS, 2015) which was approved by the Shareholders at the 21st Annual General Meeting. The employee stock option scheme is designed to provide incentives to all the permanent employees to deliver long-term returns. Under the plan, participants are granted options which will vest in 4 years (40% in 1st year, 30% in 2nd year, 20% in 3rd year and 10% in 4th year) from the date of grant. Participation in the plan is at the discretion of the Compensation Committee / Board of Directors of the company.

# Notes to the Consolidated Financial Statements

## Note 46 : Employee Stock Benefit Plans (Contd.)

Once vested, the options remains exercisable for a period of three years.

Options are granted at the market price on which the options are granted to the employees under ESOS 2015. When exercisable, each option is convertible into one equity share.

**b Employee stock option plan (ESOP, 2012)**

The company has implemented Employee Stock Option Plan (ESOP 2012) which was approved by the Shareholders at the Extra-Ordinary General Meeting of the company in the Year 2012. The employee stock option plan is designed to provide incentives to all the permanent employees to deliver long-term returns. Under the plan, participants are granted options which will vest in 4 years (40% in 1st year, 30% in 2nd year, 20% in 3rd year and 10% in 4th year) from the grant date. Participation in the plan is at the discretion of the Compensation Committee / Board of Directors of the company.

Once vested, the options remains exercisable for a period of seven years.

Options are granted under ESOP 2012 at an exercise price of ₹ 34/- each. When exercisable, each option is convertible into one equity share.

Once vested, the options remains exercisable for a period of seven years.

**Set out below is a summary of options granted under both the plans:**

| **Particulars** | **As at March 31, 2018** | | As at March 31, 2017 | |
|---|---|---|---|---|
| | **Average exercise price per share option (₹)** | **Number of options** | Average exercise price per share option (₹) | Number of options |
| Opening balance | **34** | **50,000** | 34 | 121,000 |
| Granted during the period | **-** | **-** | - | - |
| Exercised during the period | **34** | **12,800** | 34 | 57,800 |
| Lapsed during the period | **-** | **-** | 34 | 13,200 |
| Closing balance | | **37,200** | | 50,000 |
| Vested and exercisable | | **21,500** | | 11,900 |

| **Particulars** | **As at March 31, 2018** | | As at March 31, 2017 | |
|---|---|---|---|---|
| | **Average exercise price per share option (₹)** | **Number of options** | Average exercise price per share option (₹) | Number of options |
| Opening balance | **387.35** | **50,000** | - | - |
| Granted during the period | **-** | **-** | 387.35 | 50,000 |
| Exercised during the period | **34** | **4,000** | - | - |
| Lapsed during the period | **-** | **6,000** | - | - |
| Closing balance | | **40,000** | | 50,000 |
| Vested and exercisable | | **16,000** | | 11,900 |

No options expired during the periods covered in the above tables.

# Notes to the Consolidated Financial Statements

## Note 46 : Employee Stock Benefit Plans (Contd.)

**Share options outstanding at the end of the year have the following expiry date and exercise prices:**

| Grant date | Expiry date | Exercise price | March 31, 2018 Share options | March 31, 2017 Share options |
|---|---|---|---|---|
| January 31, 2015 | January 30, 2023 | 34.00 | **-** | 800 |
| January 31, 2015 | January 30, 2024 | 34.00 | **4,500** | 11,100 |
| January 31, 2015 | January 30, 2025 | 34.00 | **11,400** | 13,400 |
| January 31, 2015 | January 30, 2026 | 34.00 | **6,700** | 6,700 |
| May 16, 2015 | May 15, 2023 | 34.00 | **-** | - |
| May 16, 2015 | May 15, 2024 | 34.00 | **5,600** | 9,000 |
| May 16, 2015 | May 15, 2025 | 34.00 | **6,000** | 6,000 |
| May 16, 2015 | May 15, 2026 | 34.00 | **3,000** | 3,000 |
| July 26, 2016 | July 25, 2020 | 387.35 | **16,000** | 20,000 |
| July 26, 2016 | July 25, 2021 | 387.35 | **12,000** | 15,000 |
| July 26, 2016 | July 25, 2022 | 387.35 | **8,000** | 10,000 |
| July 26, 2016 | July 25, 2023 | 387.35 | **4,000** | 5,000 |
| **Total** | | | **77,200** | **100,000** |
| Weighted average remaining contractual life of options outstanding at end of period | | | **5.07** | 6.02 |

**Fair value of options granted**

The fair value of grant date of options granted during the year ended March 31, 2018 and March 31, 2017 is mentioned in the table below. The fair value at grant date is determined using the Black Scholes model which takes into account the exercise price, the term of option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

| Grant date | Expiry date | Exercise price | March 31, 2018 Share options | March 31, 2017 Share options |
|---|---|---|---|---|
| January 31, 2015 | January 30, 2023 | 95.84 | - | 800 |
| January 31, 2015 | January 30, 2024 | 109.41 | 4,500 | 11,100 |
| January 31, 2015 | January 30, 2025 | 109.91 | 11,400 | 13,400 |
| January 31, 2015 | January 30, 2026 | 110.49 | 6,700 | 6,700 |
| May 16, 2015 | May 15, 2023 | 105.77 | - | - |
| May 16, 2015 | May 15, 2024 | 118.18 | 5,600 | 9,000 |
| May 16, 2015 | May 15, 2025 | 119.30 | 6,000 | 6,000 |
| May 16, 2015 | May 15, 2026 | 119.67 | 3,000 | 3,000 |
| July 26, 2016 | July 25, 2020 | 100.00 | 16,000 | 20,000 |
| July 26, 2016 | July 25, 2021 | 159.00 | 12,000 | 15,000 |
| July 26, 2016 | July 25, 2022 | 278.00 | 8,000 | 10,000 |
| July 26, 2016 | July 25, 2023 | 297.00 | 4,000 | 5,000 |
| **Total** | | | **77,200** | **100,000** |

**The model inputs for options granted during the period ended March 31, 2018 included:**

**ESOS, 2015 granted on July 26, 2016**

Options are granted for a consideration as mentioned in the below table and 40% of options vest after 1 year, 30% of options after 2 years, 20% of options after 3 years and 10% of options after 4 years. Vested options are exercisable for a period of 3 years after vesting.

# Notes to the Consolidated Financial Statements

## Note 46 : Employee Stock Benefit Plans (Contd.)

| Particulars | July 25, 2020 | July 25, 2021 | July 25, 2022 | July 25, 2023 |
|---|---|---|---|---|
| Exercise Price | ₹ 387.35 | ₹ 387.35 | ₹ 387.35 | ₹ 387.35 |
| Grant Date | July 26, 2016 | July 26, 2016 | July 26, 2016 | July 26, 2016 |
| Expiry Date | July 25, 2020 | July 25, 2021 | July 25, 2022 | July 25, 2023 |
| Share price at grant date | ₹ 387.35 | ₹ 387.35 | ₹ 387.35 | ₹ 387.35 |
| Expected price volatility of the company's shares | 57% | 66% | 115% | 109% |
| Expected dividend yield | 0.00% | 0.00% | 0.00% | 0.00% |
| Risk free interest rate | 8.27% | 8.17% | 8.20% | 8.32% |

**The model inputs for options granted during the year ended March 31, 2016 included:**

**ESOP, 2012 - Option B granted on May 16, 2015**

Options are granted for a consideration as mentioned in the below table and 40% of options vest after 1 year, 30% of options after 2 years, 20% of options after 3 years and 10% of options after 4 years. Vested options are exercisable for a period of 7 years after vesting.

| Particulars | May 15, 2023 | May 15, 2024 | May 15, 2025 | May 15, 2026 |
|---|---|---|---|---|
| Exercise Price | ₹ 34/- (March 31, 2016 - ₹ 34/-) | ₹ 34/- (March 31, 2016 - ₹ 34/-) | ₹ 34/- (March 31, 2016 - ₹ 34/-) | ₹ 34/- (March 31, 2016 - ₹ 34/-) |
| Grant Date | May 16, 2015 | May 16, 2015 | May 16, 2015 | May 16, 2015 |
| Expiry Date | May 15, 2023 | May 15, 2024 | May 15, 2025 | May 15, 2026 |
| Share price at grant date | ₹ 138/- | ₹ 138/- | ₹ 138/- | ₹ 138/- |
| Expected price volatility of the company's shares | 71% | 139% | 121% | 108% |
| Expected dividend yield | 0.91% | 0.91% | 0.91% | 0.91% |
| Risk free interest rate | 8.30% | 8.19% | 8.21% | 8.30% |

**The model inputs for options granted during the year ended March 31, 2015 included:**

**ESOP, 2012 - Option A granted on January 31, 2015**

| Particulars | January 30, 2023 | January 30, 2024 | January 30, 2025 | January 30, 2026 |
|---|---|---|---|---|
| Exercise Price | ₹ 34/- (March 31, 2016 - ₹ 34/-) | ₹ 34/- (March 31, 2016 - ₹ 34/-) | ₹ 34/- (March 31, 2016 - ₹ 34/-) | ₹ 34/- (March 31, 2016 - ₹ 34/-) |
| Grant Date | January 31, 2015 | January 31, 2015 | January 31, 2015 | January 31, 2015 |
| Expiry Date | January 30, 2023 | January 30, 2024 | January 30, 2025 | January 30, 2026 |
| Share price at grant date | ₹ 127.70 | ₹ 127.70 | ₹ 127.70 | ₹ 127.70 |
| Expected price volatility of the company's shares | 72% | 143% | 120% | 108% |
| Expected dividend yield | 0.78% | 0.78% | 0.78% | 0.78% |
| Risk free interest rate | 8.27% | 8.17% | 8.20% | 8.32% |

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

# Notes to the Consolidated Financial Statements

## Note 47 : Segment Information

Amount ₹ in Crore

| Information about primary business segments | Chemicals | | Animal Feed | | Veg Oils | | Estate & Property Development | | Finance & Investments | | Dairy | | Crop Protection | | Others | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year |
| (I) Revenue | | | | | | | | | | | | | | | | | | |
| External Sales | 1,660.09 | 1,435.78 | 2,575.98 | 2,620.82 | 927.15 | 728.26 | 2,409.21 | 1,718.52 | 22.46 | 33.98 | 1,157.66 | 1,009.92 | 881.80 | 764.73 | 353.83 | 362.16 | 9,988.16 | 8,674.17 |
| Intersegment Sales | 5.74 | 1.32 | - | - | 0.11 | 0.03 | 28.61 | 22.07 | 270.67 | 166.08 | - | - | - | - | 0.73 | 11.85 | 305.87 | 201.35 |
| Total Sales | 1,665.83 | 1,437.10 | 2,575.98 | 2,620.82 | 927.26 | 728.29 | 2,437.82 | 1,740.59 | 293.13 | 200.06 | 1,157.66 | 1,009.92 | 881.80 | 764.73 | 354.56 | 374.01 | 10,294.03 | 8,875.52 |
| Less: Intersegment Sales | (5.74) | (1.32) | - | - | (0.11) | (0.03) | (28.61) | (22.07) | (270.67) | (166.08) | - | - | - | - | (0.73) | (11.85) | (305.87) | (201.36) |
| Total Revenue | 1,660.09 | 1,435.78 | 2,575.98 | 2,620.82 | 927.14 | 728.26 | 2,409.21 | 1,718.52 | 22.46 | 33.98 | 1,157.66 | 1,009.92 | 881.80 | 764.73 | 353.83 | 362.16 | 9,988.16 | 8,674.16 |
| (II) Results | | | | | | | | | | | | | | | | | | |
| Segment result before interest and tax | 91.07 | 77.12 | 157.16 | 167.69 | 123.94 | 120.95 | 463.41 | 336.10 | 21.90 | 32.86 | 13.00 | 36.67 | 207.04 | 170.80 | (48.36) | (87.46) | 1,029.16 | 854.73 |
| Unallocated expenses | | | | | | | | | | | | | | | | | (186.88) | (170.31) |
| Finance Costs | | | | | | | | | | | | | | | | | (413.15) | (401.82) |
| Profit Before Share of Profit of Equity Accounted Investees and Tax | | | | | | | | | | | | | | | | | 429.13 | 282.60 |
| Taxes | | | | | | | | | | | | | | | | | (183.66) | (167.41) |
| Share of Profit of Equity Accounted Investees (net of Income Tax) | | | | | | | | | | | | | | | | | 385.63 | 343.63 |
| Profit after tax | | | | | | | | | | | | | | | | | 631.10 | 458.82 |
| Segment Assets | 1,369.81 | 1,373.71 | 961.99 | 947.66 | 494.87 | 324.64 | 7,570.64 | 7,626.27 | 2,819.01 | 2,623.84 | 765.75 | 693.57 | 1,037.00 | 867.37 | 275.89 | 136.13 | 15,294.96 | 14,593.19 |
| Unallocated Assets | | | | | | | | | | | | | | | | | 551.30 | 627.13 |
| Total Assets | | | | | | | | | | | | | | | | | 15,846.26 | 15,220.32 |
| Segment Liabilities | 402.99 | 348.85 | 694.55 | 719.89 | 150.74 | 30.86 | 4,883.63 | 5,190.96 | 4.85 | 2.73 | 296.56 | 226.42 | 434.78 | 368.71 | 138.69 | 117.94 | 7,006.79 | 7,006.36 |
| Unallocated Liabilities | | | | | | | | | | | | | | | | | 3,133.70 | 3,543.75 |
| Total Liabilities | | | | | | | | | | | | | | | | | 10,140.49 | 10,550.11 |
| Cost incurred during the year to acquire segment assets | 25.24 | 78.41 | 17.14 | 46.28 | 127.10 | 18.17 | 107.28 | 22.05 | 0.10 | - | 25.71 | 110.04 | 47.25 | 27.27 | 14.37 | 1.10 | 364.19 | 303.32 |
| Cost incurred on unallocated assets | | | | | | | | | | | | | | | | | 56.28 | 23.55 |
| Total Cost incurred during the year to acquire segment assets | | | | | | | | | | | | | | | | | 420.47 | 326.87 |
| Segment Depreciation | 46.12 | 30.34 | 29.67 | 26.85 | 14.90 | 13.33 | 29.37 | 27.46 | 1.49 | - | 21.25 | 16.19 | 14.56 | 12.16 | 10.36 | 12.44 | 167.72 | 138.77 |
| Unallocated Depreciation | | | | | | | | | | | | | | | | | 7.55 | 9.37 |
| Total Depreciation | | | | | | | | | | | | | | | | | 175.27 | 148.14 |

**Information about Secondary Business Segments**

Amount ₹ in Crore

| Revenue by Geographical markets | Current Year | Previous Year |
|---|---|---|
| India | 9,211.50 | 8,163.93 |
| Outside India | 776.66 | 510.23 |
| **Total** | 9,988.16 | 8,674.16 |
| **Carrying Amount of Segment assets** | | |
| India | 15,568.83 | 15,006.75 |
| Outside India | 277.43 | 213.57 |
| **Total** | 15,846.26 | 15,220.32 |

Notes :

1. The Company has disclosed Business Segment as the primary segment. Segments have been identified taking into account the nature of the products, the different risks and returns, the organisational structure and the internal reporting system.
2. Chemicals segment includes the business of production and sale of Oleochemicals and Surfactants such as Fatty Acids, Fatty Alcohols, Esters and Waxes, refined glycerine, Alpha Olefin Sulphonates, Sodium Lauryl Sulphate and Sodium Lauryl Ether Sulphate.
3. Animal Feed segment includes the business of production and sale of compound feeds for cattle, poultry, shrimp and fish.
4. Veg Oils segment includes the business of processing and bulk trading of refined vegetable oils & vanaspati, international vegetable oil trading and Oil Palm Plantation.
5. Estate & property development segment includes the business of development and sale of real estate and leasing and leave and licensing of properties.
6. Finance & Investments includes investments in associates companies and other investments.
7. Dairy Business includes milk and milk products.
8. Crop protection business includes agri inputs.
9. Others includes Integrated Poultry and tissue culture, Seeds business, energy generation through windmills and gourmet foods and fine beverages.
10. Unallocable expenditure includes expenses incurred on common services at the corporate level and relate to the Group as a whole.
11. The geographical segments consists of Sales in India which represent sales to customers located in India and Sales outside India represent sales to customers located outside India.
12. Segment Revenue Reconciliation in terms of the measure reported to the Chief Operating Decision Maker:

| Particulars | Current Year | Previous Year |
|---|---|---|
| Revenue from Operations | 9405.05 | 8,482.53 |
| Other Income | 563.78 | 168.87 |
| Exceptional Items | 19.33 | 22.76 |
| Total Segment Revenue | 9988.16 | 8,674.16 |

13. Exceptional items in the audited consolidated results for the year ended March 31, 2018 comprises gain recognised by a subsidiary company of Godrej Agrovet Limited on cancellation of an agreement for supply of products with one of its customers of ₹ 19.33 crore and loss due to inventory written off by the subsidiary company aggregating ₹ 7.28 crore.
14. Operating segment are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Group.

# Notes to the Consolidated Financial Statements

## Note 48 a : Related Party Information

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

**Parties where control exists**

1 Vora Soaps Ltd. (Holding Co. from March 30, 2017)

**Companies under common ownership**

2 Godrej & Boyce Mfg. Co. Ltd. (Holding Co. up to March 29, 2017)
3 Godrej Seeds & Genetics Limited
4 Godrej Infotech Ltd.
- 4.1 Godrej Infotech Americas Inc. (a wholly-owned subsidiary incorporated in North Carolina, USA)
- 4.2 Godrej Infotech (Singapore) Pte. Ltd. (a wholly-owned subsidiary incorporated in Singapore)
- 4.3 LVD Godrej Infotech NV (incorporated in Belgium)

5 India Circus Retail P. Ltd.
6 Godrej South Africa Pty Ltd.
7 Laboratoria Cuenca S.A.
8 Tahir Properties Limited

**Other related parties with whom the Company had transactions during the year**

**Associate / Joint Venture Companies**

9 Godrej Consumer Products Ltd.
- 9.1 Godrej Global Mideast FZE, Sharjah
- 9.2 PT Megasari Makmur, Indonesia
- 9.3 Strength of Nature LLC, USA
- 9.4 Godrej Household Products Bangladesh Private Limited, Bangladesh
- 9.5 Godrej Household Products Bangladesh Private Limited, Sri Lanka
- 9.6 Bhabhani Blunt Hairdressing Private Limited

10 ACI Godrej Agrovet P. Ltd., Bangladesh
11 Polchem Hygiene Laboratories P. Ltd. (up to December 12, 2016)
12 Godrej Maxximilk P. Ltd.
13 Omnivore India Capital Trust
14 Crop Science Advisors LLP
15 Al Rahba International Trading LLC
16 Godrej Realty P. Ltd.
17 Godrej Landmark Redevelopers P. Ltd.
18 Godrej Redevelopers (Mumbai) P. Ltd.
19 Mosiac Landmarks LLP
20 Dream World Landmarks LLP
21 Oxford Realty LLP
22 Godrej SSPDL Green Acres LLP
23 Caroa Properties LLP
24 M S Ramaiah Ventures LLP
25 Oasis Landmarks LLP
26 Amitis Developers LLP
27 Godrej Construction Projects LLP
28 Godrej Housing Projects LLP
29 Godrej Greenview Housing P. Ltd. (w.e.f. June 30, 2016)
30 Wonder Space Properties P. Ltd.
31 Wonder City Buildcon P. Ltd.
32 Godrej Home Construction P. Ltd.
33 Wonder Projects Development P. Ltd. (w.e.f Septemer 19, 2016)
34 Godrej Property Developers LLP
35 Prakhhyat Dwellings LLP (w.e.f September 2, 2016)
36 Godrej Real View Developers P. Ltd. (w.e.f. March 29, 2017)
37 Pearlite Real Properties P. Ltd. (w.e.f. March 30, 2017)
38 Bavdhan Realty @ Pune 21 LLP (w.e.f. October 26, 2016)

# Notes to the Consolidated Financial Statements

## Note 48 a : Related Party Information (Contd.)

39 AR Landcraft LLP (w.e.f. June 07, 2016)
40 Godrej Highview LLP (w.e.f. June 15, 2017)
41 Godrej Projects North Star LLP (Previously known as Godrej Century LLP (w.e.f September 27, 2017)
42 Godrej Skyline Developers P. Ltd.
43 Godrej Developers & Properties LLP (w.e.f. October 29, 2017)
44 Godrej Green Homes Ltd. (w.e.f. March 17, 2018)
45 Sai Srushti One Hub Project LLP
46 Godrej Irismark LLP (w.e.f. January 24, 2018)
47 Godrej Tyson Foods Ltd.

48 **Key Management Personnel**
48.1 Mr. A. B. Godrej - Chairman
48.2 Mr. N. B. Godrej - Managing Director
48.3 Ms. T. A. Dubash - Executive Director & Chief Brand Officer
48.4 Mr. N. S. Nabar - Executive Director & President (Chemicals)
48.5 Mr. C. G. Pinto - Chief Financial Officer
48.6 Ms. Nilufer Shekhawat - Company Secretary

49 **Independent Non-Executive Directors**
49.1 Mr. J.N. Godrej
49.2 Mr. V.M. Crishna
49.3 Mr. K.K. Dastur
49.4 Mr. K.M. Elavia
49.5 Mr. K.N. Petigara
49.6 Mr. S.A. Ahmadullah
49.7 Mr. A.B. Choudhury
49.8 Mr. A.D. Cooper

50 **Relatives of Key Management Personnel**
50.1 Ms. N. A. Godrej - Daughter of Mr. A. B. Godrej
50.2 Mr. P. A. Godrej - Son of Mr. A. B. Godrej
50.3 Ms. R. N. Godrej - Wife of Mr. N. B. Godrej
50.4 Mr. B. N. Godrej - Son of Mr. N. B. Godrej
50.5 Mr. S. N. Godrej - Son of Mr. N. B. Godrej
50.6 Mr. H. N. Godrej - Son of Mr. N. B. Godrej
50.7 Mr. A. D. Dubash - Husband of Ms. Tanya Dubash
50.8 Ms. N. N. Nabar - Wife of Mr. N. S. Nabar

51 **Enterprises over which key management personnel exercise significant influence**
51.1 Anamudi Real Estates LLP
51.2 Godrej Investments P. Ltd.
51.3 Godrej Tyson Foods Ltd.

52 **Enterprises over which relative of key management personnel exercise significant influence**
52.1 Shata Trading & Finance P. Ltd.
52.2 Shilawati Trading & Finance P. Ltd.

53 **Parties Where Control Exists**
53.1 Godrej Industries Employees Provident Fund
53.2 Godrej Industries Ltd. Group Gratuity Trust

# Notes to the Consolidated Financial Statements

## Note 48 b : Related Party Information (Contd.)

b) Transactions with Related Parties

Amount ₹ in Crore

| Nature of Transaction | Holding Company | Fellow Subsidiaries | Associate/ Joint Venture Companies | Companies under common ownership | Key Management Personnel | Relative of Key Management Personnel | Enterprises over which Key Mangement Personnel exercise significant influence | Enterprises over which Relative of Key Mangement Personnel exercise significant influence | Post Employment Benefit Trust | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| Sale of Goods * | - | - | 42.29 | 6.29 | - | - | 221.59 | - | - | 270.17 |
| *Previous Year* | *1.09* | *3.73* | *38.39* | - | - | - | *231.82* | - | - | *275.03* |
| Advance received | - | - | 14.05 | - | - | - | - | - | - | 14.05 |
| *Previous Year* | - | - | *20.78* | - | - | - | - | - | - | *20.78* |
| Loans & Advances given | - | - | 778.58 | 0.25 | - | - | - | - | - | 778.83 |
| *Previous Year* | *0.28* | - | *502.20* | - | - | - | - | - | - | *502.48* |
| Sale of Property, Plant and Equipments | - | - | - | - | - | - | - | - | - | - |
| *Previous Year* | *0.03* | - | - | - | - | - | - | - | - | *0.03* |
| Purchase of goods | - | - | 16.44 | 0.76 | - | - | 1.62 | - | - | 18.82 |
| *Previous Year* | *0.53* | - | *15.17* | *0.00* | - | - | *2.93* | - | - | *18.63* |
| Purchase of Property Plant and Equipments | - | - | - | 4.70 | - | - | - | - | - | 4.70 |
| *Previous Year* | *5.54* | - | - | - | - | - | - | - | - | *5.54* |
| Net Guarantee given | - | - | - | - | - | - | - | - | - | - |
| *Previous Year* | - | - | *67.57* | - | - | - | - | - | - | *67.57* |
| Commission / Royalty received | - | - | 0.20 | - | - | - | - | - | - | 0.20 |
| *Previous Year* * | - | - | *0.14* | - | - | - | - | - | - | *0.14* |
| Commission / Royalty paid | - | - | - | - | - | - | - | - | - | - |
| *Previous Year* * | - | - | *0.47* | - | - | - | - | - | - | *0.47* |
| Licence fees / Service charges / Storage Income | - | - | 7.60 | - | - | - | 0.02 | - | - | 7.62 |
| *Previous Year* * | *0.00* | - | *3.55* | - | - | - | *0.01* | - | - | *3.56* |
| Other Income | - | - | 1.86 | - | - | - | 0.05 | - | - | 1.91 |
| *Previous Year* * | *0.00* | - | *3.09* | *0.09* | - | - | *0.35* | - | - | *3.53* |
| Recovery of Establishment & Other Expenses | 0.06 | - | 125.35 | 4.67 | - | - | 6.54 | - | - | 136.62 |
| *Previous Year* | *1.72* | *0.15* | *110.61* | *2.08* | - | - | *12.53* | - | - | *127.09* |
| Rent, Establishment & other exps. paid | - | - | 10.78 | 18.76 | - | 0.86 | 6.53 | 1.95 | - | 38.88 |
| *Previous Year* | *27.30* | *0.06* | *9.46* | *0.02* | - | *0.84* | *6.43* | *0.13* | - | *44.24* |
| Interest received | - | - | 147.96 | - | - | - | - | - | - | 147.96 |
| *Previous Year* | *0.84* | - | *94.72* | - | - | - | *1.45* | - | - | *97.01* |
| Interest paid | - | - | - | - | - | - | - | - | - | - |
| *Previous Year* * | - | - | - | - | *0.00* | *0.01* | - | - | - | *0.01* |
| Dividend income | - | - | - | - | - | - | - | - | - | - |
| *Previous Year* | - | - | - | - | - | - | - | - | - | - |
| Dividend paid | 33.93 | - | - | 45.01 | 0.84 | 3.64 | - | - | - | 83.42 |
| *Previous Year* | *51.94* | - | - | - | - | - | - | - | - | *51.94* |
| Remuneration to Key Management Personnel | | | | | | | | | | |
| Short term employee benefit | - | - | - | - | 15.52 | - | - | - | - | 15.52 |
| Post employment benefit | - | - | - | - | 0.65 | - | - | - | - | 0.65 |
| Share based payment | - | - | - | - | 0.76 | - | - | - | - | 0.76 |
| *Previous Year* | | | | | | | | | | |
| *Short term employee benefit* | - | - | - | - | *11.74* | - | - | - | - | *11.74* |
| *Post employment benefit* | - | - | - | - | *0.59* | - | - | - | - | *0.59* |
| *Share based payment* | - | - | - | - | *0.77* | - | - | - | - | *0.77* |
| Remuneration | - | - | - | - | - | 0.09 | - | - | - | 0.09 |
| *Previous Year* | - | - | - | - | - | *0.06* | - | - | - | *0.06* |
| Redemption of Debenture | - | - | - | - | - | - | - | - | - | - |
| *Previous Year* | - | - | *28.51* | - | - | - | - | - | - | *28.51* |
| Purchase of Investments | - | - | - | - | - | - | - | - | - | - |
| *Previous Year* | *200.73* | - | - | - | - | - | - | - | - | *200.73* |
| Sale of Investments | - | - | 0.00 | - | - | - | 65.20 | - | - | 65.20 |
| *Previous Year* | - | - | - | - | - | - | - | - | - | - |
| Sale of Units | - | - | 16.27 | 0.43 | - | - | 205.17 | - | - | 221.87 |
| *Previous Year* | *1.19* | - | - | - | - | - | *219.65* | - | - | *220.84* |

# Notes to the Consolidated Financial Statements

## Note 48 b : Related Party Information (Contd.)

b) Transactions with Related Parties

Amount ₹ in Crore

| Nature of Transaction | Holding Company | Fellow Subsidiaries | Associate/ Joint Venture Companies | Companies under common ownership | Key Management Personnel | Relative of Key Management Personnel | Enterprises over which Key Mangement Personnel exercise significant influence | Enterprises over which Relative of Key Mangement Personnel exercise significant influence | Post Employment Benefit Trust | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| Intercorporate Deposits Placed | - | - | 7.84 | - | - | - | - | - | - | 7.84 |
| *Previous Year* | - | - | - | - | - | - | - | - | - | - |
| Intercorporate Deposits Refund Received | - | - | - | - | - | - | - | - | - | - |
| *Previous Year* | - | - | - | - | - | - | *5.20* | - | - | *5.20* |
| Other Deposits - Advanced during the year | - | - | - | - | - | - | 1.66 | - | - | 1.66 |
| *Previous Year* | - | - | - | - | - | - | *1.51* | - | - | *1.51* |
| Other Deposits accepted | - | - | 1.51 | - | - | - | - | - | - | 1.51 |
| *Previous Year* | *0.01* | - | - | - | - | - | - | - | - | *0.01* |
| Other Deposits refunded | - | - | 0.25 | - | - | - | - | - | - | 0.25 |
| *Previous Year* | *0.01* | - | *0.05* | - | *0.08* | *0.43* | - | - | - | *0.57* |
| Investment in equity / preference shares / LLP | - | - | 94.72 | - | - | - | - | - | - | 94.72 |
| *Previous Year* | - | - | *4.48* | - | - | - | - | - | - | *4.48* |
| Investment in Debenture | - | - | 99.33 | - | - | - | - | - | - | 99.33 |
| *Previous Year* | - | - | *94.82* | - | - | - | - | - | - | *94.82* |
| Share of profit (net) in Joint Venture & Associates | - | - | 6.02 | - | - | - | - | - | - | 6.02 |
| *Previous Year* | - | - | *24.71* | - | - | - | - | - | - | *24.71* |
| Loan repaid | - | - | 550.21 | - | - | - | - | - | - | 550.21 |
| *Previous Year* | - | - | *360.58* | - | - | - | - | - | - | *360.58* |
| Sale of Services | - | - | 49.64 | 3.09 | - | - | - | - | - | 52.73 |
| *Previous Year* | *1.38* | - | *25.78* | - | - | - | - | - | - | *27.16* |
| Sitting Fees | - | - | - | - | 0.47 | - | - | - | - | 0.47 |
| *Previous Year* | - | - | - | - | *0.42* | - | - | - | - | *0.42* |
| Income Received from Other Companies | - | - | 1.26 | - | - | - | - | - | - | 1.26 |
| *Previous Year* | - | - | *0.75* | - | - | - | - | - | - | *0.75* |
| Contribution to Post-employment Benefit Plans | - | - | - | - | - | - | - | - | - | - |
| *Previous Year* | - | - | - | - | - | - | - | - | *5.45* | *5.45* |
| Repayment of Loan Received | - | - | - | - | - | - | - | - | - | - |
| *Previous Year* | - | - | - | - | - | - | - | - | *24.62* | *24.62* |
| Balance Outstanding as on March 31, 2018 | | | | | | | | | | |
| Receivables | - | 0.00 | 1,061.05 | 2.81 | - | - | 2.31 | - | - | 1,066.17 |
| *Previous Year* | - | - | *631.56* | *2.02* | - | - | *0.76* | - | - | *634.34* |
| Payables | - | - | 0.13 | 10.69 | - | - | - | - | - | 10.82 |
| *Previous Year* | - | *0.00* | *0.04* | *116.52* | - | - | *1.91* | - | - | *118.47* |
| Guarantees outstanding | - | - | 121.27 | - | - | - | - | - | - | 121.27 |
| *Previous Year* | - | - | *308.21* | - | - | - | - | - | - | *308.21* |
| Debentures Outstanding | - | - | 686.56 | - | - | - | - | - | - | 686.56 |
| *Previous Year* | - | - | *312.33* | - | - | - | - | - | - | *312.33* |
| Outstanding Inter Corporate Deposit Receivable | - | - | 7.84 | - | - | - | - | - | - | 7.84 |
| *Previous Year* | - | - | - | - | - | - | - | - | - | - |
| Deposits Receivable | - | - | - | - | - | - | 3.16 | - | - | 3.16 |
| *Previous Year* | - | - | - | - | - | - | *3.17* | - | - | *3.17* |
| Debenture Interest Outstanding | - | - | 80.51 | - | - | - | - | - | - | 80.51 |
| *Previous Year* | - | - | *87.49* | - | - | - | - | - | - | *87.49* |

* Amount less than ₹ 0.01 crores

Note : All related party transactions entered during the year were in ordinary course of the business and are on arm's length basis.

# Notes to the Consolidated Financial Statements

## Note 49 : Fair Value Measurement

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

### I Accounting classification and fair values

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

Amount ₹ in Crore

| | Carrying amount | | | | Fair value | | | |
|---|---|---|---|---|---|---|---|---|
| **March 31, 2018** | **FVTPL** | **FVTOCI** | **Amortised Cost** | **Total** | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **Financial assets** | | | | | | | | |
| **Non Current** | | | | | | | | |
| Investments | | | | | | | | |
| Debenture | 344.52 | - | 341.81 | 686.33 | - | 344.52 | - | 344.52 |
| Quoted Equity Shares | 17.22 | - | - | 17.22 | 17.22 | - | - | 17.22 |
| Unquoted Equity Shares | 9.15 | 0.06 | - | 9.21 | - | 9.21 | - | 9.21 |
| Others | 0.01 | - | 5.37 | 5.38 | - | - | 0.01 | 0.01 |
| Trade receivables | - | - | 13.39 | 13.39 | - | - | - | - |
| Loans | | | | | - | - | - | - |
| Security Deposits | - | - | 24.65 | 24.65 | - | - | - | - |
| Deposits - Projects | - | - | 83.81 | 83.81 | - | - | - | |
| Loans to Employees | - | - | 1.07 | 1.07 | - | - | - | - |
| Other financial assets | - | - | 2.95 | 2.95 | - | - | - | - |
| **Current** | | | | | | | | |
| Current investments | 546.97 | - | - | 546.97 | 546.97 | - | - | 546.97 |
| Trade receivables | - | - | 1,043.91 | 1,043.91 | - | - | - | - |
| Cash and cash equivalents | - | - | 280.99 | 280.99 | - | - | - | - |
| Other bank balances | - | - | 192.15 | 192.15 | - | - | - | - |
| Loans | | | | | | | | |
| Security Deposits | - | - | 4.26 | 4.26 | - | - | - | - |
| Deposits - Projects | - | - | 142.89 | 142.89 | - | - | - | - |
| Others | - | - | 954.07 | 954.07 | - | - | - | - |
| Derivative asset | 0.91 | - | - | 0.91 | - | 0.91 | - | 0.91 |
| Other Current Financial Assets | 0.59 | 0.21 | 945.52 | 946.31 | - | 0.80 | - | 0.80 |
| | 919.37 | 0.27 | 4,036.83 | 4,956.45 | 564.19 | 355.44 | 0.01 | 919.64 |
| **Financial liabilities** | | | | | | | | |
| Long-term borrowings | - | - | 952.29 | 952.29 | - | 0.25 | - | 0.25 |
| Short term borrowings | - | - | 5,311.78 | 5,311.78 | - | - | - | - |
| Trade and other payables | - | - | 1,685.61 | 1,685.61 | - | - | - | - |
| Derivative liability | 0.09 | - | - | 0.09 | - | 0.24 | - | 0.24 |
| Other Current financial liabilities | - | - | 1,166.95 | 1,166.95 | - | - | - | - |
| | 0.09 | - | 9,116.63 | 9,116.72 | - | 0.49 | - | 0.49 |

# Notes to the Consolidated Financial Statements

## Note 49 : Fair Value Measurement (Contd.)

Amount ₹ in Crore

| | Carrying amount | | | | Fair value | | | |
|---|---|---|---|---|---|---|---|---|
| March 31, 2017 | FVTPL | FVTOCI | Amortised Cost | Total | Level 1 | Level 2 | Level 3 | Total |
| **Financial assets** | | | | | | | | |
| **Non Current** | | | | | | | | |
| Investments | | | | | | | | |
| Debenture | - | - | 312.34 | 312.34 | - | 312.34 | - | 312.34 |
| Quoted Equity Shares | 6.20 | - | - | 6.20 | 6.20 | - | - | 6.20 |
| Unquoted Equity Shares | 2.62 | 0.05 | - | 2.67 | 0.05 | 2.62 | - | 2.67 |
| Others | 4.58 | - | - | 4.58 | - | 4.58 | - | 4.58 |
| Trade receivables | - | - | 13.33 | 13.33 | - | - | - | - |
| Loans | | | | | | | | |
| Security Deposits | - | - | 100.92 | 100.92 | - | - | - | - |
| Loans to Employees | - | - | 1.03 | 1.03 | - | - | - | - |
| Other financial assets | - | - | 7.77 | 7.77 | - | - | - | - |
| **Current** | | | | | | | | - |
| Current investments | 369.33 | - | - | 369.33 | 369.33 | - | - | 369.33 |
| Trade receivables | - | - | 905.86 | 905.86 | - | - | - | - |
| Cash and cash equivalents | - | - | 179.03 | 179.03 | - | - | - | - |
| Other bank balances | - | - | 55.90 | 55.90 | - | - | - | |
| Loans | | | | | | | | |
| Security Deposits | - | - | 165.38 | 165.38 | - | 171.57 | - | 171.57 |
| Others | - | 1.70 | 568.61 | 570.31 | - | 1.70 | - | 1.70 |
| Derivative asset | 2.38 | - | - | 2.38 | - | 2.38 | - | 2.38 |
| Other Current Financial Assets | - | - | 833.41 | 833.41 | - | - | - | - |
| | 385.11 | 1.75 | 3,143.58 | 3,530.45 | 375.58 | 495.19 | - | 870.78 |
| **Financial liabilities** | | | | | | | | |
| Long-term borrowings | 2.58 | - | 1,505.68 | 1,508.26 | - | 2.98 | - | 2.98 |
| Short-term borrowings | - | - | 5,592.31 | 5,592.31 | - | 126.16 | - | 126.16 |
| Trade and other payables | - | - | 1,691.23 | 1,691.23 | - | - | - | - |
| Other Non-Current financial liabilities | - | - | 35.33 | 35.33 | - | - | - | - |
| Derivative liability | 5.15 | - | - | 5.15 | - | 5.15 | - | 5.15 |
| Other Current financial liabilities | - | - | 853.20 | 853.20 | - | - | - | - |
| | 7.73 | - | 9,677.75 | 9,685.48 | - | 134.29 | - | 134.29 |

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

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

# Notes to the Consolidated Financial Statements

## Note 49 : Fair Value Measurement (Contd.)

### II Measurement of fair values

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

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

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

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

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

| Type | Valuation technique |
|---|---|
| Preference shares | The preference shares were converted into equity and listed in the near future and accordingly we have used the listing price as fair value on the date of reporting. |
| Fixed rates long term borrowings | The valuation model considers present value of expected payments discounted using an appropriate discounting rate. |
| Forward contracts | The fair value is determined using forward exchange rates at the reporting date. |
| Interest rate swaps | Present value of the estimated future cash flows based on observable yield curves. |

# Notes to the Consolidated Financial Statements

## Note 50 : Hedge accounting

The group's risk management policy is to hedge its foreign currency exposure in accordance with the exposure limits advised from time to time. The group uses forward exchange contracts to hedge its currency risk. Such contracts are generally designated as cash flow hedges.

The forward exchange forward contracts are denominated in the same currency as the highly probable future transaction value, therefore the hedge ratio is 1:1. Most of these contracts have a maturity of 18 months from the reporting date. The group's policy is for the critical terms of the forward exchange contracts to align with the hedged item.

The group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The group assesses whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in the cash flows of the hedged item using the hypothetical derivative method.

In these hedge relationships, changes in timing of the hedged transactions is the main source of hedge ineffectiveness.

I. Disclosure of effects of hedge accounting on financial position as on March 31, 2018

Amount ₹ in Crore

| **Type of hedge** | **Nominal Value** | **Carrying amount of hedging instrument** | | **Line item in the statement of financial position where the hedging instrument is included** | **Maturity date** | **Hedge ratio** | **Average strike price/ rate** | **Changes in fair value of the hedging instrument** | **Change in the value of hedged item used as the basis for recognising hedge effectiveness** |
|---|---|---|---|---|---|---|---|---|---|
| | | **Assets** | **Liabilities** | | | | | | |
| Forward exchange forward contracts on outstanding borrowings | 37.69 | 0.21 | - | Other Financial Assets - current | April 25, 2018 | 1:1 | 65.00 | 0.35 | (0.35) |
| | **37.69** | **0.21** | **-** | | | | | **0.35** | **(0.35)** |

I. Disclosure of effects of hedge accounting on financial position as on March 31, 2017

Amount ₹ in Crore

| Type of hedge | Nominal Value | Carrying amount of hedging instrument | | Line item in the statement of financial position where the hedging instrument is included | Maturity date | Hedge ratio | Average strike price/ rate | Changes in fair value of the hedging instrument | Change in the value of hedged item used as the basis for recognising hedge effectiveness |
|---|---|---|---|---|---|---|---|---|---|
| | | Assets | Liabilities | | | | | | |
| Forward exchange forward contracts on outstanding borrowings | 26.75 | 1.71 | 1.78 | Derivative asset and derivative liability | May 1, 2017 to September 25, 2017 | 1:1 | 71.02 | 2.37 | (2.37) |
| | 36.99 | - | - | | August 2017 to January 2018 | | 70.26 | (1.42) | 1.42 |
| | **63.74** | **1.71** | **1.78** | | | | | **0.95** | **(0.95)** |

# Notes to the Consolidated Financial Statements

## Note 50 : Hedge accounting (Contd.)

II. Disclosure of effects of hedge accounting on financial performance for the Year ended March 31, 2018

Amount ₹ in Crore

| **Type of hedge** | **Change in the value of the hedging instrument recognised in OCI** | **Hedge ineffectiveness recognised in profit or loss** | **Line item in the statement of profit or loss that includes the hedge ineffectiveness** | **Amount reclassified from cash flow hedging reserve to profit or loss** | **Line item affected in statement of profit or loss because of the reclassification** |
|---|---|---|---|---|---|
| Cash flow hedge | (0.23) | - | - | 3.15 | - |

II. Disclosure of effects of hedge accounting on financial performance for the Year ended March 31, 2017

Amount ₹ in Crore

| Type of hedge | Change in the value of the hedging instrument recognised in OCI | Hedge ineffectiveness recognised in profit or loss | Line item in the statement of profit or loss that includes the hedge ineffectiveness | Amount reclassified from cash flow hedging reserve to profit or loss | Line item affected in statement of profit or loss because of the reclassification |
|---|---|---|---|---|---|
| Cash flow hedge | (3.15) | - | - | - | - |

III. The following table provides a reconciliation by risk category of components of equity and analysis of OCI items, net of tax, resulting from cash flow hedge accounting.

Amount ₹ in Crore

| | |
|---|---|
| **Movements in cash flow hedging reserve** | |
| **As at March 31, 2016** | - |
| Add : Changes in fair value | 3.15 |
| Less: Deferred tax relating to the above | (1.09) |
| **As at March 31, 2017** | 2.06 |
| Add : Changes in fair value | (0.35) |
| Less : Amounts reclassified to profit or loss | 3.15 |
| Less: Deferred tax relating to the above | (1.21) |
| **As at March 31, 2018** | (0.23) |

## Note 51 : Financial Risk Management

### I Financial Risk Management objectives and policies

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

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

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

### II 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 Company's receivables from customers and loans and advances and bank balances.

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

**Trade receivables and loans and advances.**

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

The Group has a policy under which each new customer is analysed individually for creditworthiness before offering credit period and delivery terms and conditions. The Group's export sales are backed by letters of credit and insured through Export Credit Guarantee Corporation. The Group bifurcates the Domestic Customers into Large Corporates, Distributors and others for Credit monitoring. Customer credit risk in property business is managed by requiring customers to pay advances through progress billings before transfer of ownership, therefore, substantially eliminating the credit risk in this respect.

The Group maintains adequate security deposits for sales made to its distributors. For other trade receivables, the company individually monitors the sanctioned credit limits as against the outstanding balances. Cash terms and advance payments are required for customers of lower credit standing. Accordingly, the Group makes specific provisions against such trade receivables wherever required and monitors the same at periodic intervals.

The Group monitors each loans and advances given and makes any specific provision wherever required.

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

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

Amount ₹ in Crore

| Particulars | March 31, 2018 | March 31, 2017 |
|---|---|---|
| More than 6 Months | **84.95** | 173.90 |
| Others | **972.34** | 745.29 |
| | **1,057.29** | 919.19 |

The amounts reflected in the table above are not impaired as on the reporting date.

# Notes to the Consolidated Financial Statements

## Note 51 : Financial Risk Management (Contd.)

### III Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty 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.

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

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

**Maturity profile of financial liabilities**

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

Amount ₹ in Crore

| March 31, 2018 | Carrying amount | Contractual cash flows Total | within 12 months | 1-2 years | 2-5 years | More than 5 years |
|---|---|---|---|---|---|---|
| **Non-derivative financial liabilities** | | | | | | |
| Borrowings | **6,897.99** | **7,195.33** | **6,133.34** | **354.40** | **703.04** | **4.55** |
| Trade and other payables | **1,678.44** | **1,679.51** | **1,653.35** | **18.18** | **7.98** | **-** |
| Other financial liabilities | **539.27** | **539.66** | **539.09** | **-** | **-** | **0.57** |
| **Derivative financial liabilities** | | | | | | |
| Interest rate swaps | **-** | **0.28** | **0.16** | **0.09** | **0.03** | **-** |
| Forward exchange contracts used for hedging | **0.09** | **-** | **0.09** | **-** | **-** | **-** |

Amount ₹ in Crore

| March 31, 2017 | Carrying amount | Contractual cash flows Total | within 12 months | 1-2 years | 2-5 years | More than 5 years |
|---|---|---|---|---|---|---|
| **Non-derivative financial liabilities** | | | | | | |
| Borrowings | 7,548.17 | 7,872.94 | 6,227.81 | 905.81 | 737.81 | 1.51 |
| Trade and other payables | 1,642.38 | 1,644.53 | 1,612.42 | 20.49 | 11.62 | - |
| Other financial liabilities | 445.34 | 447.65 | 440.84 | 6.81 | - | - |
| **Derivative financial liabilities** | | | | | | |
| Interest rate swaps | - | 3.08 | 1.94 | 1.03 | 0.11 | - |
| Forward exchange contracts used for hedging | 5.15 | 5.15 | 5.15 | - | - | - |

# Notes to the Consolidated Financial Statements

## Note 51 : Financial Risk Management (Contd.)

### IV Market risk

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

### IV a Currency risk

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

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

The currency profile of financial assets and financial liabilities as at March 31, 2018, March 31, 2017 are as below:

Amount ₹ in Crore

| March 31, 2018 | USD | EURO | SGD | GBP |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Trade and other receivables | 160.75 | 3.05 | - | - |
| Less: Forward Contracts | (56.52) | - | - | - |
| | 104.23 | 3.05 | - | - |
| **Financial liabilities** | | | | |
| Long term borrowings | 287.07 | - | - | - |
| Less: Forward Contracts | (9.75) | - | - | - |
| Short term borrowings | 49.39 | - | - | - |
| Trade and other payables | 738.23 | 23.62 | 0.12 | 0.07 |
| Other Current financial liabilities | 0.93 | - | - | - |
| Less: Forward Contracts | (52.66) | (8.95) | - | - |
| | 1,013.21 | 14.67 | 0.12 | 0.07 |
| March 31, 2017 | | | | |
| **Financial assets** | | | | |
| Trade and other receivables | 127.55 | 2.43 | - | - |
| Less: Forward Contracts | (34.24) | - | | |
| | 93.31 | 2.43 | - | - |
| **Financial liabilities** | | | | |
| Long term borrowings | 548.28 | - | - | - |
| Short term borrowings | 1.00 | - | - | - |
| Trade and other payables | 161.50 | 45.04 | - | 0.07 |
| Other Non-current financial liabilities | 2.41 | - | - | - |
| Less: Forward Contracts | (127.53) | (35.40) | - | - |
| | 585.66 | 9.64 | - | 0.07 |

# Notes to the Consolidated Financial Statements

## Note 51 : Financial Risk Management (Contd.)

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

| | Year-end spot rate | |
|---|---|---|
| INR | **March 31, 2018** | March 31, 2017 |
| USD 1 | **65.18** | 64.86 |
| EUR1 | **80.82** | 69.30 |
| GBP1 | **92.26** | 80.99 |

**Sensitivity analysis**

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

Amount ₹ in Crore

| **March 31, 2018** | **Profit or loss and Equity** | |
|---|---|---|
| | **Strengthening** | **Weakening** |
| USD - 1% Movement | **(8.68)** | **8.68** |
| EUR - 4% Movement | **(0.46)** | **0.46** |
| GBP - 2% Movement | **(0.00)** | **0.00** |
| | **(9.14)** | **9.14** |

| March 31, 2017 | Profit or loss and Equity | |
|---|---|---|
| | Strengthening | Weakening |
| USD - 1% Movement | (4.92) | 4.92 |
| EUR - 2% Movement | (0.14) | 0.14 |
| GBP - 2% Movement | - | - |
| | (5.06) | 5.06 |

**IV b Interest rate risk**

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

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

**Exposure to interest rate risk**

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

Amount ₹ in Crore

| Borrowings | **March 31, 2018** | March 31, 2017 |
|---|---|---|
| Fixed rate borrowings | **4,328.03** | 3,935.16 |
| Variable rate borrowings | **2,569.96** | 3,618.60 |
| | **6,897.99** | 7,553.76 |

# Notes to the Consolidated Financial Statements

## Note 51 : Financial Risk Management (Contd.)

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

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

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

A reasonably possible change of 100 basis points in interest rate would have resulted in variation in the interest expense for the Group by the amounts indicated in the table below. Given that one of the subsidiary companies' capitalises interest to the cost of inventory to the extent permissible, the amounts indicated below may have an impact on reported profits over the lifecycle of projects to which such interest is capitalised. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the period.

Amount ₹ in Crore

| Particulars | Profit or (loss) and Equity | |
|---|---|---|
| | 100 bp increase | 100 bp decrease |
| **March 31, 2018** | | |
| Variable-rate instruments | **(25.70)** | **25.70** |
| Interest rate swaps | **0.28** | **(0.28)** |
| **Cash flow sensitivity (net)** | **(25.42)** | **25.42** |
| **March 31, 2017** | | |
| Variable-rate instruments | (36.19) | 36.19 |
| Interest rate swaps | 3.28 | (3.28) |
| **Cash flow sensitivity (net)** | (32.91) | 32.91 |

## Note 52 : Capital Management

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

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

Amount ₹ in Crore

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Non-Current Borrowings | **952.29** | 1,508.26 |
| Current Borrowings | **5,311.78** | 5,592.31 |
| Current maturity of long term debt | **632.05** | 452.15 |
| **Gross Debt** | **6,896.13** | 7,552.72 |
| Less - Cash and Cash Equivalents | **(280.99)** | (179.03) |
| Less - Other Bank Deposits | **(192.15)** | (55.90) |
| Less - Current Investments | **(546.97)** | (369.33) |
| Less - Other Bank Deposits | **(17.97)** | - |
| **Adjusted Net debt** | **5,858.05** | 6,948.46 |
| Total equity | **3,908.83** | 3,194.36 |
| Adjusted Net debt to equity ratio | **1.50** | 2.18 |

# Notes to the Consolidated Financial Statements

## Note 53 : Master netting or similar agreements

The following table presents the recognised financial instruments that are offset, or subject to enforceable master netting arrangements and other similar agreements but not offset, as at March 31, 2018 March 31, 2017.

Amount ₹ in Crore

| Particulars | Effects of offsetting on the balance sheet | | | Related amounts not offset | | |
|---|---|---|---|---|---|---|
| | Gross Amounts | Gross amounts set off in the balance sheet | Net amounts presented in the balance sheet | Amounts subject to master netting arrangements | Financial instrument collateral | Net amount |
| **March 31, 2018** | | | | | | |
| **Financial assets** | | | | | | |
| Derivative instruments | 1.13 | - | 1.13 | - | - | 1.13 |
| **Financial liabilities** | | | | | | |
| Derivative instruments | - | - | - | - | - | - |
| **March 31, 2017** | | | | | | |
| **Financial assets** | | | | | | |
| Derivative instruments | 2.38 | - | 2.38 | 2.38 | - | - |
| **Financial liabilities** | | | | | | |
| Derivative instruments | 2.92 | - | 2.92 | (2.38) | - | 0.54 |

**Offsetting arrangements**

**Derivatives**

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

# Notes to the Consolidated Financial Statements

## Note 54 :

**Additional Information required under Schedule III to the Companies Act, 2013 of entities consolidated as Subsidiaries / Limited Liability Partnership / Associates / Joint Ventures.**

Amount ₹ in Crore

| Name of the entity | Net Assets - total assets minus total liabilities | | Share in profit or loss | | Share in other comprehensive income (OCI) | | Share in total comprehensive income (TCI) | |
|---|---|---|---|---|---|---|---|---|
| | As % of Consolidated net assets | Amount | As % of Consolidated profit or loss | Amount | As % of Consolidated OCI | Amount | As % of TCI | Amount |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| **Parent** | | | | | | | | |
| Godrej Industries Limited | 31.56% | 1,800.56 | 38.25% | 241.40 | 33% | (0.28) | | 241.12 |
| **Subsidiaries** | | | | | | | | |
| **Indian** | | | | | | | | |
| Godrej Agrovet Limited | 21.83% | 1,245.37 | 29.32% | 185.02 | 490% | (4.22) | 28.69% | 180.81 |
| Godvet Agrochem Limited | 0.20% | 11.35 | 0.09% | 0.59 | 0% | - | 0.09% | 0.59 |
| Astec Lifesciences Limited | 0.57% | 32.77 | 6.70% | 42.28 | 34% | (0.29) | 6.66% | 41.99 |
| Creamline Dairy Products Limited | 5.28% | 301.48 | 1.12% | 7.06 | 108% | (0.93) | 0.97% | 6.13 |
| Godrej Properties Limited | 39.11% | 2,231.80 | 38.17% | 240.88 | 321% | (2.76) | 37.78% | 238.12 |
| Godrej Buildcon Private Limited | 2.92% | 166.44 | 7.13% | 45.00 | 0% | - | 7.14% | 45.00 |
| Godrej Projects Development Limited | -0.73% | (41.58) | -24.39% | (153.94) | 5% | (0.04) | -24.43% | (153.98) |
| Godrej Garden City Properties Private Limited | 0.10% | 5.85 | 0.28% | 1.74 | - | - | 0.28% | 1.74 |
| Godrej Hillside Properties Private Limited | 0.00% | 0.11 | -0.00% | (0.02) | - | - | -0.00% | (0.02) |
| Godrej Home Developers Private Limited | 0.00% | 0.12 | -0.00% | (0.01) | - | - | -0.00% | (0.01) |
| Godrej Prakriti Facilities Private Limited | 0.01% | 0.39 | 0.03% | 0.16 | - | - | 0.03% | 0.16 |
| Prakritiplaza Facilities Management Private Limited | 0.00% | 0.01 | 0.00% | - | - | - | 0.00% | 0.00 |
| Godrej Highrises Properties Private Limited | 0.00% | 0.04 | -0.00% | (0.01) | - | - | -0.00% | (0.01) |
| Godrej Genesis Facilities Management Private Limited | 0.01% | 0.37 | 0.04% | 0.25 | - | - | 0.04% | 0.25 |
| Citystar Infra Projects Limited | 0.00% | (0.01) | -0.00% | (0.01) | - | - | -0.00% | (0.01) |
| Godrej Residency Private Limited | 0.00% | (0.00) | -0.00% | (0.01) | - | - | -0.00% | (0.01) |
| Godrej Land Developers LLP | 0.00% | (0.02) | -0.00% | (0.01) | - | - | -0.00% | (0.01) |
| Godrej Highrises Realty LLP | 0.00% | (0.02) | -0.00% | (0.02) | - | - | -0.00% | (0.02) |
| Godrej Project Developers & Properties LLP | 0.00% | (0.02) | -0.00% | (0.01) | - | - | -0.00% | (0.01) |
| Godrej Skyview LLP | 0.00% | (0.00) | -0.00% | (0.01) | - | - | -0.00% | (0.01) |
| Godrej Green Properties LLP | 0.00% | (0.00) | -0.00% | (0.01) | - | - | -0.00% | (0.01) |
| Godrej Projects (Pune) LLP | 0.00% | (0.00) | -0.00% | (0.01) | - | - | -0.00% | (0.01) |
| Godrej Projects (Soma) LLP | 0.00% | (0.01) | -0.00% | (0.01) | - | - | -0.00% | (0.01) |
| Godrej Projects North LLP | 0.00% | (0.01) | -0.00% | (0.01) | - | - | -0.00% | (0.01) |
| Godrej Athenmark LLP | 0.00% | (0.00) | -0.00% | (0.01) | - | - | -0.00% | (0.01) |
| Godrej Vestamark LLP | 0.00% | (0.00) | -0.00% | (0.01) | - | - | -0.00% | (0.01) |
| Godrej Avamark LLP | 0.00% | (0.00) | -0.00% | (0.01) | - | - | -0.00% | (0.01) |
| Godrej Properties Wordwide, USA | - | - | 0.00% | - | - | - | 0.00% | 0.00 |
| Godrej Fund Management Pte. Ltd. | - | - | 0.24% | 1.52 | - | - | 0.24% | 1.52 |
| Godrej Green Homes Limited. | - | - | -0.05% | (0.30) | - | - | -0.05% | (0.30) |
| Godrej Developers & Properties LLP. | - | - | -0.00% | (0.00) | - | - | -0.00% | (0.00) |
| Nature's Basket Limited | 0.05% | 2.84 | -9.86% | (62.24) | -27.28% | 0.23 | -9.84% | (62.00) |
| Ensemble Holdings and Finance Limited | 2.30% | 131.00 | 9.30% | 58.68 | - | - | 9.31% | 58.68 |
| Godrej Industries Ltd. Employee Stock Option Trust | 0.02% | 1.13 | 1.34% | 8.45 | - | - | 1.34% | 8.45 |
| Godrej One Premisies Management Private Limited | 0.00% | 0.01 | 0.00% | - | - | - | 0.00% | 0.00 |
| **Foreign** | | | | | | | | |
| Godrej International Ltd. | 1.94% | 110.42 | 0.64% | 4.07 | - | - | 0.65% | 4.07 |
| Godrej International Trading & Investment Pte. Ltd. | 0.29% | 16.55 | 0.80% | 5.08 | - | - | 0.81% | 5.08 |
| Godrej Fund Management Pte. Ltd. | - | - | 0.24% | 1.52 | - | - | 0.24% | 1.52 |

# Notes to the Consolidated Financial Statements

## Note 54 : (Contd.)

Amount ₹ in Crore

| Name of the entity | Net Assets - total assets minus total liabilities | | Share in profit or loss | | Share in other comprehensive income (OCI) | | Share in total comprehensive income (TCI) | |
|---|---|---|---|---|---|---|---|---|
| | As % of Consolidated net assets | Amount | As % of Consolidated profit or loss | Amount | As % of Consolidated OCI | Amount | As % of TCI | Amount |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| **Associates (Investment as per equity method) Indian** | | | | | | | | |
| Godrej Consumer Products Limited | 21.95% | 1,252.50 | 57.60% | 363.54 | -1021% | 8.78 | 59% | 372.32 |
| Godrej Maxximilk Private Limited | -0.00% | (0.21) | -0.03% | (0.21) | 0% | - | -0% | (0.21) |
| **Foreign** | | | | | | | | |
| Al Rahaba International Trading LLC | -0.00% | (0.04) | -0.03% | (0.20) | 0% | | | (0.20) |
| **Joint Ventures (Investment as per equity method) Indian** | | | | | | | | |
| Godrej Tyson Foods Limited | 0.40% | 22.91 | 0.69% | 4.37 | 10% | (0.09) | 0.68% | 4.28 |
| Omnivore India Capital Trust | 0.20% | 11.61 | 0.89% | 5.61 | - | - | 0.89% | 5.61 |
| Godrej Realty Private Limited | - | - | -0.05% | (0.32) | - | - | -0.05% | (0.32) |
| Godrej Landmark Redevelopers Private Limited | - | - | -0.08% | (0.51) | - | - | -0.08% | (0.51) |
| Godrej Redevelopers (Mumbai) Private Limited | - | - | 0.97% | 6.10 | - | - | 0.97% | 6.10 |
| Wonder Space Properties Private Limited | - | - | 0.00% | (0.01) | - | - | 0.00% | (0.01) |
| Wonder City Buildcon Private Limited | - | - | 0.22% | 1.39 | - | - | 0.22% | 1.39 |
| Godrej Home Constructions Private Limited | - | - | -0.17% | (1.09) | - | - | -0.17% | (1.09) |
| Godrej Greenview Housing Private Limited | - | - | -0.46% | (2.93) | - | - | -0.47% | (2.93) |
| Wonder Projects Development Private Limited | - | - | -0.09% | (0.57) | - | - | -0.09% | (0.57) |
| Godrej Real View Developers Private Limited | - | - | -0.09% | (0.57) | - | - | -0.09% | (0.57) |
| Pearlite Real Properties Private Limited | - | - | -0.67% | (4.21) | - | - | -0.67% | (4.21) |
| Godrej Skyline Developers Private Limited | - | - | -0.02% | (0.12) | - | - | -0.02% | (0.12) |
| Godrej Green Homes Limited | - | - | -0.06% | (0.38) | - | - | -0.06% | (0.38) |
| Godrej Property Developers LLP | - | - | 0.00% | (0.00) | - | - | 0.00% | (0.00) |
| Mosiac Landmarks LLP | - | - | 0.02% | 0.11 | - | - | 0.02% | 0.11 |
| Dream World Landmarks LLP | - | - | -0.31% | (1.98) | - | - | -0.31% | (1.98) |
| Oxford Realty LLP | - | - | 1.47% | 9.31 | - | - | 1.48% | 9.31 |
| Godrej SSPDL Green Acres LLP | - | - | -0.06% | (0.35) | - | - | -0.06% | (0.35) |
| Oasis Landmarks LLP | - | - | 1.14% | 7.19 | - | - | 1.14% | 7.19 |
| M S Ramaiah Ventures LLP | - | - | 0.00% | (0.00) | - | - | 0.00% | (0.00) |
| Caroa Properties LLP | - | - | -0.11% | (0.67) | - | - | -0.11% | (0.67) |
| Godrej Construction Projects LLP | - | - | 0.00% | (0.01) | - | - | 0.00% | (0.01) |
| Godrej Housing Projects LLP | - | - | -0.87% | (5.48) | - | - | -0.87% | (5.48) |
| Amitis Developers LLP | - | - | -0.27% | (1.72) | - | - | -0.27% | (1.72) |
| A R Landcraft LLP | - | - | -0.21% | (1.34) | - | - | -0.21% | (1.34) |
| Prakhhyat Dwellings LLP | - | - | -0.03% | (0.22) | - | - | -0.03% | (0.22) |
| Bavdhan Realty @ Pune 21 LLP | - | - | 0.00% | (0.00) | - | - | 0.00% | (0.00) |
| Godrej Highview LLP | - | - | -0.48% | (3.05) | - | - | -0.48% | (3.05) |
| Godrej Irismark LLP | - | - | -0.00% | (0.00) | - | - | 0.00% | (0.00) |
| Godrej Projects North Star LLP | - | - | 0.00% | (0.01) | - | - | 0.00% | (0.01) |
| Godrej Developers & Properties LLP | - | - | 0.00% | (0.01) | - | - | 0.00% | (0.01) |
| Sai Srushti Onehub Projects LLP | - | - | 0.00% | (0.00) | - | - | 0.00% | (0.00) |
| **Foreign** | | | | | | | | |
| ACI Godrej Agrovet Private Limited | 0.97% | 55.39 | 1.03% | 6.52 | 148% | (1.27) | | 5.25 |
| **Inter-company Elimination & Consolidation Adjustments** | -28.98% | (1,653.34) | -59.28% | (374.14) | -0% | 0.00 | | (374.14) |
| **TOTAL** | **100.00%** | **5,705.77** | **100%** | **631.10** | **100%** | **(0.86)** | | **630.24** |

# Notes to the Consolidated Financial Statements

## Note 55 : Dividend On Equity Shares

Amount ₹ in Crore

| Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|---|---|
| (a) Proposed Dividend * (₹ 1.75 per share (175%) | **58.85** | 58.85 |
| | **58.85** | 58.85 |

(*) Proposed Dividend is subject to Shareholders' approval in the ensuing Annual General Meeting and has not been recognised as a liability as at Balance Sheet date.

## Note 56 : Disclosure in respect of Specified Bank Notes Held and Transacted

In accordance with the Notification No.- G.S.R 308(E) issued by the Ministry of Corporate Affairs dated March 30, 2017, the details of Specified Bank Notes (SBN) held and transacted during the period November 8, 2016 to December 30, 2016 is provided in the table below:

Amount ₹ in Crore

| | Specified Bank Notes | Other denomination notes | Total |
|---|---|---|---|
| Closing cash in hand as on 08.11.2016 | 3.40 | 1.26 | 4.66 |
| (+) Permitted receipts | 8.44 | 77.57 | 86.01 |
| (-) Permitted payments | (0.11) | (10.20) | (10.31) |
| (-) Amount deposited in Banks | (11.72) | (64.87) | (76.59) |
| **Closing cash in hand as on 30.12.2016** | 0.01 | 3.76 | 3.77 |

## Note 57: Construction Contracts

Amount ₹ in Crore

| Particulars | March 31, 2018 | March 31, 2017 |
|---|---|---|
| For contracts in progress as on the reporting date | | |
| Aggregate amount of costs incurred and profit recognised (less recognised losses) to date for projects in progress. | **10,304.72** | 10,658.64 |
| Balance of Advance from customer as on reporting date | **440.88** | 364.58 |
| Amount of work-in-progress and the value of inventories as on the reporting date | **2,221.53** | 3,862.04 |
| Excess of revenue recognised over actual bill raised (Unbilled revenue) | **624.11** | 488.36 |

## Note 58

The Government of India introduced the Goods and Services Tax (GST) with effect from July 1, 2017. Consequently revenue from operations for the period July 1, 2017 to March 31, 2018 is net of GST. However, revenue for year ended March 31, 2017 is inclusive of excise duty and hence, total revenue from operations for the year ended March 31, 2018 and year ended March 31, 2017 are not comparable.

## Note 59

In case of the Company, Managerial Remuneration paid for the year ended March 31, 2018 exceeded the permissible limits as prescribed under Schedule V of the Companies Act, 2013 by ₹ 7.48 crore (March 31, 2017 ₹ 4.54 crore).The Company has applied for approval to the Central Government of India for such excess remuneration paid. The approval from the Central Government is currently pending. Also, Godrej Agrovet Limited, a subsidiary company, had paid remuneration to its Managing Director during the Financial year ended March 31, 2017 which is in excess of the limits given under Section 197 of the Companies Act, 2013 read with Schedule V of the Act by ₹ 86.61 Crore. The Company has applied to the Central Government and is awaiting approval in respect of the same.

# Notes to the Consolidated Financial Statements

## Note 60

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

## Note 61

The Board of Directors of the Company approved the Scheme of Amalgamation of Vora Soaps Limited with Godrej Industries Limited and their respective Shareholders ('Scheme') in their meeting held on December 14, 2017. The Scheme was subject to the approval of the Hon'ble National Company Law Tribunal ('NCLT'), shareholders and/ or creditors and such other competent authority as may be directed by the Hon'ble NCLT. Accordingly, the Scheme was filed with the Stock Exchanges for their approval and upon receipt of their no-objection letters, the Company proceeded with filing an application u/s 230-232 with the Hon'ble NCLT which was admitted on 17th May, 2018. Pursuant to the directions of the Hon'ble NCLT, a meeting of the Equity Shareholders of the Company will be held and convened for the purpose of considering and if thought fit, approving the Scheme with or without modifications.

## Note 62

Figures of the previous year were audited by a firm of Chartered Accountants other than B S R & Co. LLP.

As per our Report attached of even date

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

**Vijay Mathur**
Partner
M.No.: 046476

Mumbai, May 23, 2018

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

**A. B. Godrej**
Chairman
DIN:00065964

**N. B. Godrej**
Managing Director
DIN: 00066195

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

**Clement Pinto**
Chief Financial Officer

**Nilufer Shekhawat**
Company Secretary

# STANDALONE
# FINANCIAL
# STATEMENTS

# Independent Auditor's Report

**TO THE MEMBERS OF**
**GODREJ INDUSTRIES LIMITED**

## Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Godrej Industries Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "standalone Ind AS financial statements").

## Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs, profit(including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

## Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We are also responsible to 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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at 31 March 2018, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

# Independent Auditor's Report

**Emphasis of matter**

We draw attention to Note 47 to the standalone Ind AS financial statements which mentions that the Company has paid remuneration to two Directors during the year ended 31 March 2017 and 31 March 2018, which is in excess of the limits given under section 197 read with Schedule V of the Companies Act, 2013 by ₹ 4.54 crores and ₹ 7.48 crores respectively. The Company has made an application to the Central Government for payment of the excess remuneration for which approval is awaited. Our opinion is not modified in respect of this matter.

**Other Matters**

The comparative financial information of the Company for the year ended 31 March 2017, prepared in accordance with Ind AS included in these standalone Ind AS financial statements have been audited by the predecessor auditor who had audited the financial statements for the relevant period. The report of the predecessor auditor on the comparative financial information dated 22 May 2017 expressed an unmodified opinion. Our opinion is not modified in respect of this matter.

**Report on Other Legal and Regulatory Requirements**

1. 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 A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
   d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
   e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act.
   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
   g) 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, 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 Ind AS financial statements; - Refer Note 25 to the standalone Ind AS financial statements.
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
      iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited standalone Ind AS financial statements for the year ended 31 March 2017 have been disclosed - Refer Note 46 to the standalone Ind AS financial statements.

For **B S R & Co. LLP**
*Chartered Accountants*
Firm's Registration No. 101248W/W-100022

**Vijay Mathur**
Partner
Membership No. 046476

Place: Mumbai
Date: 23 May 2018

## Annexure A to the Independent Auditor's Report - March 31, 2018

(Referred to in our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

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

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

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

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

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

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

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

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, goods and service tax, value added tax, cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

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

(viii) In our opinion and according to the information and explanations given to us and based on our examination of the records, the Company has not defaulted in the repayment of dues to banks. There are no dues to financial institutions, Government or debenture holders.

## Annexure A to the Independent Auditor's Report - March 31, 2018

(ix) According to the information and explanations given to usand based on our examination of the records, the term loans obtained by the Company were applied for the purpose for which the loans were obtained. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.

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

(xi) According to the information and explanations give to us and based on our examination of the records, the Company has paid/provided for managerial remuneration to two Directors during the year ended 31 March 2017 and 31 March 2018, which is in excess of the limits given under section 197 read with Schedule V of the Companies Act, 2013 by ₹ 4.54 crores and ₹ 7.48 crores respectively. The Company has made an application to the Central Government for payment of the excess remuneration for which approval is awaited.

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

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

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

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

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

For **B S R & Co. LLP**
*Chartered Accountants*
Firm's Registration No. 101248W/W-100022

**Vijay Mathur**
Partner
Membership No. 046476

Place: Mumbai
Date: 23 May 2018

# Annexure A to the Independent Auditor's Report - March 31, 2018

**Appendix I**

(₹ in Crores)

| Name of Statute | Nature of Dues | Amount (₹ Crores)* | Period to which the amount relates | Forum where dispute is pending |
|---|---|---|---|---|
| Central Excise Act, 1944 | Excise duty | 0.43 | 2002-03, 2004-07, 2005-08, 2007-12, 2008-09, 2009-10, 2009-11, 2009-14, 2010-11, 2011-12, 2011-13, 2012-13, 2013-14, 2014-15, 2015-16 | Assistant Commissioner |
| Central Excise Act, 1944 | Excise duty | 0.60 | 1993-97, 2009-13, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17 2012-14, 2013-14 | Joint Commissioner |
| Central Excise Act, 1944 | Excise duty | 1.40 | 2008-09, 2009-13, 2010-11, 2011-12, 2012-13, 2013-14, 2013-15, 2014-15, 2015-16 | Additional Commissioner |
| Central Excise Act, 1944 | Excise duty | 0.01 | 2006-10, 2009-10 | Deputy Commissioner |
| Central Excise Act, 1944 | Excise duty | 0.14 | 2010-11 | Commissioner |
| Central Excise Act, 1944 | Excise duty | 0.86 | 2005-06, 2009-10, 2014-15, 2011-14 | Commissioner (Appeals) |
| Central Excise Act, 1944 | Excise duty | - | 2009-10, 2012-14, 2013-14, 2013-15, 2014-15, 2015-16 | Superintendent |
| Central Excise Act, 1944 | Excise duty | 2.95 | 2008-11, 2009-13, 2010-11, 2013-16 | CESTAT |
| Central Excise Act, 1944 | Excise duty | 0.30 | 1997-98 | Tribunal |
| Central Excise Act, 1944 | Excise duty | 0.04 | 1995-96 | High Court |
| Central Excise Act, 1944 | Excise duty | 3.91 | 1993-97 | The Supreme Court |
| The Customs Act, 1962 | Customs duty | 2.63 | 2010-11 | Commissioner (Appeals) |
| The Customs Act, 1962 | Customs duty | 1.32 | 1978-93 | High Court |
| VAT Acts of Various States | VAT | 0.02 | 1997-98 | Sales Tax Officer |
| VAT Acts of Various States | VAT | 0.07 | 2000-01 | Commissioner (Appeals) |
| VAT Acts of Various States | VAT | 11.07 | 2003-04, 2005-06, 2010-11 | Deputy Commissioner |
| VAT Acts of Various States | VAT | 32.91 | 2002-03, 2003-04, 2006-07, 2007-08, 2008-09, 2009-10, 2011-12 | Joint Commissioner |
| VAT Acts of Various States | VAT | 1.96 | 2003-04, 2004-05, 2005-06, 2006-07 | Tribunal |
| Octroi | Octroi | 0.03 | 1997-98 | Deputy Commissioner |
| Octroi | Octroi | 0.24 | 1997-2003 | Tribunal |
| Octroi | Octroi | 0.02 | 1998-99, 2000-01 | The Supreme Court |
| Stamp Duty | Stamp duty | 1.82 | 2000-01 | Controlling Revenue Authority |
| Income-tax Act, 1961 | Income tax | 3.81 | AY 2006-2007, AY 2007-2008, AY 2008 - 2009 | Assessing Officer |
| Income-tax Act,1961 | Income tax | 5.86 | AY 2009 - 2010, AY 2013-2014 AY 2014-2015 | CIT |
| Income-tax Act, 1961 | Income tax | 19.96 | AY 2010-11, AY 2011-2012, AY 2012-13 | ITAT |
| Income-tax Act, 1961 | Income tax | 28.65 | AY 2009 - 2010, AY 2013-2014, AY 2014-2015 | High Court |

*Net of amounts paid in protest.

## Annexure B to the Independent Auditor's Report - March 31, 2018

(Referred to in our report of even date)

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act**

We have audited the internal financial controls over financial reporting of Godrej Industries Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone Ind AS 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 controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act 2013 ("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 on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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 controls based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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

## Annexure B to the Independent Auditor's Report - March 31, 2018

periods are subject to the risk that the internal financial controls 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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal controls 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 ICAI.

For **B S R & Co. LLP**
*Chartered Accountants*
Firm's Registration No. 101248W/W-100022

**Vijay Mathur**
Partner
Membership No. 046476

Place: Mumbai
Date: 23 May 2018

# Balance Sheet as at March 31, 2018

Amount ₹ in Crore

| Particulars | Note No. | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non Current Assets** | | | |
| Property, Plant and Equipment | 3 | **1,360.08** | 1,399.37 |
| Capital Work in Progress | | **7.66** | 3.99 |
| Investment Property | 3a | **132.02** | 126.20 |
| Other Intangible Assets | 3b | **1.78** | 0.90 |
| Financial Assets | | | |
| Investments in Subsidiaries and Associates | 4 | **2,828.20** | 2,785.27 |
| Other Investments | 4a | **0.02** | 0.02 |
| Loans | 5 | **3.74** | 3.18 |
| Other Financial Assets | 6 | **10.52** | 16.18 |
| Deferred Tax Assets (Net) | 7 | **0.87** | 2.65 |
| Other Tax Assets (Net) | | **12.78** | 18.99 |
| Other Non-Current Assets | 8 | **16.27** | 11.90 |
| **Current Assets** | | | |
| Inventories | 9 | **299.91** | 296.62 |
| Financial Assets | | | |
| Investments | 10 | **-** | - |
| Trade Receivables | 11 | **117.89** | 121.71 |
| Cash & cash Equivalents | 12a | **60.07** | 12.01 |
| Other Bank Balances | 12b | **1.72** | 3.06 |
| Loans | 13 | **0.17** | 0.17 |
| Other Financial Assets | 14 | **37.22** | 35.28 |
| Other Current Assets | 15 | **79.29** | 39.78 |
| **TOTAL ASSETS** | | **4,970.21** | 4,877.28 |
| **EQUITY AND LIABILITIES** | | | |
| **EQUITY** | | | |
| Equity Share Capital | 16 | **33.63** | 33.61 |
| Other Equity | 17 | **1,766.93** | 1,581.82 |
| Total Equity | | **1,800.56** | 1,615.43 |
| **LIABILITIES** | | | |
| **Non-Current Liabilities** | | | |
| Financial Liabilities | | | |
| Borrowings | 18 | **405.49** | 985.28 |
| Provisions | 19 | **7.04** | 5.15 |
| **Current Liabilities** | | | |
| Financial Liabilities | | | |
| Borrowings | 20 | **1,682.75** | 1,437.41 |
| Trade Payables | 21 | **352.21** | 311.97 |
| Other Financial Liabilities | 22 | **682.02** | 496.04 |
| | | **2,716.98** | 2,245.42 |
| Other Current Liabilities | 23 | **35.31** | 21.17 |
| Provisions | 24 | **4.83** | 4.83 |
| Total Liabilities | | **3,169.65** | 3,261.85 |
| **TOTAL EQUITY & LIABILITIES** | | **4,970.21** | 4,877.28 |
| Significant Accounting Policies | 2 | | |

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

As per our Report attached

For and on behalf of the Board of Directors of

**Godrej Industries Limited**

CIN No.: L24241MH1988PLC097781

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

**Vijay Mathur**
Partner
M.No.: 046476

Mumbai, May 23, 2018

**A. B. Godrej**
Chairman
DIN: 00065964

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

**N. B. Godrej**
Managing Director
DIN: 00066195

**Clement Pinto**
Chief Financial Officer

**Nilufer Shekhawat**
Company Secretary

# Statement of Profit and Loss for the year ended March 31, 2018

Amount ₹ in Crore

| Particulars | Note No. | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|---|---|---|
| Revenue from Operations | 27 | **1,986.32** | 1,602.17 |
| Other Income | 28 | **33.43** | 46.88 |
| **Total Income** | | **2,019.75** | 1,649.05 |
| **Expenses** | | | |
| Cost of Materials Consumed | 29 | **1,278.94** | 1,111.86 |
| Purchases of Stock-in-Trade | | **7.81** | 18.68 |
| Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress | 30 | **13.29** | (46.05) |
| Excise Duty | | **27.99** | 102.08 |
| Employee Benefits Expenses | 31 | **133.55** | 116.25 |
| Finance Costs | 32 | **212.43** | 207.86 |
| Depreciation and Amortisation Expense | | **68.58** | 52.43 |
| Other Expenses | 33 | **287.89** | 231.29 |
| **Total Expenses** | | **2,030.48** | 1,794.40 |
| Loss Before Exceptional Items and Tax | | **(10.73)** | (145.35) |
| Exceptional Items | 34 | **267.38** | - |
| Profit / (Loss) Before Tax | | **256.65** | (145.35) |
| **Tax Expense** | | | |
| Current Tax | | **4.32** | - |
| Deferred Tax | | **1.77** | (0.11) |
| Tax Liability of earlier years | | **9.16** | - |
| Total Tax Expenses | | **15.25** | (0.11) |
| Profit / (Loss) After Tax for the Year | | **241.40** | (145.24) |
| **Other Comprehensive Income** | | | |
| Items that will not be reclassified to Profit or Loss | | | |
| Remeasurements of defined benefit plans | | **(0.28)** | (1.92) |
| Income Tax on Items that will not be reclassified to Profit or Loss | | **-** | - |
| | | **(0.28)** | (1.92) |
| **Total Comprehensive Income/(Loss) for the Year** | | **241.12** | (147.16) |
| Earnings Per Equity Share (Face Value ₹ 1 each) | 35 | | |
| Basic | | **7.18** | (4.32) |
| Diluted | | **7.17** | (4.32) |
| Significant Accounting Policies | 2 | | |

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

As per our Report attached

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

**For BSR & Co. LLP**
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**Vijay Mathur**
Partner
M.No.: 046476

Mumbai, May 23, 2018

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**N. B. Godrej**
Managing Director
DIN: 00066195

**Clement Pinto**
Chief Financial Officer

**Nilufer Shekhawat**
Company Secretary

# Statement of Changes in Equity for the year ended March 31, 2018

## 1. Equity Share Capital

| Particulars | As at March 31, 2018 | | As at March 31, 2017 | |
|---|---|---|---|---|
| | No. of Shares | Amount ₹ in Crore | No. of Shares | Amount ₹ in Crore |
| Balance at the beginning of the year | **336,139,786** | **33.61** | 335,988,807 | 33.60 |
| Changes in equity share capital during the year | **132,945** | **0.02** | 150,979 | 0.01 |
| Balance at the end of the year | **336,272,731** | **33.63** | 336,139,786 | 33.61 |

## 2. Other Equity

Amount ₹ in Crore

| Particulars | Others Equity | | | | | | | Total |
|---|---|---|---|---|---|---|---|---|
| | Retained Earnings | General Reserve | Capital Redemption Reserve | Security Premium Reserve | Capital Reserve | Employee Stock Grant Outstanding | Foreign Currency Monetary Item Translation Difference Account | |
| **Balance at April 01, 2016** | 689.03 | 52.70 | 31.46 | 934.34 | 9.88 | 6.83 | (0.98) | 1,723.26 |
| Loss for the year | (145.24) | - | - | - | - | - | - | (145.24) |
| Other Comprehensive Income (net of tax) - Remeasurements of the defined benefit plans | (1.92) | - | - | - | - | - | - | (1.92) |
| Transfer from Employee Stock Option Grant | - | - | - | 4.87 | - | - | - | 4.87 |
| Exercise of Stock Grant (Net of Deferred Stock Grant Expense) | - | - | - | - | - | 4.74 | - | 4.74 |
| Transfer to Securities Premium on exercise of Stock Grants during the year | - | - | - | - | - | 4.87 | - | 4.87 |
| Foreign Currency Monetary Item Translation | - | - | - | - | - | - | 0.98 | 0.98 |
| **Balance at March 31, 2017** | **541.87** | **52.70** | **31.46** | **939.21** | **9.88** | **6.70** | **-** | **1,581.82** |
| Profit for the year | 241.40 | - | - | - | - | - | - | 241.40 |
| Other Comprehensive Income (net of tax) | (0.28) | - | - | - | - | - | - | (0.28) |
| Transfer from Employee Stock Option Grant | - | - | - | 4.49 | - | - | - | 4.49 |
| Exercise of Stock Grant (Net of Deferred Stock Grant Expense) | - | - | - | - | - | 5.22 | - | 5.22 |
| Grants Lapsed | - | - | - | - | - | (1.23) | - | (1.23) |
| Transfer to Securities Premium on exercise of Stock Grants during the year | - | - | - | - | - | (4.49) | - | (4.49) |
| Final Dividend paid | (58.85) | - | - | - | - | - | - | (58.85) |
| Dividend Distribution Tax (DDT) | (1.15) | - | - | - | - | - | - | (1.15) |
| **Balance at March 31, 2018** | **722.99** | **52.70** | **31.46** | **943.70** | **9.88** | **6.20** | **-** | **1,766.93** |

Refer Note 17 for Nature and Purpose of Reserves

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

As per our Report attached

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

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

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DIN: 00066195

**Clement Pinto**
Chief Financial Officer

**Nilufer Shekhawat**
Company Secretary

Mumbai, May 23, 2018

# Cash Flow Statement for the year ended March 31, 2018

Amount ₹ in Crore

| | Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|---|---|---|
| 1 | **Cash Flow From Operating Activities:** | | |
| | **Profit / (Loss) Before Tax** | **256.65** | (145.35) |
| | Adjustments for: | | |
| | Depreciation and Amortisation | **68.58** | 52.43 |
| | Unrealised Foreign Exchange gain | **(3.76)** | (10.15) |
| | Profit on Sale of Investments | **(268.68)** | (0.83) |
| | (Profit) / Loss on Sale, Write off and Provision of Property, Plant & equipments (Net) | **(0.19)** | 1.48 |
| | Interest Income | **(1.08)** | (9.34) |
| | Interest & Finance Charges | **212.43** | 207.86 |
| | Write back of Provision for Doubtful Loan | **-** | (5.70) |
| | Employee Share based Payments | **2.16** | 3.41 |
| | Provision for Doubtful Debts and Sundry Balances (net) | **0.08** | 1.75 |
| | **Operating Profit Before Working Capital Changes** | **266.19** | 95.56 |
| | Adjustments for : | | |
| | Increase/ (Decrease) in Non-financial Liabilities | **15.75** | (2.04) |
| | Increase/ (Decrease) in Financial Liabilities | **59.10** | 95.32 |
| | (Increase)/ Decrease in Inventories | **(3.29)** | (31.07) |
| | (Increase)/ Decrease in Non-financial Assets | **(50.76)** | 46.98 |
| | (Increase)/ Decrease in Financial Assets | **4.77** | 50.95 |
| | **Cash Generated from Operations** | **291.76** | 255.70 |
| | Direct Taxes Paid | **(7.26)** | (8.06) |
| | **Net Cash Generated from Operating Activities** | **284.50** | 247.64 |
| 2 | **Cash Flow from Investing Activities:** | | |
| | Purchase / Adjustment of Property, Plant & equipments, Investment Property & Intangibles | **(61.52)** | (62.18) |
| | Proceeds from Sale of Property, Plant & equipments | **0.99** | 2.49 |
| | Purchase of Investments | **(1,344.85)** | (1,059.78) |
| | Proceeds from Sale of Investments | **1,567.47** | 866.28 |
| | Intercorporate Deposits / Loans (net) | **6.81** | 17.82 |
| | Interest Received | **1.08** | 9.34 |
| | **Net Cash Generated from / (used in) Investing Activities** | **169.98** | (226.03) |

# Cash Flow Statement for the year ended March 31, 2018

Amount ₹ in Crore

| | Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|---|---|---|
| 3 | **Cash Flow from Financing Activities:** | | |
| | Proceeds from issue of Equity shares | **1.85** | 1.54 |
| | Proceeds from Non-Current Borrowings | **35.00** | 415.00 |
| | Proceeds from Current Borrowings | **3,657.12** | 2,591.95 |
| | Repayment of Non-Current Borrowings | **(437.44)** | (310.19) |
| | Repayment of Current Borrowings | **(3,391.21)** | (2,505.66) |
| | Interest & Finance Charges Paid | **(211.74)** | (209.33) |
| | Dividend Paid | **(58.85)** | - |
| | Tax on Distributed Profits | **(1.15)** | - |
| | **Net Cash (used in) / Generated from Financing Activities** | **(406.42)** | (16.69) |
| | **Net Increase in Cash and Cash Equivalents** | **48.06** | 4.92 |
| | Cash and Cash Equivalents (Opening Balance) | **12.01** | 7.09 |
| | Cash and Cash Equivalents (Closing Balance) | **60.07** | 12.01 |

**Notes :**

(Amount ₹ in Crore)

| | Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|---|
| 1 | **Cash and Cash Equivalents** | | |
| | Cash on Hand and Balances with Banks | **60.07** | 12.01 |
| | **Cash and Cash Equivalents** | **60.07** | 12.01 |

2 **Reconciliation of Liabilities arising from Financing activities**

| Particulars | As at March 31, 2017 | Cash Flow | Non Cash Changes | **As at March 31, 2018** |
|---|---|---|---|---|
| Non-Current Borrowings | 1,424.11 | (381.38) | (21.06) | **1,021.67** |
| Current Borrowings | 1,438.74 | 244.85 | - | **1,683.59** |
| **Total Borrowings** | 2,862.85 | (136.53) | (21.06) | **2,705.26** |

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

As per our Report attached of even date

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

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

**Vijay Mathur**
Partner
M.No.: 046476

Mumbai, May 23, 2018

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**N. B. Godrej**
Managing Director
DIN: 00066195

**Clement Pinto**
Chief Financial Officer

**Nilufer Shekhawat**
Company Secretary

# Notes to Standalone Financial Statements

## Note 1 : General Information

### 1 Corporate Information

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

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

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

### 2 Basis of Preparation

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

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

The standalone financial statements of the Company for the year ended March 31, 2018 were approved for issue in accordance with the resolution of the Board of Directors on May 23, 2018.

### 3 Functional and presentation currency

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

### 4 Key estimates and assumptions

The preparation of financial statements requires Management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable.

Information about critical judgments in applying accounting policies are in respect of leasess (determining) whether an arrangement contain a lease (Refer Note 17) that have the most significant effect on the carrying amounts of assets and liabilities and in respect of assumptions and estimates on uncertainties are as follows:

- Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalized.

## Notes to Standalone Financial Statements

- Impairment of Property, Plant and Equipments
- Recognition and measurement of defined benefit obligations
- Recognition of deferred tax assets
- Fair valuation of employee share options
- Discounting of long-term financial liabilities
- Fair value of financial instruments
- Provisions and Contingent liabilities

### 5 Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs which the Group has not applied as they are effective for annual periods beginning on or after April 1, 2018:

**Ind AS 115 Revenue from Contracts with Customers**

On March 28, 2018 the MCA, has notified the Ind AS 115, Revenue from Contracts with customers. Ind AS 115, establishes a comprehensive framework for determining whether, how much and when the revenue should be recognized. It replaces existing revenue recognition guidance, including Ind AS 18 Revenue. Ind AS 115 is effective for annual periods beginning on or after April 1, 2018 and will be applied accordingly. The Company is evaluating the impact of this amendment on its standalone financial statements.

**Ind AS 21 The Effect of Changes in Foreign Exchange Rates**

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Company is evaluating the impact of this amendment on its standalone financial statements.

### 6 Measurement of fair values

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

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

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

# Notes to Standalone Financial Statements

## Note 2 : Significant Accounting Policies

**1 Property, Plant and Equipment**

(i) Recognition and measurement

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

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

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

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

Exchange differences on repayment and year end translation of foreign currency loans availed upto March 31, 2016 relating to acquisition of depreciable capital assets are adjusted to the carrying cost of the assets.

(ii) Subsequent expenditure

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

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

(iii) Depreciation

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

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

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

a) Plant and Machinery - 7-30 years
b) Furniture and Fixtures - 7-10 years
c) Office Equipments - 2-5 years
d) Factory Building - 10-30 years
e) Non Factory Building - 10-60 years
f) Vehicles - 3-8 years
g) Leasehold land - Lower of useful life & Lease Period.
h) Assets costing less than INR 5,000 are depreciated at 100% in the year of acquisition.

# Notes to Standalone Financial Statements

## 2 Investment Property

(i) Recognition and measurement

Investment Property comprise of Freehold Land and Buildings.

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

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

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

(ii) Depreciation

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

## 3 Intangible Assets

(i) Recognition and measurement

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

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

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

(ii) Amortisation

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

The useful lives of Intangible assets are assessed as either finite or indefinite. The amortisation period and the amortisation method for an intangible asset with finite useful life are reviewed at the end of each reporting period. Changes in the expected useful life or expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

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

## 4 Impairment of non-financial assets

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

If the carrying amount of the assets exceed the estimated recoverable amount, impairment is recognized for such excess amount. The impairment loss is recognized as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

When there is indication that an impairment loss recognized for an asset in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss.

# Notes to Standalone Financial Statements

## 5 Investments in Subsidiaries, Associates and Jointly Controlled Entities

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

## 6 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is determined using the weighted average method. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

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

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

## 7 Cash and Cash Equivalents

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

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

## 8 Assets held for Sale

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

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

## 9 Financial Assets

(i) Initial recognition and measurement

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

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

(ii) Classification and Subsequent measurement

Financial assets are subsequently classified and measured at

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

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

## Notes to Standalone Financial Statements

(iii) Trade Receivables and Loans:

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

(iv) Debt Instruments

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

(a) Measured at amortised cost: Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

(b) Measured at fair value through other comprehensive income: Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'Other Income' in the Statement of Profit and Loss.

(c) Measured at fair value through profit or loss: A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'Other Income' in the Statement of Profit and Loss.

(v) Equity Instruments

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

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

(vi) Derecognition

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

(vii) Impairment of Financial Asset

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

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

# Notes to Standalone Financial Statements

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

**10 Financial Liabilities**

(i) Initial recognition and measurement

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

(ii) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

(iii) Derecognition

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

**11 Offsetting of financial instruments**

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

**12 Derivative financial instruments**

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

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

**13 Provisions and Contingent Liabilities**

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

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

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

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

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

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

# Notes to Standalone Financial Statements

**14 Revenue Recognition**

Sales are recognised when goods are supplied and significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of contracts and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods. Sales are inclusive of excise duty and net of returns, trade discounts, rebates and sales taxes / Goods and Service Tax (GST).

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

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

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

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

**15 Employee Benefits**

(i) Short-Term Employee Benefits

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

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

(ii) Post Employment Benefits

(a) Defined Contribution Plans

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

(b) Defined Benefit Plans

Gratuity Fund

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

Provident Fund

Provident Fund Contributions other than those made to the Regional Provident Fund Office of the Government which are made to the Trust administered by the Company are considered as Defined

## Notes to Standalone Financial Statements

Benefit Plans. The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company.

Pension

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

(iii) Other Long-Term Employee Benefits

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

(iv) Termination Benefits

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

**16 Share-Based Payments**

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

Under the equity settled share based payment, the fair value on the grant date of the awards given to employees is recognised as 'employee benefit expenses' with a corresponding increase in equity over the vesting period. The fair value of the options at the grant date is calculated on the basis of the Black Scholes model. At the end of each reporting period, apart from the non market vesting condition, the expense is reviewed and adjusted to reflect changes to the level of options expected to vest. When the options are exercised, the Company issues fresh equity shares.

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

**17 Operating Leases**

Leases of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under operating leases are recognized on a straight line basis over the lease term as an expense in the Statement of Profit and Loss, unless such payments are structured to increase in line with expected general inflation to compensate for the lessors expected inflationery cost increase.

**18 Research and Development Expenditure**

Revenue expenditure on Research & Development is charged to the Statement of Profit and Loss of the year in which it is incurred. Capital expenditure incurred during the year on Research & Development is included under additions to fixed assets.

**19 Borrowing Costs**

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

**20 Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

**21 Foreign Exchange Transactions**

(i) The financial statements of the Company are presented in Indian Rupee (INR), which is Company's functional and presentation currency.

## Notes to Standalone Financial Statements

(ii) Transactions in foreign currency are recorded at exchange rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currency, remaining unsettled at the period end are translated at closing rates. The difference in translation of monetary assets and liabilities and realised gains and losses on foreign currency transactions are recognised in the Statement of Profit and Loss. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

(iii) The difference in translation of long term monetary assets acquired and liabilities incurred prior to April 01, 2016 and realised gains and losses on foreign currency transactions relating to acquisition of depreciable capital assets are added to or deducted from the cost of the asset and depreciated over the balance life of the asset; and in other cases, accumulated in a Foreign Currency Monetary Item Translation Difference Account and amortised over the balance period of such long term asset / liability, by recognition as income or expense but not beyond March 31, 2020.

(iv) Realised gain or losses on cancellation of forward exchange contracts are recognised in the Standalone Statement of Profit and Loss of the period in which they are cancelled.

### 22 Taxes on Income

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

(i) Current Tax

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

(ii) Minimum Alternate Tax (MAT)

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

(iii) Deferred Tax

Deferred tax is recognized in respect of temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

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

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

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

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

Deferred Tax assets and liabilities are offset only if:

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

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

### 23 Earnings Per Share

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

# Notes to Standalone Financial Statements

## Note 3 : Property, Plant and Equipments

Amount ₹ in Crore

| Particulars | Freehold Land | Leasehold Land | Buildings | Plant & Machinery | Furniture & Fixtures | Vehicles - Own | Computer Hardware | Office Equipments | Research Centre | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **Gross Carrying Amount** | | | | | | | | | | |
| **Balance as at April 01, 2016** | 0.76 | 23.07 | 663.19 | 470.83 | 12.09 | 22.30 | 10.81 | 10.28 | 0.41 | 1,213.74 |
| Additions | - | - | 75.43 | 217.86 | 8.95 | 7.79 | 1.67 | 9.54 | 0.31 | 321.55 |
| Disposals / Adjustments | 0.24 | - | 3.33 | 38.80 | 1.58 | 0.89 | 0.13 | 0.49 | 0.12 | 45.58 |
| **Balance as at March 31, 2017** | **0.52** | **23.07** | **735.29** | **649.89** | **19.46** | **29.20** | **12.35** | **19.33** | **0.60** | **1,489.71** |
| Additions | - | - | 15.71 | 13.08 | 1.47 | 1.49 | 2.14 | 1.47 | 0.06 | 35.42 |
| Disposals / Adjustments | - | - | 8.41 | 0.02 | - | 0.54 | 0.08 | 0.04 | (0.04) | 9.05 |
| **Balance as at March 31, 2018** | **0.52** | **23.07** | **742.59** | **662.95** | **20.93** | **30.15** | **14.41** | **20.76** | **0.70** | **1,516.08** |
| | | | | | | | | | | |
| **Accumulated Depreciation** | | | | | | | | | | |
| **Balance upto March 31, 2016** | - | 0.24 | 13.56 | 17.11 | 2.13 | 3.39 | 2.49 | 3.18 | 0.01 | 42.11 |
| Additions | - | 0.28 | 15.96 | 20.44 | 2.10 | 3.87 | 3.98 | 3.14 | 0.10 | 49.87 |
| Disposals / Adjustments | - | - | 0.35 | 0.07 | 0.65 | 0.37 | 0.04 | 0.11 | 0.05 | 1.64 |
| **Balance upto March 31, 2017** | **-** | **0.52** | **29.17** | **37.48** | **3.58** | **6.89** | **6.43** | **6.21** | **0.06** | **90.34** |
| Additions | - | 0.28 | 16.99 | 34.76 | 2.00 | 3.99 | 4.26 | 3.54 | 0.13 | 65.95 |
| Disposals / Adjustments | - | - | 0.45 | (0.43) | - | 0.21 | 0.07 | - | (0.01) | 0.29 |
| **Balance upto March 31, 2018** | **-** | **0.80** | **45.71** | **72.67** | **5.58** | **10.67** | **10.62** | **9.75** | **0.20** | **156.00** |
| | | | | | | | | | | |
| Net Carrying Amount | | | | | | | | | | |
| Balance as at April 01, 2016 | 0.76 | 22.83 | 649.63 | 453.72 | 9.96 | 18.91 | 8.32 | 7.10 | 0.40 | 1,171.63 |
| Balance as at March 31, 2017 | 0.52 | 22.55 | 706.12 | 612.41 | 15.88 | 22.31 | 5.92 | 13.12 | 0.54 | 1,399.37 |
| **Balance as at March 31, 2018** | **0.52** | **22.27** | **696.88** | **590.28** | **15.35** | **19.48** | **3.79** | **11.01** | **0.50** | **1,360.08** |

**Notes :**

1. Refer Note No. 26 for disclosure of contractual commitments for the acquisition of Property, Plant and Equipments.
2. No Property, Plant and Equipment is pledged as security by the Company.
3. Addition to Property, Plant and Equipments includes ₹ 0.18 Crore (Previous year ₹(-) 7.85 Crore) on account of Exchange Difference arising on conversion of Long Term Foreign Currency Monetary Items relating to acquisition of depreciable assets.
4. Buildings includes certain Office Premises given on lease in exchange for similar Office Premises in the same building. [Gross Block - ₹ 94.72 Crore (Previous year - ₹ 94.72 Crore) and Net Carrying Amount - ₹ 90.40 Crore (Previous year- ₹ 91.90 Crore)]

# Notes to Standalone Financial Statements

## Note 3a : Investment Property

Amount ₹ in Crore

| Particulars | Freehold Land | Buildings | Total |
|---|---|---|---|
| **Gross Carrying Amount** | | | |
| **Balance as at April 01, 2016** | **0.38** | **130.09** | **130.47** |
| Additions | - | 0.02 | 0.02 |
| Disposals / Adjustments | - | 0.15 | 0.15 |
| **Balance as at March 31, 2017** | **0.38** | **129.96** | **130.34** |
| Additions | - | 8.41 | 8.41 |
| Disposals / Adjustments | - | - | - |
| **Balance as at March 31, 2018** | **0.38** | **138.37** | **138.75** |
| **Accumulated Depreciation** | | | |
| **Balance upto April 01, 2016** | **-** | **2.01** | **2.01** |
| Additions | - | 2.16 | 2.16 |
| Disposals / Adjustments | - | 0.03 | 0.03 |
| **Balance upto March 31, 2017** | **-** | **4.14** | **4.14** |
| Additions | - | 2.14 | 2.14 |
| Disposals / Adjustments | - | (0.45) | (0.45) |
| **Balance upto March 31, 2018** | **-** | **6.73** | **6.73** |
| **Net Carrying Amount** | | | |
| Balance as at April 01, 2016 | 0.38 | 128.08 | 128.46 |
| Balance as at March 31, 2017 | 0.38 | 125.82 | 126.20 |
| Balance as at March 31, 2018 | 0.38 | 131.64 | 132.02 |
| **Fair Value** | | | |
| As at April 01, 2016 | 4.15 | 218.23 | 222.38 |
| As at March 31, 2017 | 4.15 | 219.75 | 223.90 |
| As at March 31, 2018 | 4.15 | 189.94 | 194.09 |

**Notes :**

1. Information regarding income and expenditure of Investment Property

Amount ₹ in Crore

| Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|---|---|
| Rental income derived from investment properties | **9.05** | 6.22 |
| Direct operating expenses | **5.75** | 3.64 |
| Gains arising from investment properties before depreciation | **3.3** | 2.58 |
| Less : Depreciation | **2.14** | 2.16 |
| Gains arising from investment properties | **1.16** | 0.42 |

# Notes to Standalone Financial Statements

## Note 3a : Investment Property (Contd.)

2. The Company's investment properties consist of 10 properties in India. The Management has determined that the investment property consists of two classes of assets - Land and Building - based on the nature, characteristics and risks of each property.
3. The Company has no restriction on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.
4. The fair valuation is based on current prices in the active market for similar properties. The main input used are quantum, area, location, demand, age of building and trend of fair market rent in the location of the property.

   The fair value is based on valuation performed by an accredited independent valuer. Fair valuation is based on replacement cost method. The fair value measurement is categorised in level 2 fair value hierarchy.

5. Reconciliation of Fair Value

| Particulars | Freehold Land | Buildings | Total |
|---|---|---|---|
| Opening balance as at April 01, 2016 | 4.15 | 218.23 | 222.38 |
| Fair value differences | - | 1.50 | 1.50 |
| Purchases | - | 0.02 | 0.02 |
| Opening balance as at April 01, 2017 | 4.15 | 219.75 | 223.90 |
| Fair value differences | - | (38.22) | (38.22) |
| Purchases / Transfer from Property, Plant & Equipments | - | 8.41 | 8.41 |
| Closing balance as at March 31, 2018 | 4.15 | 189.94 | 194.09 |

## Note 3b : Other Intangible Assets

Amount ₹ in Crore

| Particulars | Computer Software |
|---|---|
| **Gross Carrying Amount** | |
| **Balance as at April 01, 2016** | **0.78** |
| Additions | 0.60 |
| Disposals / Adjustments | 0.10 |
| **Balance as at March 31, 2017** | **1.28** |
| Additions | 1.37 |
| Disposals / Adjustments | - |
| **Balance as at March 31, 2018** | **2.65** |
| **Accumulated Depreciation** | |
| **Balance upto April 01, 2016** | **0.08** |
| Additions | 0.40 |
| Disposals / Adjustments | 0.10 |
| **Balance upto March 31, 2017** | **0.38** |
| Additions | 0.49 |
| Disposals / Adjustments | - |
| **Balance upto March 31, 2018** | **0.87** |
| **Net Carrying Amount** | |
| Balance as at April 01, 2016 | 0.70 |
| Balance as at March 31, 2017 | 0.90 |
| Balance as at March 31, 2018 | 1.78 |

# Notes to Standalone Financial Statements

## Note 4 : Investments in Subsidiaries and Associates

Amount ₹ in Crore

| Particulars | Note | Face Value | As at March 31, 2018 Number | As at March 31, 2018 Amount | As at March 31, 2017 Number | As at March 31, 2017 Amount |
|---|---|---|---|---|---|---|
| Investment in Equity Instruments (Fully paid up unless stated otherwise) | | | | | | |
| (a) Quoted Investments | | | | | | |
| (i) Subsidiaries | | | | | | |
| Godrej Properties Limited | | 5 | **122,681,066** | **726.78** | 122,681,066 | 726.78 |
| Godrej Agrovet Limited | a | 10 | **111,357,225** | **325.64** | - | - |
| (ii) Associates | | | | | | |
| Godrej Consumer Products Limited | | 1 | **161,875,240** | **1,366.21** | 80,937,620 | 1,366.21 |
| (b) Unquoted Investments | | | | | | |
| (i) Subsidiaries | | | | | | |
| Ensemble Holdings & Finance Limited | b | 10 | **6,574,597** | **23.19** | 6,190,826 | 21.19 |
| Godrej Agrovet Limited | a | 10 | **-** | **-** | 117,878,964 | 344.71 |
| Godrej International Limited (Isle of Man) | | £1 | **2,105,000** | **14.76** | 2,105,000 | 14.76 |
| Godrej International Trading & Investments Pte. Limited | | $1 | **1,000,000** | **4.43** | 1,000,000 | 4.43 |
| Godrej International Limited (Labuan) * | | $1 | **-** | **-** | 1 | 0.00 |
| Natures Basket Limited | | 10 | **369,230,000** | **367.19** | 309,230,000 | 307.19 |
| Godrej One Premises Management Private Limited * | | 10 | **1,400** | **0.00** | 1,400 | 0.00 |
| | | | | **2,828.20** | | 2,785.27 |
| Aggregate Amount of Quoted Investments | | | | **2,418.63** | | 2,092.99 |
| Aggregate Amount of Unquoted Investments | | | | **409.57** | | 692.28 |
| Aggregate Amount of Impairment in Value of Investments | | | | **-** | | - |
| Market Value of Quoted Investments | | | | **33,687.03** | | 18,246.55 |

* Amount less than ₹ 0.01 Crore.

**Notes**

a During the year, the Company participated in Godrej Agrovet Limited (GAVL) IPO and sold 65,21,739 shares and earned a profit of ₹ 267.38 crore on sale of shares. The Company, however, continues to hold a controlling stake in GAVL

b The Investment value includes share application money of ₹ 1.99 crore as at March 31, 2017 in respect of which allottment of shares was pending.

# Notes to Standalone Financial Statements

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

Amount ₹ in Crore

| | Particulars | Note | Face Value | As at March 31, 2018 | | As at March 31, 2017 | |
|---|---|---|---|---|---|---|---|
| | | | | Number | Amount | Number | Amount |
| 1 | Investment in Equity Instruments (Fully Paid up unless stated otherwise) | | | | | | |
| | At Fair Value Through Profit and Loss | | | | | | |
| | (a) Unquoted Investments | | | | | | |
| | Bharuch Eco-Aqua Infrastructure Ltd. | | 10 | **440,000** | **0.44** | 440,000 | 0.44 |
| | Less : Provision for Impairment in the Value of Investment | | | | **(0.44)** | | (0.44) |
| | | | | | **-** | | - |
| | Avesthagen Ltd. | | 7 | **469,399** | **12.43** | 469,399 | 12.43 |
| | Less : Provision for Impairment in the Value of Investment | | | | **(12.43)** | | (12.43) |
| | | | | | **-** | | - |
| | CBay Infotech Ventures Pvt. Ltd. | | 10 | **112,579** | **2.33** | 112,579 | 2.33 |
| | Less : Provision for Impairment in the Value of Investment | | | | **(2.33)** | | (2.33) |
| | | | | | **-** | | - |
| | Gharda Chemicals Ltd. | a | 100 | **114** | **0.12** | 114 | 0.12 |
| | Less : Provision for Impairment in the Value of Investment | | | | **(0.12)** | | (0.12) |
| | | | | | **-** | | - |
| | HyCa Technologies Pvt. Ltd. | | 10 | **12,436** | **1.24** | 12,436 | 1.24 |
| | Less : Provision for Impairment in the Value of Investment | | | | **(1.24)** | | (1.24) |
| | | | | | **-** | | - |
| | Tahir Properties Ltd (Partly paid) * | b | 100 | **25** | **0.00** | 25 | 0.00 |
| | Boston Analytics Inc. | | $1 | **1,354,129** | **6.91** | 1,354,129 | 6.91 |
| | Less : Provision for Impairment in the Value of Investment | | | | **(6.91)** | | (6.91) |
| | | | | | **-** | | - |
| | The Saraswat Co-op Bank Ltd. | | 10 | **1,000** | **0.02** | 1,000 | 0.02 |
| 2 | Investment In Partnership Firms | | | | | | |
| | At Fair Value Through Profit and Loss | | | | | | |
| | View Group LP * | c | | | **0.00** | | 0.00 |
| | Less : Provision for Impairment in the Value of Investment | | | | **0.00** | | 0.00 |
| | | | | | **-** | | - |
| | | | | | **0.02** | | 0.02 |
| | Aggregate Amount of Quoted Investments | | | | **-** | | - |
| | Aggregate Amount of Unquoted Investments | | | | **23.49** | | 23.49 |
| | Aggregate Amount of Impairment in Value of Investments | | | | **(23.47)** | | (23.47) |
| | Market Value of Quoted Investments | | | | **-** | | - |

* Amount less than ₹ 0.01 Crore.

**Notes**

a The said shares have been refused for registration by the investee company.

b Uncalled Liability on partly paid shares
- Tahir Properties Ltd. - Equity - ₹ 80 per share (Previous year - ₹ 80 per share).

c View Group LP has been dissolved on December 14, 2012, however, the Company has still not received an approval from RBI for writing-off the investment.

# Notes to Standalone Financial Statements

## Note 5 : Non-Current Financial Assets - Loans

Amount ₹ in Crore

| | Particulars | As at March 31, 2018 | | As at March 31, 2017 | |
|---|---|---|---|---|---|
| 1 | Security Deposits | | | | |
| | (a) Unsecured and Considered Good | | **3.24** | | 2.75 |
| | (b) Unsecured and Considered Doubtful | **0.95** | | 0.95 | |
| | Less : Allowance for Bad and Doubtful Deposit | **(0.95)** | | (0.95) | |
| | Net Unsecured and Considered Doubtful | | **-** | | - |
| 2 | Other Loans | | | | |
| | (a) Secured and Considered Doubtful (Refer note 1 below) | **10.33** | | 10.33 | |
| | Less : Allowance for Bad and Doubtful Loans | **(10.33)** | | (10.33) | |
| | | | **-** | | - |
| | (b) Unsecured and Considered Good | | | | |
| | Loans to employees | | **0.50** | | 0.43 |
| | | | **3.74** | | 3.18 |

**Notes**

1 The Company had advanced an amount of ₹ 10.33 Crore to certain individuals who also pledged certain equity shares as security against the said advance. The Company has enforced its security and lodged the shares for transfer in its name. The said transfer application was rejected and Company has preferred an appeal to the Company Law Board (CLB). The CLB rejected the application and advised the parties to approach the High Court. The Company had filed an appeal before the Hon'ble High Court against the order of the Company Law Board under Section 10 F of the Companies Act, which was disposed of with the direction to keep the transfer of shares in abeyance till the arbitration proceedings between the parties are on. The Hon'ble Bombay High Court passed an interim order dated September 18, 2012, restraining the Company from interalia, dealing, selling or creating third party rights, etc. in the pledged shares and referred the matter to arbitration. The Company had filed a Special Leave Petition (SLP) before the Supreme Court against this interim order of the Hon'ble Bombay High Court which the Supreme Court has dismissed and the matter is presently before the Arbitrator.

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

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

Amount ₹ in Crore

| | Particulars | As at March 31, 2018 | | As at March 31, 2017 | |
|---|---|---|---|---|---|
| | | **Maximum Balance During the Year** | **Amount outstanding** | Maximum Balance During the Year | Amount Outstanding |
| 1 | Loans where there is no repayment schedule | | | | |
| | (i) Federal & Rashmikant | **5.83** | **5.83** | 5.83 | 5.83 |
| | (ii) M/s Dhruv & Co. (Regd.) | **4.18** | **4.18** | 4.18 | 4.18 |
| | (iii) D. R. Kavasmaneck & Dr. P. R. Kavasmaneck | **0.32** | **0.32** | 0.32 | 0.32 |
| 2 | Loans to Employees | **0.50** | **0.50** | 0.51 | 0.43 |

# Notes to Standalone Financial Statements

## Note 6 : Non-Current Financial Assets - Others

Amount ₹ in Crore

| | Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|---|
| 1 | Fair Value of Derivative Contracts | **0.86** | - |
| 2 | Secured | | |
| | (a) Interest Accrued on Loans (Refer Note 1 below) | **3.15** | 3.15 |
| | Provision for Doubtful Interest Accrued | **(3.15)** | (3.15) |
| | | **-** | - |
| 3 | Unsecured | | |
| | (a) Interest Accrued on Loans | **1.03** | 1.03 |
| | Provision for Doubtful Interest Accrued | **(1.03)** | (1.03) |
| | | **-** | - |
| 4 | Balances with Statutory Authorities | **9.66** | 16.18 |
| | | **10.52** | 16.18 |

**Note**

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

## Note 7 : Deferred Tax Assets (Net)

Amount ₹ in Crore

| | Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|---|
| **1** | **Liabilities** | | |
| | (a) Written Down Value of Assets | **109.79** | 130.71 |
| **2** | **Assets** | | |
| | (a) Provision for Employee Benefits | **1.76** | 2.31 |
| | (b) Provision for Doubtful Debts / Advances | **6.31** | 6.27 |
| | (c) Other Provisions | **9.07** | 10.76 |
| | (d) Unabsorbed Depreciation | **92.65** | 111.37 |
| | (e) Indexation benefit on Land | **0.87** | 2.65 |
| | | **0.87** | 2.65 |

## Note 8 : Other Non-Current Assets

Amount ₹ in Crore

| | Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|---|
| 1 | Capital Advances | **13.65** | 9.28 |
| 2 | Other Advances | | |
| | (a) Deposits with Statutory Authorities | **2.62** | 2.62 |
| | | **16.27** | 11.90 |

# Notes to Standalone Financial Statements

## Note 9 : Inventories

Amount ₹ in Crore

| | Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|---|
| 1 | Raw Materials [includes Goods in transit ₹ 29.42 Crore (Previous year ₹ 8.27 Crore)] | **124.69** | 107.93 |
| 2 | Packing Material | **4.35** | 3.41 |
| 3 | Work in Progress | **89.81** | 88.88 |
| 4 | Finished Goods [includes Goods in transit ₹ 15.94 Crore, (Previous year ₹ 19.66 Crore)] | **72.26** | 78.66 |
| 5 | Stock in Trade | **0.02** | 7.84 |
| 6 | Stores and Spares | **8.78** | 9.90 |
| | | **299.91** | 296.62 |

**Notes**

1 Inventories are valued at lower of cost and net realisable value. Cost is computed on weighted average basis and is net of cenvat.

2 Working capital facilities sanctioned by banks under consortium arrangement are secured by hypothecation of stocks.

## Note 10 : Current Financial Assets - Investments

Amount ₹ in Crore

| | Particulars | Note | Face Value | As at March 31, 2018 | | As at March 31, 2017 | |
|---|---|---|---|---|---|---|---|
| 1 | Other Investment | | | | | | |
| | (a) Unquoted Investment | | | | | | |
| | Optionally Convertible Loan Notes/Promissory Notes | | | | | | |
| | Boston Analytics Inc. (15%) | a | $ 750,000 | **3.00** | | 3.00 | |
| | Less : Provision for Impairment in the Value of Investment | | | **(3.00)** | | (3.00) | |
| | | | | | **-** | | - |
| | Boston Analytics Inc. (20%) | a | $ 15,50,000 | **6.73** | | 6.73 | |
| | Less : Provision for Impairment in the Value of Investment | | | **(6.73)** | | (6.73) | |
| | | | | | **-** | | - |
| | Boston Analytics Inc. (12%) | b | $ 950,000 | **4.69** | | 4.69 | |
| | Less : Provision for Impairment in the Value of Investment | | | **(4.69)** | | (4.69) | |
| | | | | | **-** | | - |
| | | | | | **-** | | - |
| | Aggregate Amount of Quoted Investments | | | | **-** | | - |
| | Aggregate Amount of Unquoted Investments | | | | **14.42** | | 14.42 |
| | Aggregate Amount of Impairment in Value of Investments | | | | **(14.42)** | | (14.42) |
| | Market Value of Quoted Investments | | | | **-** | | - |

Notes

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

b 12% promissory notes were repayable on or before December 31, 2011, along with interest on maturity. The said promissory notes have not been redeemed as of the Balance Sheet date and have been fully provided for.

# Notes to Standalone Financial Statements

## Note 11 : Current Financial Assets - Trade Receivables

Amount ₹ in Crore

| | Particulars | As at March 31, 2018 | | As at March 31, 2017 | |
|---|---|---|---|---|---|
| 1 | Secured and Considered Good (Refer Note below) | | **7.36** | | 12.48 |
| 2 | Unsecured and Considered Good | | **110.53** | | 109.23 |
| 3 | Unsecured and Considered Doubtful | **2.97** | | 2.89 | |
| | Less : Allowance for Bad and Doubtful Debt | **(2.97)** | | (2.89) | |
| | | | **-** | | - |
| | | | **117.89** | | 121.71 |

**Note**

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

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

Amount ₹ in Crore

| | Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|---|
| 1 | Balances with Banks | | |
| | (a) Current Accounts | **58.92** | 10.98 |
| | (b) Deposits having maturity less than 3 months | **0.80** | 0.80 |
| 2 | Cash on Hand | **0.35** | 0.23 |
| | | **60.07** | 12.01 |

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

Amount ₹ in Crore

| | Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|---|
| 1 | Deposits with more than 3 months but less than 12 months maturity | **1.17** | 2.50 |
| 2 | Other Bank Balances (Refer Note below) | **0.55** | 0.56 |
| | | **1.72** | 3.06 |

**Notes**

Other Bank Balances include :

1 Fixed Deposit of ₹ 0.19 Crore (Previous year ₹ 0.19 Crore) held by the bank as security against guarantees issued.

2 Balance of ₹ 0.33 Crore (Previous year ₹ 0.34 Crore) unclaimed dividends.

# Notes to Standalone Financial Statements

## Note 13 : Current Financial Assets - Loans

Amount ₹ in Crore

| | Particulars | As at March 31, 2018 | | As at March 31, 2017 | |
|---|---|---|---|---|---|
| 1 | Unsecured Loans | | | | |
| | (a) Inter Corporate Deposit | | | | |
| | Considered Good | - | | - | |
| | Considered Doubtful | 5.77 | | 5.77 | |
| | Provision for Doubtful Deposit | (5.77) | | (5.77) | |
| | | | - | | - |
| | (b) Current Maturity of Long term Loans | | | | |
| | Considered Good | 0.17 | | 0.17 | |
| | Considered Doubtful* | 0.00 | | 0.00 | |
| | Provision for Doubtful Loan* | 0.00 | | 0.00 | |
| | | | 0.17 | | 0.17 |
| | | | 0.17 | | 0.17 |

*Amount less than ₹ 0.01 crore

**Note**

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

Amount ₹ in Crore

| | Particulars | As at March 31, 2018 | | As at March 31, 2017 | |
|---|---|---|---|---|---|
| | | Maximum Balance During the Year | Amount Outstanding | Maximum Balance During the Year | Amount Outstanding |
| 1 | Investments by the loanee in the shares of parent company and subsidiary company (without considering the ESOP Trust Loan Liability) | | | | |
| | GIL ESOP Trust | - | - | 24.61 | - |
| 2 | Loans to Employees | 0.17 | 0.17 | 0.18 | 0.17 |
| 3 | Inter Corporate Deposit | | | | |
| | Tricom India Limited | 5.77 | 5.77 | 5.77 | 5.77 |

## Note 14 : Current Financial Assets - Others

Amount ₹ in Crore

| | Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|---|
| 1 | Other Receivables | 23.09 | 15.66 |
| 2 | Fair Value of Derivative Contracts | 0.01 | 0.12 |
| 3 | Forward Cover Contracts Receivable | 0.90 | 2.26 |
| 4 | Interest Accrued on Loans and Deposits | 0.02 | 6.90 |
| 5 | Export Benefits Receivables | 13.20 | 10.34 |
| | | 37.22 | 35.28 |

# Notes to Standalone Financial Statements

## Note 15 : Other Current Assets

Amount ₹ in Crore

| | Particulars | As at March 31, 2018 | | As at March 31, 2017 | |
|---|---|---|---|---|---|
| 1 | Deposits | | | | |
| | (a) Deposits with Statutory Authorities | **36.63** | | 14.88 | |
| | (b) Other Deposits | **2.47** | | 1.98 | |
| | | | **39.10** | | 16.86 |
| 2 | Other Advances | | | | |
| | (a) Advance to Suppliers | | | | |
| | Considered Good | **12.38** | | 1.12 | |
| | Considered Doutful | **0.74** | | 0.65 | |
| | Provision for Doubtful Advances | **(0.74)** | | (0.65) | |
| | | | **12.38** | | 1.12 |
| | (b) Employee Advance | | **0.02** | | 0.08 |
| | (c) Prepaid and other advances | | **17.89** | | 16.62 |
| 3 | Export Benefits Receivables | | **9.90** | | 5.10 |
| | | | **79.29** | | 39.78 |

# Notes to Standalone Financial Statements

## Note 16 : Equity

Amount ₹ in Crore

| | Particulars | As at March 31, 2018 Nos. | As at March 31, 2018 Amount | As at March 31, 2017 Nos. | As at March 31, 2017 Amount |
|---|---|---|---|---|---|
| 1 | **Authorised Share Capital** | | | | |
| | (a) Equity shares of ₹ 1 each | **800,000,000** | **80.00** | 800,000,000 | 80.00 |
| | (b) Unclassified Shares of ₹ 10 each | **100,000,000** | **100.00** | 100,000,000 | 100.00 |
| | | | **180.00** | | 180.00 |
| 2 | **Issued, Subscribed and Paid up Share Capital** | | | | |
| | Equity Shares of ₹ 1 each fully paid up | **336,272,731** | **33.63** | 336,139,786 | 33.61 |
| | Par Value of Equity Share is ₹ 1 each | | | | |
| | Par Value of Unclassified Share is ₹ 10 each | | | | |
| 3 | **Reconciliation of number of Shares** | | | | |
| | Equity Shares | | | | |
| | Number of Shares outstanding at the beginning of the year | **336,139,786** | **33.61** | 335,988,807 | 33.60 |
| | Issued during the year | **132,945** | **0.02** | 150,979 | 0.01 |
| | Number of Shares outstanding at the end of the year | **336,272,731** | **33.63** | 336,139,786 | 33.61 |
| 4 | **Rights, Preferences and Restrictions attached to Shares** | | | | |
| | Equity Shares : The Company has one class of equity shares. Each equity share entitles the holder to one vote. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholding. | | | | |
| 5 | **Share holding Information** | | | | |
| | (a) Equity Shares held by Holding Company: | | | | |
| | Vora Soaps Limited | **193,904,681** | **19.39** | 193,904,681 | 19.39 |
| | (b) Shareholders holding more than 5% of Equity Shares in the Company: | | | | |
| | Vora Soaps Limited - 57.66% (previous year 57.69%) | **193,904,681** | **19.39** | 193,904,681 | 19.39 |
| 6 | **Equity Shares Reserved for Issue Under Employee Stock Grant (₹ 1 each)** | | | | |
| | Employee Stock Grant for which vesting date shall be such date as may be decided by the Compensation Committee (*) | | | | |
| | (a) Employee Stock Grant vesting on 31/05/17 | **-** | **-** | 148,998 | 0.01 |
| | (b) Employee Stock Grant vesting on 30/11/17 | **-** | **-** | 1,513 | 0.00 |
| | (c) Employee Stock Grant vesting on 31/03/18 | **2,075** | **0.00** | 2,075 | 0.00 |
| | (d) Employee Stock Grant vesting on 31/05/18 | **109,052** | **0.01** | 97,223 | 0.01 |
| | (e) Employee Stock Grant vesting on 30/09/18 | **807** | **0.00** | 807 | 0.00 |
| | (f) Employee Stock Grant vesting on 30/11/18 | **3,454** | **0.00** | - | - |
| | (g) Employee Stock Grant vesting on 31/05/19 | **72,234** | **0.01** | 47,985 | 0.00 |
| | (h) Employee Stock Grant vesting on 31/05/20 | **31,758** | **0.00** | - | - |
| | The exercise period in respect of the stock grants mentioned above is one month. | | | | |
| 7 | **During the period of five years immediately preceeding the date as at which the Balance Sheet is prepared :** | | | | |
| | Pursuant to the Scheme of Amalgamation of Wadala Commodities Limited (WCL) with the Company : | | | | |
| | (i) 2,00,243 equity shares allotted as fully paid up to the Equity Shareholders of WCL and 10 equity shares allotted as fully paid up to the Perference Shareholders of WCL, without payment being received in cash. | | | | |
| | (ii) 67,627 equity shares have been allotted as fully paid up bonus shares to the non-promoter shareholders of the Company. | | | | |
| 8 | **There are no calls unpaid.** | | | | |
| 9 | **There are no forfeited shares.** | | | | |

(*) Amount less than ₹ 0.01 Crore.

**Note**

In the FY 2014-15, the Hon'ble Bombay High Court and High Court of Madhya Pradesh, Indore Bench, approved a Scheme of Amalgamation ("Scheme") of Wadala Commodities Limited (WCL) with the Company effective from April 1, 2014, being the appointed date. The Effective Date was November 21, 2014, being the date of filing the approval of the Respective High Courts with the ROC. Accordingly, the Company had issued 200,243 equity shares of the Company in lieu of the equity shares in WCL and 10 equity shares of the Company in lieu of the preference shares in WCL held by the shareholders of the erstwhile WCL and also issued 67,504 bonus equity shares of the Company to the non-promoter shareholders of the Company.

In current year, the Company has issued Nil (Previous year 38) bonus equity shares of the Company to the non-promoter shareholders on exercise of ESGS options.

# Notes to Standalone Financial Statements

## Note 17 : Other Equity

**A Summary of Other Equity Balances**

Amount ₹ in Crore

| | Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|---|
| 1 | Capital Redemption Reserve | **31.46** | 31.46 |
| 2 | Securities Premium Account | **943.70** | 939.21 |
| 3 | Capital Reserve | **9.88** | 9.88 |
| 4 | Employee Stock Grants Reserve | **6.20** | 6.70 |
| 5 | General Reserve | **52.70** | 52.70 |
| 6 | Retained Earnings | **722.99** | 541.87 |
| | | **1,766.93** | 1,581.82 |

Refer Statement of Changes in Equity for detailed movement in Equity balance

**B Nature and purpose of reserve**

1 Capital Redemption Reserve : The Company recognised Capital Redemption Reserve on buyback of equity shares from its retained earnings.

2 Securities Premium Account : The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium reserve.

3 Capital Reserve : During amalgamation, the excess of net assets taken, over the cost of consideration paid is treated as capital reserve.

4 Employee Stock Grants Outstanding : The fair value of the equity-settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to Employee Stock Options Outstanding Account.

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

6 Retained Earnings : Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

# Notes to Standalone Financial Statements

## Note 18 : Non Current Financial Liabilities - Borrowings

Amount ₹ in Crore

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Unsecured Borrowings | | |
| Term Loans | | |
| (i) From Banks (Refer Note 1 below) | **372.15** | 918.61 |
| (ii) From Other Parties (Refer Note 2 below) | **33.34** | 66.67 |
| | **405.49** | 985.28 |

**Notes:**

**1 Unsecured Loans from Banks**

Amount ₹ in Crore

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Loan carries interest rate at Base Rate for an original term upto 36 months and repayable starting September 2018 to March 2019. | **-** | 100.00 |
| Loan carries interest at Base Rate/ 1 year MCLR for an original term upto 36 months and repayable starting December 2018 to June 2019. | **25.00** | 50.00 |
| Loan carries interest at 3 Months MCLR for an original term upto 36 months and repayable starting March 2019 to September 2019. | **50.00** | 100.00 |
| Loan carries interest at Fixed rate of 8.50% p.a for an original term upto 60 months and repayable starting June 2018 to March 2022. | **93.75** | 125.00 |
| Loan carries interest at 1 year MCLR for an original term upto 60 months and repayable starting June 2018 to March 2022. | **67.50** | 90.00 |
| Loan carries interest at 1 year MCLR for an original term upto 60 months and repayable starting July 2018 to April 2022. | **28.44** | - |
| Loan carries interest at 6 Months MCLR + 1.50 % p.a. for an original term upto 36 months and repayable starting June 2018 to March 2019. | **-** | 100.00 |
| Loan carries interest at 3 year MCLR + 0.05% p.a. for an original term upto 36 months and repayable starting November 2018 to August 2019. | **25.00** | 50.00 |
| Loan carries interest at SBI Base Rate + 0.35% p.a. for an original term upto 36 months and repayable starting July 2017 to April 2018. | **-** | 25.00 |
| Loan carries interest at LIBOR + 2.05% p.a. for an original term upto 60 months and repayable by August 2018. | **-** | 32.44 |
| Loan carries interest at LIBOR + 2.40% p.a., fixed under IRS at 4.28% p.a for an original term upto 60 months and repayable by July 2019. | **41.18** | 122.93 |
| Loan carries interest at LIBOR + 2.35% p.a., fixed under IRS at 4.25% p.a for an original term upto 60 months and repayable by July 2019. | **27.61** | 82.43 |
| Loan carries interest at LIBOR + 2.45% p.a., fixed under IRS at 4.39% p.a for an original term upto 60 months and repayable by July 2019. | **13.67** | 40.83 |

**2 Unsecured Loans from Others**

Amount ₹ in Crore

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Loan carries interest at SBI Base Rate + 0.35% p.a. for an original term upto 60 months and repayable by March 2020. | **16.67** | 33.33 |
| Loan carries interest at SBI Base Rate + 0.35% p.a. for an original term upto 60 months and repayable by March 2020. | **16.67** | 33.34 |

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

# Notes to Standalone Financial Statements

## Note 19 : Non Current Provisions

Amount ₹ in Crore

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Provision for Employee Benefits | | |
| (a) Defined Benefit Obligation | **5.55** | 3.51 |
| (b) Other Long Term Benefit | **1.49** | 1.64 |
| | **7.04** | 5.15 |

## Note 20 : Current Financial Liabilities - Borrowings

Amount ₹ in Crore

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| 1 Secured Borrowings | | |
| (a) Loans Repayable on Demand | | |
| (i) From Banks (Refer Note 1 below) | **0.61** | 0.26 |
| 2 Unsecured Borrowings | | |
| (a) Loans Repayable on Demand | | |
| (i) From Banks (Refer Note 2 below) | **57.14** | 62.15 |
| (b) Short Term Loans | | |
| (i) From Banks (Refer Note 2 below) | **1,010.00** | 465.00 |
| (c) Other Loans | | |
| (i) Commercial Papers (Refer Note 3 below) | **615.00** | 910.00 |
| | **1,682.75** | 1,437.41 |

**Notes:**

1 Working capital facilities sanctioned by banks under consortium arrangement are secured by hypothecation of stocks and book debts.

2 Unsecured Loans from Bank

Amount ₹ in Crore

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Loan carries interest rate at 1 month MCLR repayable by April 2018 | **220.00** | - |
| Loan carries interest rate at 1 month MCLR repayable by May 2018 | **260.00** | - |
| Loan carries interest rate at 1 month MCLR repayable by June 2018 | **155.00** | - |
| Loan carries interest rate at 3 months MCLR repayable by June 2018 | **160.00** | - |
| Loan carries interest rate from 7.55% p.a. to 7.88% p.a. repayable by June 2018 | **150.00** | - |
| Loan carries interest rate at 3 months MCLR + 0.25% p.a. repayable by June 2018 | **65.00** | - |
| Loan carries interest rate at 1 months MCLR repayable by May 2017 | **-** | 90.00 |
| Loan carries interest rate at 3 months MCLR repayable by May 2017 | **-** | 50.00 |
| Loan carries interest rate at 1 month MCLR + 0.05% p.a. repayable by April 2017 | **-** | 30.00 |
| Loan carries interest rate at 3 months MCLR + 0.10 % p.a. repayable by April 2017 | **-** | 75.00 |
| Loan carries interest rate at 3 months MCLR repayable by June 2017 | **-** | 130.00 |
| Loan carries interest rate at 1 month MCLR repayable by April 2017 | **-** | 90.00 |
| Loan carries interest at Base Rate repayable within 6 months | **57.14** | 62.15 |

3 Commercial Papers

Amount ₹ in Crore

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Commercial Papers carries interest at 7.1% p.a. to 7.25% p.a. repayable during the period April to June 2018. | **615.00** | - |
| Commercial Papers carries interest at 6.30% p.a. to 6.70% p.a. repayable during the period April to June 2017. | **-** | 910.00 |

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

# Notes to Standalone Financial Statements

## Note 21 : Current Financial Liabilities - Trade Payables

Amount ₹ in Crore

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| 1 Trade Payables | | |
| (a) Outstanding dues of Micro and Small Enterprises (Refer Note 1 below) | **8.86** | 4.53 |
| (b) Others | **279.96** | 307.44 |
| 2 Acceptances | **63.39** | - |
| | **352.21** | 311.97 |

**Note**

1 Disclosure of outstanding dues of Micro and Small Enterprise under Trade Payables is based on the information available with the Company regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006. There is no undisputed amount overdue as on March 31, 2018, to Micro, Small and Medium Enterprises on account of principal or interest.

## Note 22 : Current Financial Liabilities - Others

Amount ₹ in Crore

| Particulars | As at March 31, 2018 | | As at March 31, 2017 | |
|---|---|---|---|---|
| 1 Current Maturities of Long Term Debts | | | | |
| Unsecured | | | | |
| (a) Term Loan from Bank | **582.85** | | 405.50 | |
| (b) Term Loan from Others | **33.33** | | 33.33 | |
| | | **616.18** | | 438.83 |
| 2 Interest Accrued but not Due on Borrowings | | **6.83** | | 6.11 |
| 3 Unclaimed Dividends | | **0.33** | | 0.35 |
| 4 Unclaimed Matured Deposits | | | | |
| (a) Principal Amount | **0.84** | | 1.33 | |
| (b) Interest accrued Thereon | **0.06** | | 0.09 | |
| | | **0.90** | | 1.42 |
| 5 Others | | | | |
| (a) Sundry Creditors | **50.53** | | 40.15 | |
| (b) Deposits | **7.17** | | 6.07 | |
| (c) Derivative Contracts Payable | **-** | | 2.92 | |
| (d) Other Payables | **0.08** | | 0.19 | |
| | | **57.78** | | 49.33 |
| | | **682.02** | | 496.04 |

**Note**

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

# Notes to Standalone Financial Statements

## Note 23 : Other Current Liabilities

Amount ₹ in Crore

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Advances from Customers | **5.02** | 6.86 |
| Statutory Liabilities | **29.23** | 13.49 |
| Other Liabilities | **1.06** | 0.82 |
| | **35.31** | 21.17 |

## Note 24 : Current Provisions

| | | | |
|---|---|---|---|
| Provision for Employee Benefits | | | |
| (a) | Defined Benefit Obligation | **4.19** | 4.20 |
| (b) | Other Long Term Benefit | **0.64** | 0.63 |
| | | **4.83** | 4.83 |

Amount ₹ in Crore

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| **Note 25 : Contingent Liabilities** | | |
| **1 Claims against the Company not acknowledged as debts** | | |
| (a) Excise duty / Service Tax demands relating to disputed classification, post manufacturing expenses, assessable values, etc. which the Company has contested and is in appeal at various levels. | 10.65 | 11.33 |
| (b) Customs Duty demands relating to lower charge, differential duty, classification, etc. | 3.94 | 3.94 |
| (c) Sales Tax demands relating to purchase tax on Branch Transfer / disallowance of high seas sales, etc. at various levels. | 46.03 | 46.03 |
| (d) Octroi demand relating to classification issue on import of Palm Stearine and interest thereon. | 0.29 | 0.29 |
| (e) Stamp duties claimed on certain properties which are under appeal by the Company. | 1.82 | 1.82 |
| (f) Income tax demands against which the Company has preferred appeals. | 58.28 | 67.93 |
| (g) Industrial relations matters under appeal. | 0.47 | 2.57 |
| (h) Others. | 5.61 | 1.68 |
| **2 Surety Bonds** | | |
| Surety Bonds given by the Company in respect of refund received from excise authority for exempted units of associate company - refer note 1 below. | 26.88 | 26.88 |

**Notes**

1 Detail of Guarantee given covered under section 186 (4) of the Companies Act, 2013 :
The Corporate surety bond of ₹ 26.88 Crore ( previous year ₹ 26.88 Crore) is in respect of refund received from excise authority for exempted units (North East) of Godrej Consumer Products Limited, an associate company.

2 The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

3 It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

# Notes to Standalone Financial Statements

## Note 26 : Commitments

Amount ₹ in Crore

| | Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|---|
| 1 | Estimated amount of contracts remaining to be executed on capital account and not provided for, [Net of Advances amounting to ₹ 13.65 Crore (previous year - ₹ 3.26 Crore)] | **12.25** | 7.75 |
| 2 | Uncalled liability on partly paid shares / debentures (*) | **0.00** | 0.00 |
| 3 | Other Long Term Commitments | | |
| | Contracts for Purchase of Raw Material | **75.43** | 65.39 |
| | * Amount less than ₹ 0.01 Crore | | |

## Note 27 : Revenue From Operations

Amount ₹ in Crore

| | | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|---|---|---|
| 1 | Sale of Products (Refer Note 1 below) | **1,751.97** | 1,526.62 |
| 2 | Other Operating Revenues | | |
| | (a) Export Incentives | **19.91** | 15.52 |
| | (b) Sale of Scrap | **1.42** | 1.86 |
| | (c) Dividend Income (Refer Note 2 below) | **198.74** | 46.94 |
| | (d) Rental Income | **14.28** | 11.23 |
| | | **1,986.32** | 1,602.17 |

**Notes**

1 The Government of India introduced the Goods and Service Tax (GST) with effect from July 01, 2017, consequently revenue from operations for the period July 01, 2017 to March 31, 2018 is net of GST. However, revenue for the year ended March 31, 2017 is inclusive of Excise Duty and hence, total revenue from operations for the year ended March 31, 2018 and year ended March 31, 2017 are not comparable.

2 Dividend Income has been disclosed under Revenue from Operations since Finance and Investments is an Operating Business Segment for the Company.

## Note 28 : Other Income

Amount ₹ in Crore

| | Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|---|---|---|
| 1 | Interest Income | **1.08** | 9.34 |
| 2 | Gain on Foreign Exchange Translation | **-** | 1.67 |
| 3 | Profit on Sale of Property, Plant and Equipments (Net) | **0.19** | 0.77 |
| 4 | Profit on Sale of Current Investments | **1.30** | 0.83 |
| 5 | Write back of Provision for Doubtful Loan | **-** | 5.70 |
| 6 | Miscellaneous Income | **30.86** | 28.57 |
| | | **33.43** | 46.88 |

# Notes to Standalone Financial Statements

## Note 29 : Cost of Materials Consumed

Amount ₹ in Crore

| | Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|---|---|---|
| 1 | Raw Materials Consumed | | |
| | Inventory at the Commencement of the Year | **107.93** | 126.58 |
| | Add : Purchases (Net) | **1,247.05** | 1,051.36 |
| | | **1,354.98** | 1,177.94 |
| | Less : Inventory at the Close of the Year | **124.69** | 107.93 |
| | | **1,230.29** | 1,070.01 |
| 2 | Packing Materials Consumed | | |
| | Inventory at the Commencement of the Year | **3.41** | 2.83 |
| | Add : Purchases (Net) | **49.59** | 42.43 |
| | | **53.00** | 45.26 |
| | Less : Inventory at the Close of the Year | **4.35** | 3.41 |
| | | **48.65** | 41.85 |
| | Total Material Consumed (1+2) | **1,278.94** | 1,111.86 |

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

| | | | |
|---|---|---|---|
| 1 | Inventory at the Commencement of the Year | | |
| | Finished Goods | **78.66** | 54.50 |
| | Stock-in-Trade | **7.84** | 0.90 |
| | Work-in-Progress | **88.88** | 73.93 |
| | | **175.38** | 129.33 |
| 2 | Inventory at the end of the Year | | |
| | Finished Goods | **72.26** | 78.66 |
| | Stock-in-Trade | **0.02** | 7.84 |
| | Work-in-Progress | **89.81** | 88.88 |
| | | **162.09** | 175.38 |
| | Changes in Inventories (1-2) | **13.29** | (46.05) |

## Note 31 : Employee Benefits Expenses

| | | | |
|---|---|---|---|
| 1 | Salaries and Wages | **114.93** | 96.57 |
| 2 | Contribution to Provident and Other Funds | **7.80** | 6.83 |
| 3 | Employee Share based payments | **2.16** | 3.41 |
| 4 | Staff Welfare Expense | **8.66** | 9.44 |
| | | **133.55** | 116.25 |

## Note 32 : Finance Costs

| | | | |
|---|---|---|---|
| 1 | Interest Expense | **198.09** | 194.82 |
| 2 | Exchange Differences regarded as an adjustment to Borrowing Costs | **-** | 2.47 |
| 3 | Other Borrowing Costs | **14.34** | 10.57 |
| | | **212.43** | 207.86 |

# Notes to Standalone Financial Statements

## Note 33 : Other Expenses

Amount ₹ in Crore

| Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|---|---|
| 1 Consumption of Stores and Spares | **11.03** | 7.30 |
| 2 Power and Fuel | **90.50** | 77.14 |
| 3 Processing Charges | **5.88** | 4.16 |
| 4 Rent (Refer Note 1) | **7.34** | 3.61 |
| 5 Rates and Taxes | **5.55** | 6.07 |
| 6 Repairs and Maintenance | | |
| (a) Machinery | **13.51** | 9.98 |
| (b) Buildings | **9.58** | 8.93 |
| (c) Other Assets | **0.43** | 0.48 |
| 7 Insurance | **1.75** | 1.59 |
| 8 Freight | **43.38** | 27.50 |
| 9 Commission | **4.82** | 4.43 |
| 10 Advertisement and Publicity | **1.80** | 1.71 |
| 11 Selling and Distribution Expenses | **13.37** | 8.53 |
| 12 Provision for Doubtful Debts and Advances | **0.08** | 1.75 |
| 13 Loss on Foreign Exchange Translation | **2.39** | - |
| 14 Research Expense | **1.16** | 1.18 |
| 15 Legal and Professional fees | **20.53** | 14.96 |
| 16 Auditor's Remuneration (Refer Note 2) | **0.77** | 1.06 |
| 17 Miscellaneous Expenses | **54.02** | 50.91 |
| | **287.89** | 231.29 |

**Notes :**

1 Rental expenses amounting to ₹ 9.13 Crore (previous year ₹ 9.12 Crore) are netted off with rental income in respect of certain premises in the same building.

2 Auditor's Remuneration

Amount ₹ in Crore

| Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|---|---|
| (a) Audit Fees | **0.74** | 0.72 |
| (b) Tax Audit Fees | **-** | 0.10 |
| (c) Taxation Matters | **-** | 0.19 |
| (d) Certification and Other Services | **0.03** | 0.04 |
| (e) Reimbursement of Expenses | **-** | 0.01 |
| | **0.77** | 1.06 |

## Note 34 : Exceptional Item

Amount ₹ in Crore

| Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|---|---|
| Profit on sale of Non-Current Investments | **267.38** | - |
| | **267.38** | - |

# Notes to Standalone Financial Statements

## Note 35 : Earnings Per Share

| Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|---|---|
| **1 Calculation of weighted average number of equity shares - Basic** | | |
| (a) Number of equity shares at the beginning of the year (in units) | **336,139,786** | 335,988,807 |
| (b) Number of equity shares issued during the year (in units) | **132,945** | 150,979 |
| (c) Number of equity shares outstanding at the end of the year (in units) | **336,272,731** | 336,139,786 |
| (d) Weighted average number of equity shares outstanding during the year (in units) | **336,244,991** | 336,032,962 |
| **2 Calculation of weighted average number of equity shares - Diluted** | | |
| (a) Number of potential equity shares at the beginning of the year (in units) | **336,482,336** | 336,321,903 |
| (b) Number of potential equity shares at the end of the year (in units) | **336,272,731** | 336,482,336 |
| (c) Weighted average number of potential equity shares outstanding during the year (in units) | **336,484,969** | 336,404,105 |
| **3 Profit / (Loss) for the Year** (Amount ₹ in Crore) | **241.40** | (145.24) |
| (a) Basic Earnings Per Share of ₹ 1 each | **7.18** | (4.32) |
| (b) Diluted Earnings Per Share of ₹ 1 each | **7.17** | (4.32) |

## Note 36 : Income Tax Expense

1 Tax Expense recognised in the Statement of Profit and Loss

Amount ₹ in Crore

| Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|---|---|
| Current Income Tax | **4.32** | - |
| Deferred Income Tax Liability / (Asset), net | | |
| Origination and reversal of temporary differences | **19.68** | 28.56 |
| Recognition of previously unrecognised tax losses | **(17.91)** | (28.67) |
| Deferred Tax Expense | **1.77** | (0.11) |
| Tax Liability of earlier years | **9.16** | - |
| Tax Expense For the Year | **15.25** | (0.11) |
| 2 Amounts recognised in Other Comprehensive Income | | |
| Items that will not be reclassified to Profit or Loss | | |
| Remeasurements of defined benefit liability (asset) | **(0.28)** | (1.92) |
| Income Tax | **-** | - |
| | **(0.28)** | (1.92) |

# Notes to Standalone Financial Statements

## Note 36 : Income Tax Expense (Contd.)

3 Reconciliation of effective tax rate

Amount ₹ in Crore

| Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|---|---|
| Profit / (Loss) Before Tax | **256.65** | (145.35) |
| Tax using the Company's statutory tax rate | **88.82** | (50.30) |
| Tax effect of | | |
| Income not subject to tax | **(77.74)** | (18.74) |
| Amounts which are not deductible for taxable income | **0.70** | 1.44 |
| Previously unrecognised tax losses and unabsorbed depreciation now recouped to reduce deferred tax expense | **(17.91)** | (28.67) |
| Deferred tax assets not recognised because realisation is not probable | **6.13** | 96.27 |
| Additional tax paid on book profits | **4.32** | - |
| Current Tax pertaining to prior years | **9.16** | - |
| Others | **1.77** | (0.11) |
| | **15.25** | (0.11) |

The applicable statutory tax rate for the years ended March 31, 2018 and March 31, 2017 is 34.61%. The Company pays income taxes under MAT. The Company has not recognised Deferred tax assets on unused tax losses, unused tax credits and deductible temporary differences as there is no reasonable certainty of availing the same in future years against normal taxes.

4 Movement in deferred tax balances

Amount ₹ in Crore

| Particulars | Net balance April 1, 2017 | Recognised in Statement of Profit and Loss | Net balance March 31, 2018 | Deferred tax asset March 31, 2018 | Deferred tax liability March 31, 2018 |
|---|---|---|---|---|---|
| Deferred tax asset | | | | | |
| Property, Plant and Equipment | (130.71) | **20.92** | **(109.79)** | **-** | **(109.79)** |
| Indexation benefit on land and shares | 2.65 | **(1.78)** | **0.87** | **0.87** | |
| Employee benefits | 2.31 | **(0.55)** | **1.76** | **1.76** | |
| Provision for Doubtful Debts / Advances | 6.27 | **0.04** | **6.31** | **6.31** | |
| Unabsorbed Depreciation | 111.37 | **(18.72)** | **92.65** | **92.65** | |
| Other provisions | 10.76 | **(1.69)** | **9.07** | **9.07** | |
| Net tax assets | 2.65 | **(1.77)** | **0.87** | **110.66** | **(109.79)** |

Amount ₹ in Crore

| Particulars | Net balance April 1, 2016 | Recognised in Statement of Profit and Loss | Net balance March 31, 2017 | Deferred tax asset March 31, 2017 | Deferred tax liability March 31, 2017 |
|---|---|---|---|---|---|
| Deferred tax asset | | | | | |
| Property, Plant and Equipment | (114.80) | (15.91) | (130.71) | - | (130.71) |
| Indexation benefit on land and shares | 2.53 | 0.12 | 2.65 | 2.65 | |
| Employee benefits | 2.38 | (0.07) | 2.31 | 2.31 | |
| Provision for Doubtful Debts / Advances | 6.66 | (0.38) | 6.28 | 6.28 | |
| Unabsorbed Depreciation | 96.17 | 15.20 | 111.37 | 111.37 | |
| Other provisions | 9.59 | 1.16 | 10.75 | 10.75 | |
| Tax assets (Liabilities) | 2.53 | 0.11 | 2.65 | 133.36 | (130.71) |
| Set off tax | | | | | |
| Net tax assets | 2.53 | 0.11 | 2.65 | 133.36 | (130.71) |

# Notes to Standalone Financial Statements

## Note 36 : Income Tax Expense (Contd.)

4 Movement in deferred tax balances (Contd.)

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

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

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Details of unused tax losses and unused tax credit is given in note 5 & 6 below.

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

During the year, the Company has not accounted for tax credits in respect of Minimum Alternative Tax (MAT credit) of ₹ 4.32 Crore (previous year ₹ Nil). The Company is not reasonably certain of availing the said MAT credit in future years against the normal tax expected to be paid in those years and accordingly has not recognised a deferred tax asset for the same.

5 Tax losses carried forward

Amount ₹ in Crore

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Expiry date | | |
| 31/3/2020 | **30.19** | 30.19 |
| 31/3/2021 | **22.34** | 22.34 |
| 31/3/2023 | **93.27** | 93.27 |
| 31/3/2024 | **110.09** | 110.09 |
| 31/3/2025 | **133.22** | 133.22 |
| 31/3/2026 | **139.33** | - |
| | **528.44** | 389.11 |
| Unabsorbed Depreciation never expires | **434.21** | 295.22 |

6 Tax credit carried forward

| | | |
|---|---|---|
| Expiry date | | |
| 31/3/2020 | **10.92** | 10.92 |
| 31/3/2021 | **7.48** | 7.48 |
| 31/3/2022 | **19.04** | 19.04 |
| 31/3/2023 | **16.87** | 16.87 |
| 31/3/2026 | **3.90** | 3.90 |
| 31/3/2027 | **6.01** | 3.90 |
| 31/3/2028 | **4.94** | - |
| | **68.54** | 64.22 |

# Notes to Standalone Financial Statements

## Note 37 : Leases

Operating Leases Granted by the Company

The Company has entered into Leave and Licence agreements in respect of its commercial and residential premises. The non-cancelable portion of the leases range between 3 months to 60 months and are renewable by mutual consent on mutually acceptable terms. Leave and Licence arrangements are similar in substance to operating leases. The Company has also granted lease for freehold land. The aggregate future minimum lease receipts are as under :

Amount ₹ in Crore

| Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|---|---|
| Lease Income Recognised in the Statement of Profit and Loss | **8.96** | 5.01 |
| Future Lease Income | | |
| - Within one year | **9.28** | 5.77 |
| - Later than one year and not later than five years | **21.33** | 5.48 |
| - Later than five years | **-** | - |

Lease Taken by the Company

The Company's significant leasing arrangements are in respect of operating lease for land, office premises, residential premises, machinery and storage tanks. The aggregate lease rentals paid by the Company are charged to the Statement of Profit and Loss.

Amount ₹ in Crore

| Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|---|---|
| Lease Payment recognised in the Statement of Profit and Loss | **7.34** | 3.61 |
| Future Lease Commitments | | |
| - Within one year | **6.98** | 4.53 |
| - Later than one year and not later than five years | **19.23** | 7.67 |
| - Later than five years | **1.31** | 2.56 |

## Note 38 : Employee Benefits

**1 Defined Contribution Plan**

Provident Fund :

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

**2 Defined Benefit Plan**

Gratuity :

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

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

# Notes to Standalone Financial Statements

## Note 38 : Employee Benefits (Contd.)

Provident Fund :

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

The Company has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. These administered rates are determined annually predominantly considering the social rather than economic factors and the actual return earned by the Company has been higher in the past years. The actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the below provided assumptions there is no shortfall as at March 31, 2018.

| **Particulars** | Amount ₹ in Crore |
|---|---|
| Plan assets at period end, at fair value | 110.40 |
| Provident Fund Corpus | 107.58 |

Valuation assumptions under Deterministic Approach:

| | |
|---|---|
| Weighted Average Yield | 8.61% |
| Weighted Average YTM | 8.86% |
| Guaranteed Rate of Interest | 8.55% |

**Pension :**

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

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

The expected return on plan assets of 7.78% p.a. has been considered based on the current investment pattern in Government securities.

**4 Amounts Recognised as Expense :**

i) Defined Contribution Plan

Employer's Contribution to Provident Fund amounting to ₹ 2.96 Crore (previous year ₹ 2.55 Crore) has been included in Note 32 Employee Benefits Expenses

ii) Defined Benefit Plan

Gratuity cost amounting to ₹ 1.69 Crore (previous year ₹ 1.60 Crore) has been included in Note 32 Employee Benefits Expenses.

Employer's Contribution to Provident Fund amounting to ₹ 2.04 Crore (previous year ₹ 2.04 Crore) has been included in Note 32 Employee Benefits Expenses.

Pension cost amounting to ₹ 0.10 Crore (previous year ₹ 0.14 Crore) has been included in Note 32 Employee Benefits Expenses.

# Notes to Standalone Financial Statements

## Note 38 : Employee Benefits (Contd.)

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

Amount ₹ in Crore

| | Particulars | Gratuity | | Pension | |
|---|---|---|---|---|---|
| | | **Year ended March 31, 2018** | Year ended March 31, 2017 | **Year ended March 31, 2018** | Year ended March 31, 2017 |
| 1 | **Change in Present Value of Obligation** | | | | |
| | Present value of the obligation at the beginning of the year | **36.69** | 36.95 | **0.53** | 0.46 |
| | Current Service Cost | **1.44** | 1.33 | **-** | - |
| | Interest Cost | **2.71** | 2.91 | **-** | - |
| | Contribution by Plan Participants | | | | |
| | Actuarial (Gain) / Loss on Obligation due to change in financial assumptions | **(0.68)** | 2.45 | **0.10** | 0.21 |
| | Actuarial (Gain) / Loss on Obligation due to experience | **0.93** | (0.08) | **-** | - |
| | Benefits Paid | **(6.02)** | (6.87) | **(0.10)** | (0.14) |
| | Present value of the obligation at the end of the year | **35.07** | 36.69 | **0.53** | 0.53 |
| 2 | **Change in Plan Assets** | | | | |
| | Fair value of Plan Assets at the beginning of the year | **33.33** | 33.55 | **-** | - |
| | Expected return on Plan Assets | **2.46** | 2.64 | **-** | - |
| | Actuarial (Gain) / Loss on Plan Assets | **0.04** | (0.45) | **-** | - |
| | Contributions by the Employer | **-** | 3.41 | **-** | - |
| | Benefits Paid | **(6.02)** | (6.72) | **-** | - |
| | Fair value of Plan Assets at the end of the year | **29.73** | 33.33 | **-** | - |
| 3 | **Amounts Recognised in the Balance Sheet :** | | | | |
| | Present value of Obligation at the end of the year | **35.07** | 36.69 | **-** | - |
| | Fair value of Plan Assets at the end of the year | **29.73** | 33.33 | **-** | - |
| | Net Obligation at the end of the year | **5.34** | 3.36 | **-** | - |
| 4 | **Amounts Recognised in the statement of Profit and Loss :** | | | | |
| | Current Service Cost | **1.44** | 1.33 | **-** | - |
| | Interest cost on Obligation | **2.71** | 2.91 | **-** | - |
| | Expected return on Plan Assets | **(2.46)** | (2.64) | **-** | - |
| | Net Cost Included in Personnel Expenses | **1.69** | 1.60 | **-** | - |
| 5 | **Amounts Recognised in Other Comprehensive Income (OCI):** | | | | |
| | Actuarial (Gain) / Loss on Obligation For the Year | **0.24** | 2.37 | **-** | - |
| | Return on Plan Assets, Excluding Interest Income | **0.04** | (0.45) | **-** | - |
| | Net (Income) / Expense For the Period Recognised in OCI | **0.28** | 1.92 | **-** | - |
| 6 | **Actual Return on Plan Assets** | **2.42** | 3.09 | **-** | - |
| 7 | **Estimated Contribution to be made in Next Financial Year** | **3.38** | 3.40 | **-** | - |
| 8 | **Actuarial Assumptions** | | | | |
| | i) Discount Rate | **7.78% p.a.** | 7.39% p.a. | **7.78% p.a.** | 7.39% p.a. |
| | ii) Expected Rate of Return on Plan Assets | **7.39% p.a.** | 7.39% p.a. | **-** | - |
| | iii) Salary Escalation Rate | **6.00% p.a.** | 6.00% p.a. | **-** | - |
| | iv) Employee Turnover | **1.00% p.a.** | 1.00% p.a. | **1.00% p.a.** | 1.00% p.a. |
| | v) Mortality | **Indian Assured Lives Mortality (2006-08) Ultimate** | Indian Assured Lives Mortality (2006-08) Ultimate | **Indian Assured Lives Mortality (2006-08) Ultimate** | Indian Assured Lives Mortality (2006-08) Ultimate |

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

# Notes to Standalone Financial Statements

## Note 38 : Employee Benefits (Contd.)

**6 Sensitivity Benefits**

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

Amount ₹ in Crore

| Particulars | Year ended March 31, 2018 | | Year ended March 31, 2017 | |
|---|---|---|---|---|
| | Increase | Decrease | Increase | Decrease |
| Discount rate (1% movement) | **(1.62)** | **1.82** | (1.68) | 1.89 |
| Future salary growth (1% movement) | **1.83** | **(1.66)** | 1.90 | (1.72) |
| Rate of employee turnover (1% movement) | **0.19** | **(0.21)** | 0.14 | (0.16) |

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

**7 Expected future benefit payments of Gratuity**

Amount ₹ in Crore

| Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|---|---|
| March 31, 2018 | **-** | 9.28 |
| March 31, 2019 | **8.79** | 3.02 |
| March 31, 2020 | **2.97** | 4.28 |
| March 31, 2021 | **3.60** | 3.51 |
| March 31, 2022 | **3.64** | 3.52 |
| March 31, 2023 | **2.64** | - |
| Thereafter | **13.50** | 12.55 |

**8 Details of Plan Assets**

| | | |
|---|---|---|
| ICICI Prudential Life Insurance | **3.51** | 4.32 |
| HDFC Standard Life Insurance | **7.45** | 6.97 |
| SBI Life Insurance | **18.77** | 22.04 |
| **Total** | **29.73** | 33.33 |

## Note 39 : Employee Stock Benefit Plans

### 1 Employee Stock Option Plans

In December 2005, the Company had instituted an Employee Stock Option Plan I (GIL ESOP I) as approved by the Board of Directors and the Shareholders, for the allotment of 15,00,000 options, increased to 90,00,000 options on split of shares convertible into 90,00,000 equity shares of ₹ 1 each to eligible employees of participating companies. The maximum number of options that may be granted per employee per year shall not exceed 600,000 options.

In July 2009, the Company had instituted an Employee Stock Option Plan II (GIL ESOP II) as approved by the Board of Directors and the Shareholders, for the allotment of 90,00,000 options convertible into 90,00,000 shares of ₹ 1 each to eligible employees of participating companies. The maximum number of options that may be granted per employee per year shall not exceed 1,000,000 options.

The Plans are administered by an independent ESOP Trust created with IL&FS Trust Co. Ltd. which purchased from the market shares equivalent to the number of options granted by the Compensation Committee. Pursuant to SEBI notification dated January 17, 2013, no further securities of the Company will be purchased from the open market. The particulars of the plans and movements during the year are as under :

# Notes to Standalone Financial Statements

## Note 39 : Employee Stock Benefit Plans (Contd.)

**ESOP I**

| Particulars | Year ended March 31, 2018 | | Year ended March 31, 2017 | |
|---|---|---|---|---|
| | **No. of Options** | **Wt. average exercise price ₹ ( * )** | No. of Options | Wt. average exercise price ₹ ( * ) |
| Options Outstanding at the Beginning of the Year | **204,250** | **406.52** | 2,049,500 | 420.63 |
| Options Exercised During the Year | **158,250** | **405.75** | 1,645,000 | 420.84 |
| Options Forfeited / Expired During the Year | **46,000** | **409.16** | 200,250 | 423.73 |
| Options Outstanding at the Year End | **-** | **-** | 204,250 | 406.52 |

**ESOP II**

| | **No. of Options** | **Wt. average exercise price ₹ ( * )** | No. of Options | Wt. average exercise price ₹ ( * ) |
|---|---|---|---|---|
| Options Outstanding at the Beginning of the Year | **-** | **-** | 230,500 | 377.99 |
| Options Exercised During the Year | **-** | **-** | 230,500 | 377.99 |
| Options Outstanding at the Year End | **-** | **-** | - | - |

( * ) The weighted average exercise price stated above is the price of the equity shares on the grant date increased by the interest cost to the ESOP Trust at the prevailing rates upto March 31, 2012.

The total excess shares at the year end are Nil (Previous year 66,250).

The weighted average balance life of ESOP I options outstanding as on March 31, 2018 is Nil years.

The Options granted shall vest after three / five years from the date of grant of option, provided the employee continues to be in employment and the option is exercisable within two / four years after vesting.

**2 Employee Stock Grant Scheme**

(a) The Company had set up the Employees Stock Grant Scheme 2011 (ESGS) pursuant to the approval by the Shareholders at their Meeting held on January 17, 2011.

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

(c) The Scheme applies to the Eligible Employees who are in whole time employment of the Company or its Subsidiary Companies. The entitlement of each employee would be decided by the Compensation Committee of the respective Company based on the employee's performance, level, grade, etc.

(d) The total number of Stock Grants to be awarded under the ESGS Scheme are restricted to 25,00,000 (Twenty-five Lac) fully paid up equity shares of the Company. Not more than 5,00,000 (Five Lac) fully paid up equity shares or 1% of the issued equity share capital at the time of awarding the Stock Grant, whichever is lower, can be awarded to any one employee in any one year.

# Notes to Standalone Financial Statements

## Note 39 : Employee Stock Benefit Plans (Contd.)

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

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

(g) The Exercise Price of the shares has been fixed at ₹ 1 per share. The fair value of the employee share options has been measured using the Black-Scholes Option Pricing Model and charged to the Statement of Profit and Loss. The value of the options is treated as a part of employee compensation in the financial statements and is amortised over the vesting period.

Following table lists the average inputs to the model used for the plan for the year ended March 31, 2018:

| **Particulars** | **Year ended March 31, 2018** | Year ended March 31, 2017 | **Description of the Inputs used** |
|---|---|---|---|
| Dividend yield % | **0.30%** | 0.50% | Dividend yield of the options is based on recent dividend activity. |
| Expected volatility % | **30%-32%** | 33%-34% | Expected volatility of the option is based on historical volatility, during a period equivalent to the option life, of the observed market prices of the Company's publicly traded equity shares. |
| Risk free Interest rate % | **6.54% to 6.80%** | 7.88% to 7.94% | Risk-free interest rates are based on the government securities yield in effect at the time of the grant. |
| Expected life of share options | **1 to 3 years** | 1 to 3 years | |
| Weighted Average Market price on date of granting the options | **578** | 347.05 | |

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

| **Particulars** | **Year ended March 31, 2018** | Year ended March 31, 2017 | Weighted average Exercise Price (₹) | Weighted average Share Price (₹) |
|---|---|---|---|---|
| Options Outstanding at the Beginning of the Year | **298,601** | 333,096 | 1.00 | |
| Options Granted | **103,828** | 160,395 | | |
| Options Vested | **134,866** | 148,319 | | |
| Options Exercised | **132,945** | 150,941 | | 339.51 |
| Options Lapsed / Forfeited | **50,104** | 43,949 | | |
| **Total Options Outstanding at the end of the year** | **219,380** | 298,601 | | |

(i) The weighted average exercise price of the options outstanding as on March 31, 2018 is ₹ 1 (previous year ₹ 1 per share) and the weighted average remaining contractual life of the options outstanding as on March 31, 2018 is 0.79 years (previous year 0.83 years).

# Notes to Standalone Financial Statements

## Note 40: Related Party Information

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

**Parties where control exists**

1 Vora Soaps Ltd. (Holding Co.)

2 Godrej Agrovet Limited - Subsidiary Co.

2.1 Godvet Agrochem Limited

2.2 Astec LifeSciences Limited (including its following wholly owned subsidiaries)

2.2.1 Behram Chemicals Private Limited

2.2.2 Astec Europe Sprl

2.2.3 Comercializadora Agricola Agroastrachem Cia Ltda

2.3 Creamline Dairy Products Limited

2.3.1 Nagavalli Milkline Private Limited

**Joint Venture**

2.4 Godrej Tyson Foods Limited

2.5 ACI Godrej Agrovet Private Limited, Bangladesh

2.6 Omnivore India Capital Trust

**Associates**

2.7 Alrahba International Trading LLC

2.8 Godrej Maxximilk Private Limited

3 Godrej Properties Limited - Subsidiary Co.

3.1 Godrej Project Development Private Limited

3.2 Godrej Buildcon Private Limited

3.3 Godrej Garden City Properties Private Limited

3.4 Godrej Green Homes Limited (up to March 12, 2018)

3.5 Godrej Home Developers Private Limited

3.6 Godrej Hill Side Properties Private Limited

3.7 Godrej Land Developers LLP

3.8 Godrej Developers & Properties LLP (up to October 29, 2017)

3.9 Godrej Highrises Realty LLP

3.10 Godrej Prakriti Facilities Private Limited

3.11 Godrej Project Developers & Properties LLP

3.12 Godrej Highrises Properties Private Limited

3.13 Godrej Genesis Facilities Management Private Limited

3.14 Prakritiplaza Facilities Management Private Limited

3.15 City Star Infraprojects Limited

3.16 Godrej Residency Private Limited

3.17 Godrej Skyview LLP

3.18 Godrej Green Properties LLP

3.19 Godrej Projects (Pune) LLP

3.20 Godrej Projects (Soma) LLP

3.21 Godrej Projects North LLP *( Formerly known Godrej Projects (Bluejay) LLP)*

3.22 Godrej Athenmark LLP

3.23 Godrej Vestamark LLP

3.24 Godrej Irismark LLP (up to January 23, 2018)

3.25 Godrej Avamark LLP

3.26 Godrej Properties Worldwide Inc, USA

3.27 Godrej Investment Advisors Private Limited (up to June 21, 2017)

3.28 Godrej Fund Management Pte Limited (up to June 21, 2017)

# Notes to Standalone Financial Statements

## Note 40: Related Party Information (Contd.)

**Joint Venture**

3.29 Godrej Property Developers LLP
3.30 Godrej Realty Private Limited
3.31 Mosiac Landmarks LLP
3.32 Godrej Landmark Redevelopers Private Limited
3.33 Godrej Redevelopers (Mumbai) Private Limited
3.34 Dream World Landmarks LLP
3.35 Wonder Space Properties Private Limited
3.36 Wonder City Buildcon Private Limited
3.37 Godrej Green Homes Limited (w.e.f. March 13, 2018)
3.38 Oxford Realty LLP
3.39 Godrej SSPDL Green Acres LLP
3.40 Caroa Properties LLP
3.41 M S Ramaiah Ventures LLP
3.42 Oasis Landmarks LLP
3.43 Godrej Constructions Projects LLP
3.44 Godrej Housing Projects LLP
3.45 Amitis Developers LLP
3.46 Godrej Home Constructions Private Limited
3.47 Godrej Developers & Properties LLP (w.e.f. October 30, 2017)
3.48 Godrej Greenview Housing Private Limited
3.49 Wonder Projects Development Private Limited
3.50 A R Landcraft LLP
3.51 Prakhhyat Dwellings LLP
3.52 Pearlite Real Properties Private Limited
3.53 Godrej Real View Developers Private Limited
3.54 Bavdhan Realty @ Pune 21 LLP
3.55 Godrej Skyline Developers Private Limited
3.56 Godrej Highview LLP
3.57 Godrej Projects North Star LLP *(formerly known as Godrej Projects (Century) LLP)*
3.58 Godrej Irismark LLP (w.e.f. January 24, 2018)
3.59 Sai Srushti Onehub Projects LLP (w.e.f. January 31, 2018)

4 Natures Basket Limited - Subsidiary Co.
5 Godrej International Limited - Subsidiary Co.
6 Godrej International Trading & Investments Pte Limited - Subsidiary Co
7 Ensemble Holdings & Finance Limited - Subsidiary Co.
8 Godrej One Premises Management Private Limited - Subsidiary Co.
9 Godrej Industries Limited Employee Stock Option Trust - Subsidiary Co.

**Associates**

10 Godrej Consumer Products Limited and its stepdown subsidiaries
10.1 Godrej Global Mideast FZE, Sharjah
10.2 PT Megasari Makmur, Indonesia
10.3 Strength of Nature LLC, USA
10.4 Godrej Household Products Bangladesh Private Limited, Bangladesh
10.5 Godrej Household Products Bangladesh Private Limited, Sri Lanka
10.6 Bhabhani Blunt Hairdressing Private Limited

# Notes to Standalone Financial Statements

## Note 40: Related Party Information (Contd.)

**11 Companies under common ownership**

11.1 Godrej & Boyce Manufacturing Company Limited (Holding Co. up to March 29, 2017)
11.2 Godrej Seeds & Genetics Limited
11.3 Godrej Infotech Limited
  11.3.1 Godrej Infotech Americas Inc. (a wholly-owned subsidiary incorporated in North Carolina, USA)
  11.3.2 Godrej Infotech (Singapore) Pte. Limited (a wholly-owned subsidiary incorporated in Singapore)
  11.3.3 LVD Godrej Infotech NV (incorporated in Belgium)
11.4 India Circus Retail Private Limited
11.5 Godrej South Africa Pty Limited
11.6 Laboratoria Cuenca S.A.
11.7 Tahir Properties Limited

**12 Key Management Personnel**

12.1 Mr. A. B. Godrej - Chairman
12.2 Mr. N. B. Godrej - Managing Director
12.3 Ms. T. A. Dubash - Executive Director & Chief Brand Officer
12.4 Mr. N. S. Nabar - Executive Director & President (Chemicals)
12.5 Mr. C. G. Pinto - Chief Financial Officer
12.6 Ms. Nilufer Shekhawat - Company Secretary

**13 Independent Non-Executive Directors**

13.1 Mr. J.N. Godrej
13.2 Mr. V.M. Crishna
13.3 Mr. K.K. Dastur
13.4 Mr. K.M. Elavia
13.5 Mr. K.N. Petigara
13.6 Mr. S.A. Ahmadullah
13.7 Mr. A.B. Choudhury
13.8 Mr. A.D. Cooper

**14 Relatives of Key Management Personnel**

14.1 Ms. N. A. Godrej - Daughter of Mr. A. B. Godrej
14.2 Mr. P. A. Godrej - Son of Mr. A. B. Godrej
14.3 Ms. R. N. Godrej - Wife of Mr. N. B. Godrej
14.4 Mr. B. N. Godrej - Son of Mr. N. B. Godrej
14.5 Mr. S. N. Godrej - Son of Mr. N. B. Godrej
14.6 Mr. H. N. Godrej - Son of Mr. N. B. Godrej
14.7 Mr. A. D. Dubash - Husband of Ms. Tanya Dubash
14.8 Master A. A. Dubash - Son of Ms. Tanya Dubash
14.9 Master A. A. Dubash - Son of Ms. Tanya Dubash
14.10 Ms. N. N. Nabar - Wife of Mr. N. S. Nabar

**15 Enterprises over which key management**
personnel exercise significant influence

15.1 Anamudi Real Estates LLP
15.2 Godrej Investments P. Ltd.
15.3 Godrej Tyson Foods Ltd.

**16 Enterprises over which relative of key management**
personnel exercise significant influence

16.1 Shata Trading & Finance P. Ltd.
16.2 Shilawati Trading & Finance P. Ltd.

**17 Post Employement Benefit Trust where reporting entity exercises significant influence**

17.1 Godrej Industries Employees Provident Fund
17.2 Godrej Industries Ltd Group Gratuity Trust

# Notes to Standalone Financial Statements

## Note 40: Related Party Information

### b) Transactions with Related Parties

Amount ₹ in Crore

| Nature of Transaction | Holding Company | Subsidiary Companies | Fellow Subsidiaries | Associate/ Joint Venture Companies | Companies under common ownership | Key Management Personnel | Relative of Key Management Personnel | Enterprises over which Key Mangement Personnel exercise significant influence | Enterprises over which Relative of Key Mangement Personnel exercise significant influence | Post Employment Benefit Trust | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Sale of Goods * | - | 3.78 | - | 36.08 | 5.76 | - | - | 0.00 | - | - | 45.62 |
| *Previous Year* | *0.56* | *1.40* | *3.73* | *28.69* | - | - | - | - | - | - | *34.38* |
| Purchase of goods | - | - | - | 16.00 | - | - | - | - | - | - | 16.00 |
| *Previous Year* | - | - | - | *9.12* | - | - | - | - | - | - | *9.12* |
| Purchase of Property, Plant and Equipments | - | 7.52 | - | - | 0.78 | - | - | - | - | - | 8.30 |
| *Previous Year* | *3.28* | *2.37* | - | - | - | - | - | - | - | - | *5.65* |
| Net Guarantee given | - | - | - | - | - | - | - | - | - | - | - |
| *Previous Year* | - | - | - | *2.00* | - | - | - | - | - | - | *2.00* |
| Commission / Royalty received | - | - | - | 0.20 | - | - | - | - | - | - | 0.20 |
| *Previous Year* * | - | *0.00* | - | *0.19* | - | - | - | - | - | - | *0.19* |
| Licence fees / Service charges / Storage Income | - | 5.71 | - | 7.60 | - | - | - | 0.02 | - | - | 13.33 |
| *Previous Year* * | *0.00* | *4.58* | - | *4.66* | - | - | - | *0.01* | - | - | *9.25* |
| Other Income | - | 0.64 | - | 0.54 | - | - | - | 0.05 | - | - | 1.23 |
| *Previous Year** | *0.00* | *0.50* | - | *0.66* | - | - | - | *0.03* | - | - | *1.19* |
| Recovery of establishment & Other Expenses | 0.06 | 17.52 | - | 32.00 | 4.67 | - | - | 3.60 | - | - | 57.85 |
| *Previous Year* | *1.62* | *18.92* | *0.15* | *42.07* | - | - | - | *3.38* | - | - | *66.14* |
| Rent, Establishment & other exps paid | - | 9.88 | - | 10.07 | 4.60 | - | 0.86 | 0.15 | 1.95 | - | 27.51 |
| *Previous Year* | *1.86* | *7.24* | *0.02* | *10.18* | - | - | *0.84* | *0.01* | *0.13* | - | *20.28* |
| Interest received | - | - | - | - | | - | - | - | | - | - |
| *Previous Year** | - | - | - | - | | *0.00* | *0.01* | - | - | - | *0.01* |
| Dividend income | - | 53.04 | - | 145.69 | - | - | - | - | - | - | 198.73 |
| *Previous Year* | - | *0.40* | - | *46.54* | - | - | - | - | - | - | *46.94* |
| Dividend paid | 33.93 | - | - | - | - | 0.84 | 3.64 | - | - | - | 38.41 |
| *Previous Year* | - | - | - | - | - | - | - | - | - | - | - |
| Remuneration to Key Management Personal | | | | | | | | | | | |
| Short term employee benefit | - | - | - | - | - | 15.52 | - | - | - | - | 15.52 |
| Post employment benefit | - | - | - | - | - | 0.65 | - | - | - | - | 0.65 |
| Share based payment | - | - | - | - | - | 0.76 | - | - | - | - | 0.76 |
| *Previous Year* | - | - | - | - | - | - | - | - | - | - | - |
| *Short term employee benefit* | - | - | - | - | - | *11.74* | - | - | - | - | *11.74* |
| *Post employment benefit* | - | - | - | - | - | *0.59* | - | - | - | - | *0.59* |
| *Share based payment* | - | - | - | - | - | *0.77* | - | - | - | - | *0.77* |
| Remuneration | - | - | - | - | - | - | 0.09 | - | - | - | 0.09 |
| *Previous Year* | - | - | - | - | - | - | *0.06* | - | - | - | *0.06* |
| Purchase of Investments | - | 62.00 | - | - | - | - | - | - | - | - | 62.00 |
| *Previous Year* | *200.73* | *90.00* | - | - | - | - | - | - | - | - | *290.73* |
| Other Deposits accepted | - | 0.38 | - | 1.51 | - | - | - | - | - | - | 1.89 |
| *Previous Year* | *0.01* | *0.19* | - | - | - | - | - | - | - | - | *0.20* |
| Other Deposits refunded | - | - | - | 0.25 | - | - | - | - | - | - | 0.25 |
| *Previous Year* | *0.01* | *0.41* | - | *0.07* | - | *0.08* | *0.43* | - | - | - | *1.00* |
| Other Deposits - Advanced during the year | - | 0.02 | - | 0.02 | - | - | - | - | - | - | 0.04 |
| *Previous Year* | - | *0.30* | - | - | - | - | - | - | - | - | *0.30* |
| Other Deposits – Repayment received during the year | - | 0.02 | - | - | - | - | - | - | - | - | 0.02 |
| *Previous Year* | - | - | - | - | - | - | - | - | - | - | - |
| Contribution to Post-employment Benefit Plans | - | - | - | - | - | - | - | - | - | - | - |
| *Previous Year* | - | - | - | - | - | - | - | - | - | *5.45* | *5.45* |
| Repayment of loan Received | - | - | - | - | - | - | - | - | - | - | - |
| *Previous Year* | - | - | - | - | - | - | - | - | - | *24.62* | *24.62* |
| Provision for doubtful debts related to outstanding balances | - | - | - | - | - | - | - | - | - | - | - |
| *Previous Year* | - | - | - | - | - | - | - | - | - | *5.71* | *5.71* |
| Directors Fees | - | - | - | - | - | 0.47 | - | - | - | - | 0.47 |
| *Previous Year* | - | - | - | - | - | *0.42* | - | - | - | - | *0.42* |
| **Balance Outstanding as on March 31, 2018** | | | | | | | | | | | |
| Receivables | - | 8.25 | 0.00 | 5.42 | 2.73 | - | - | 0.04 | - | - | 16.44 |
| *Previous Year* | - | *2.30* | - | *5.58* | *0.97* | - | - | *0.04* | | - | *8.89* |
| Payables | - | - | - | 0.03 | - | - | - | - | - | - | 0.03 |
| *Previous Year* | - | *0.52* | - | *0.02* | - | - | - | *1.50* | | - | *2.04* |
| Guarantees outstanding | - | - | - | 26.88 | - | - | - | - | - | - | 26.88 |
| *Previous Year* | - | - | - | *26.88* | - | - | - | - | | - | *26.88* |
| Outstanding Loan Receivable | - | - | - | - | - | - | - | - | - | - | - |
| *Previous Year* | - | - | - | - | - | - | - | - | - | - | - |
| Public Deposits Outstanding | - | - | - | - | - | - | - | - | - | - | - |
| *Previous Year* | - | - | - | - | - | - | - | - | - | - | - |

*Amount less than ₹ 0.01 Crore

# Notes to Standalone Financial Statements

## Note 41 : Fair Value Measurement

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

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

**1 Accounting classification and fair values**

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

Amount ₹ in Crore

| As at March 31, 2018 | Carrying amount | | | | Fair value | | | |
|---|---|---|---|---|---|---|---|---|
| | FVTPL | FVTOCI | Amortised Cost | Total | Level 1 | Level 2 | Level 3 | Total |
| **Financial assets** | | | | | | | | |
| **Non-Current** | | | | | | | | |
| Investments | | | | | | | | |
| Unquoted Equity Shares* | 0.02 | - | - | 0.02 | - | 0.02 | - | 0.02 |
| Loans | | | | | | | | - |
| Security Deposits | - | - | 3.24 | 3.24 | - | - | - | - |
| Loans to Employees | - | - | 0.50 | 0.50 | - | - | - | - |
| Other financial assets | | | 10.52 | 10.52 | - | - | - | - |
| **Current** | | | | | | | | - |
| Current investments | - | - | - | - | - | - | - | - |
| Trade receivables | - | - | 117.89 | 117.89 | - | - | - | - |
| Cash and cash equivalents | - | - | 60.07 | 60.07 | - | - | - | - |
| Other bank balances | - | - | 1.72 | 1.72 | - | - | - | - |
| Loans | | | | | | | | |
| Security Deposits | - | - | - | - | - | - | - | - |
| Others | - | - | 0.17 | 0.17 | - | - | - | - |
| Derivative asset | 0.91 | - | - | 0.91 | - | 0.91 | - | 0.91 |
| Other Current Financial Assets | - | - | 36.31 | 36.31 | - | - | - | - |
| | 0.93 | - | 230.42 | 231.35 | - | 0.93 | - | 0.93 |
| **Financial liabilities** | | | | | | | | |
| **Non-Current** | | | | | | | | |
| Borrowings | - | - | 405.49 | 405.49 | - | - | - | - |
| **Current** | | | | | | | | |
| Borrowings | - | - | 1,682.75 | 1,682.75 | - | - | - | - |
| Trade and other payables | - | - | 352.21 | 352.21 | - | - | - | - |
| Derivative liabilities | - | - | - | - | - | - | - | - |
| Other financial liabilities | - | - | 682.02 | 682.02 | - | - | - | - |
| | - | - | 3,122.47 | 3,122.47 | - | - | - | - |

# Notes to Standalone Financial Statements

## Note 41 : Fair Value Measurement (Contd.)

Amount ₹ in Crore

| As at March 31, 2017 | Carrying amount | | | | Fair value | | | |
|---|---|---|---|---|---|---|---|---|
| | FVTPL | FVTOCI | Amortised Cost | Total | Level 1 | Level 2 | Level 3 | Total |
| **Financial assets** | | | | | | | | |
| **Non-Current** | | | | | | | | |
| Investments | | | | | | | | |
| Unquoted Equity Shares* | 0.02 | - | - | 0.02 | - | 0.02 | - | 0.02 |
| Loans | | | | | | | | - |
| Security Deposits | - | - | 2.75 | 2.75 | - | - | - | - |
| Loans to Employees | - | - | 0.43 | 0.43 | - | - | - | - |
| Other Financial Assets | - | - | 16.18 | 16.18 | - | - | - | - |
| **Current** | | | | | | | | - |
| Current investments | - | - | - | - | - | - | - | - |
| Trade receivables | - | - | 121.71 | 121.71 | - | - | - | - |
| Cash and cash equivalents | - | - | 12.01 | 12.01 | - | - | - | - |
| Other bank balances | - | - | 3.06 | 3.06 | - | - | - | - |
| Loans | | | | | | | | |
| Security Deposits | - | - | - | - | - | - | - | - |
| Others | - | - | 0.17 | 0.17 | - | - | - | - |
| Derivative asset | 2.38 | - | - | 2.38 | - | 2.38 | - | 2.38 |
| Other Current Financial Assets | - | - | 32.90 | 32.90 | - | | - | - |
| | 2.40 | - | 189.21 | 191.61 | - | 2.40 | - | 2.40 |
| **Financial liabilities** | | | | | | | | |
| **Non-Current** | | | | | | | | |
| Borrowings | - | - | 985.28 | 985.28 | - | - | - | - |
| **Current** | | | | | | | | |
| Borrowings | - | - | 1,437.41 | 1,437.41 | - | - | - | - |
| Trade and other payables | - | - | 311.97 | 311.97 | - | - | - | - |
| Derivative liabilities | 2.92 | - | - | 2.92 | - | 2.92 | - | 2.92 |
| Other financial liabilities | - | - | 493.12 | 493.12 | - | - | - | - |
| | 2.92 | - | 3,227.78 | 3,230.70 | - | 2.92 | - | 2.92 |

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

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

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

# Notes to Standalone Financial Statements

## Note 41 : Fair Value Measurement (Contd.)

### 2 Measurement of fair values

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

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

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

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

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

| Type | Valuation technique |
|---|---|
| Preference shares | The preference shares were converted into equity and listed in the near future and accordingly we have used the listing price as fair value on the date of reporting. |
| Fixed rates long term borrowings | The valuation model considers present value of expected payments discounted using an appropriate discounting rate. |
| Forward contracts | The fair value is determined using forward exchange rates at the reporting date. |
| Interest rate swaps | Present value of the estimated future cash flows based on observable yield curves. |

## Note 42 : Financial Risk Management

### 1 Financial Risk Management objectives and policies

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

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

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

### 2 Credit risk

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

# Notes to Standalone Financial Statements

## Note 42 : Financial Risk Management (Contd.)

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

**Trade receivables and loans and advances.**

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

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

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

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

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

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

Amount ₹ in Crore

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| More than 6 Months | **2.66** | 0.13 |
| Others | **115.23** | 121.58 |
| | **117.89** | 121.71 |

The movement in Provision for Doubtful Debts is as follows:

Amount ₹ in Crore

| Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|---|---|
| Opening Provision for Doutful Debts | **2.89** | 1.14 |
| Impairment loss recognised | **0.08** | 1.75 |
| Closing Provision for Doutful Debts | **2.97** | 2.89 |

**Bank Balance**

Bank accounts are maintained with banks having high credit ratings

# Notes to Standalone Financial Statements

## Note 42 : Financial Risk Management (Contd.)

### 3 Liquidity risk

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

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

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

**Maturity profile of financial liabilities**

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

Amount ₹ in Crore

| As at March 31, 2018 | Carrying amount | Contractual cash flows: Total | Less than 6 months | 6-12 months | 1-2 years | 2-5 years | More than 5 years |
|---|---|---|---|---|---|---|---|
| **Non-derivative financial liabilities** | | | | | | | |
| Non-Current Borrowings | 405.49 | 468.45 | 15.76 | 15.67 | 297.77 | 139.25 | - |
| Current Borrowings | 1,682.75 | 1,695.14 | 1,695.14 | - | - | - | - |
| Current maturities of long term borrowings | 616.18 | 642.81 | 304.22 | 338.59 | - | - | - |
| Trade and other payables | 352.21 | 352.21 | 311.76 | 40.45 | - | - | - |
| Other financial liabilities | 65.84 | 65.84 | 65.84 | - | - | - | - |
| **Derivative financial liabilities** | | | | | | | |
| Interest rate swaps | - | 0.28 | 0.16 | 0.09 | 0.03 | - | - |
| Forward exchange contracts used for hedging | - | - | - | - | - | - | - |

Amount ₹ in Crore

| As at March 31, 2017 | Carrying amount | Contractual cash flows: Total | Less than 6 months | 6-12 months | 1-2 years | 2-5 years | More than 5 years |
|---|---|---|---|---|---|---|---|
| **Non-derivative financial liabilities** | | | | | | | |
| Non-Current Borrowings | 985.28 | 1,144.63 | 37.54 | 37.33 | 665.24 | 404.52 | - |
| Current Borrowings | 1,437.41 | 1,440.78 | 1,440.78 | - | - | - | - |
| Current maturities of long term borrowings | 438.83 | 454.26 | 200.68 | 253.58 | - | - | - |
| Trade and other payables | 311.97 | 311.97 | 302.29 | 9.68 | | | |
| Other financial liabilities | 54.29 | 54.29 | 48.22 | - | 6.07 | - | - |
| **Derivative financial liabilities** | | | | | | | |
| Interest rate swaps | - | 3.08 | 1.07 | 0.87 | 1.03 | 0.11 | - |
| Forward exchange contracts used for hedging | 2.92 | 2.92 | 2.92 | - | - | - | - |

# Notes to Standalone Financial Statements

## Note 42 : Financial Risk Management (Contd.)

**4 Market risk**

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

**(i) Currency risk**

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

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

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

Amount ₹ in Crore

| As at March 31, 2018 | USD | EURO |
|---|---|---|
| **Financial assets** | | |
| **Current** | | |
| Trade Receivables | 102.81 | 3.05 |
| Less : Forward Contracts for Trade Receivables | (49.73) | - |
| | 53.08 | 3.05 |
| **Financial liabilities** | | |
| **Non-Current** | | |
| Borrowings | 279.99 | - |
| Less : Forward Contracts | (9.75) | - |
| **Current** | | |
| Trade and other payables | 623.68 | 20.12 |
| Other financial liabilities | 0.93 | - |
| Less: Forward contracts for Trade Payables | - | (8.95) |
| | 894.85 | 11.17 |

# Notes to Standalone Financial Statements

## Note 42 : Financial Risk Management (Contd.)

| As at March 31, 2017 | USD | EURO |
|---|---|---|
| **Financial assets** | | |
| **Current** | | |
| Trade Receivables | 88.01 | 1.51 |
| Less : Forward Contracts for Trade Receivables | (34.24) | - |
| | 53.77 | 1.51 |
| **Financial liabilities** | | |
| **Non-Current** | | |
| Borrowings | 490.37 | - |
| **Current** | | |
| Trade and other payables | 128.08 | 45.04 |
| Other financial liabilities | 2.41 | - |
| Less: Forward contracts for Trade Payables | (54.24) | (35.40) |
| | 566.62 | 9.64 |

Uncovered Foreign Exchange Exposure on Long Term Borrowings as at balance sheet dates includes External Commercial Borrowings (ECB) and Foreign Currency Term Loan (FCTL) taken for Capital Expenditure except for ₹ 51.74 Crore as on March 31, 2016. Impact of fluctuation in Foreign Currency Rates on these borrowings relating to Capital Expenditure will be capitalised to Fixed Assets and would not impact the Statement of Profit and Loss.

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

| INR | Year-end spot rate | |
|---|---|---|
| | **March 31, 2018** | March 31, 2017 |
| USD 1 | **65.18** | 64.86 |
| EUR1 | **80.82** | 69.30 |

**Sensitivity analysis**

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

| **Particulars** | **As at March 31, 2018 Profit or (loss) and Equity** | | As at March 31, 2017 Profit or (loss) and Equity | |
|---|---|---|---|---|
| | **Strengthening** | **Weakening** | Strengthening | Weakening |
| USD - 1% Movement | **(8.42)** | **8.42** | (5.13) | 5.13 |
| EUR - 4% Movement | **(0.32)** | **0.32** | - | - |
| EUR - 2% Movement | **-** | **-** | (0.16) | 0.16 |
| | **(8.74)** | **8.74** | (5.29) | 5.29 |

# Notes to Standalone Financial Statements

## Note 42 : Financial Risk Management

### (ii) Interest rate risk

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

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

**Exposure to interest rate risk**

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

Amount ₹ in Crore

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Fixed rate borrowings | **1,704.54** | 1,097.41 |
| Variable rate borrowings | **999.88** | 1,764.11 |
| | **2,704.42** | 2,861.52 |

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

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

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

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

Amount ₹ in Crore

| Particulars | Profit or (loss) and Equity 100 bp increase | 100 bp decrease |
|---|---|---|
| **As at March 31, 2018** | | |
| Variable-rate instruments | (10.00) | 10.00 |
| Interest rate swaps | 2.47 | (2.47) |
| **Cash flow sensitivity (net)** | (7.53) | 7.53 |
| **As at March 31, 2017** | | |
| Variable-rate instruments | (17.64) | 17.64 |
| Interest rate swaps | 3.28 | (3.28) |
| **Cash flow sensitivity (net)** | (14.36) | 14.36 |

# Notes to Standalone Financial Statements

## Note 43 : Capital Management

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

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

Amount ₹ in Crore

| **Particulars** | **As at March 31, 2018** | As at March 31, 2017 |
|---|---|---|
| Non-Current Borrowings | **405.49** | 985.28 |
| Current Borrowings | **1,682.75** | 1,437.41 |
| Current maturity of long term debt | **616.18** | 438.83 |
| **Gross Debt** | **2,704.42** | 2,861.52 |
| Less: Cash and Cash Equivalents | **(60.07)** | (12.01) |
| Less: Other Bank Balances | **(1.72)** | (3.06) |
| Less: Current Investments | **-** | - |
| **Adjusted Net debt** | **2,642.63** | 2,846.45 |
| Total Equity | **1,800.56** | 1,615.43 |
| Adjusted Net Debt to Equity ratio | **1.47** | 1.76 |

# Notes to Standalone Financial Statements

## Note 44 : Master netting or similar agreements

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

Amount ₹ in Crore

| As at March 31, 2018 | Effects of offsetting on the balance sheet | | | Related amounts not offset | | |
|---|---|---|---|---|---|---|
| | **Gross Amounts** | **Gross amounts set off in the balance sheet** | **Net amounts presented in the balance sheet** | **Amounts subject to master netting arrangements** | **Financial instrument collateral** | **Net amount** |
| **Financial assets** | | | | | | |
| **Current** | | | | | | |
| Derivative asset | **0.91** | **-** | **0.91** | **-** | **-** | **0.91** |
| **Total** | **0.91** | **-** | **0.91** | **-** | **-** | **0.91** |

Amount ₹ in Crore

| As at March 31, 2017 | Effects of offsetting on the balance sheet | | | Related amounts not offset | | |
|---|---|---|---|---|---|---|
| | Gross Amounts | Gross amounts set off in the balance sheet | Net amounts presented in the balance sheet | Amounts subject to master netting arrangements | Financial instrument collateral | Net amount |
| **Financial assets** | | | | | | |
| **Current** | | | | | | |
| Derivative asset | 2.38 | - | 2.38 | 2.38 | - | - |
| **Total** | 2.38 | - | 2.38 | 2.38 | - | - |
| **Financial liabilities** | | | | | | |
| **Current** | | | | | | |
| Derivative liabilities | 2.92 | - | 2.92 | (2.38) | - | 0.54 |
| **Total** | 2.92 | - | 2.92 | (2.38) | - | 0.54 |

**Offsetting arrangements**

**Derivatives**

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

## Note 45 : Dividend On Equity Shares

Amount ₹ in Crore

| **Particulars** | **Year ended March 31, 2018** | Year ended March 31, 2017 |
|---|---|---|
| (a) Proposed Dividend * (₹ 1.75 per share (175%) | **58.85** | 58.85 |
| | **58.85** | 58.85 |

(*) Proposed Dividend is subject to Shareholders' approval in the ensuing Annual General Meeting and has not been recognised as a liability as at Balance Sheet date.

As on March 31, 2018, the tax liability with respect to the dividends proposed is ₹ 12.10 Crores (March 31, 2017 : ₹ 11.98 Crore).

# Notes to Standalone Financial Statements

### Note 46 : Disclosure in respect of Specified Bank Notes Held and Transacted:

In accordance with the Notification No.- G.S.R 308(E) issued by the Ministry of Corporate Affairs dated March 30, 2017, the details of Specified Bank Notes(SBN) held and transacted during the period November 8, 2016 to December 30, 2016 is provided in the table below:

Amount ₹ in Crore

| Particulars | Specified Bank Notes | Other Denomination Notes | Total |
|---|---|---|---|
| Closing cash in hand as on 08.11.2016 | 0.25 | 0.07 | 0.32 |
| (+) Permitted receipts | - | 0.56 | 0.56 |
| (-) Permitted payments | - | (0.46) | (0.46) |
| (-) Amount deposited in Banks | (0.25) | - | (0.25) |
| **Closing cash in hand as on 30.12.2016** | - | 0.17 | 0.17 |

### Note 47

Managerial Remuneration paid for the current and previous year exceeded the permissible limit as prescribed under Schedule V of the Companies Act 2013 by ₹ 7.48 Crore and ₹ 4.54 crore respectively. The Company has applied for obtaining approval from Central Government of India for such excess remuneration paid.

### Note 48

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

### Note 49

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

### Note 50

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

### Note 51

Figures for the previous year were audited by a firm of Chartered Accountants other than B S R & Co. LLP.

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

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

**Vijay Mathur**
Partner
M.No.: 046476

Mumbai, May 23, 2018

**A. B. Godrej**
Chairman
DIN: 00065964

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

**N. B. Godrej**
Managing Director
DIN: 00066195

**Clement Pinto**
Chief Financial Officer

**Nilufer Shekhawat**
Company Secretary

**FORM AOC -1**

**STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES / LIMITED LIABILITY PARTNERSHIPS / ASSOCIATES / JOINT VENTURES AS PER THE COMPANIES ACT, 2013**

**Part "A" : Subsidiaries/Limited Liability Partnerships**

Amount in ₹ Crore

| Sr. No. | Name of Subsidiary Company /Limited Liability Partnership | Reporting Currency | Exchange Rate | Accounting Period | Capital | Reserves and Surplus | Total Assets | Total Liabilities | Investments | Turnover (Refer Note (a) below) | Profit before taxation | Provision for taxation | Profit/ (Loss) after taxation | Proposed Dividend | % of Holding | Country |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1. | Godrej Agrovet Limited | INR | 1.00 | 2017-18 | 192.03 | 1,219.32 | 3,552.47 | 2,141.12 | 195.23 | 5,237.71 | 371.72 | 120.70 | 251.02 | 86.41 | 57.99% | India |
| 2. | Godvet Agrochem Limited | INR | 1.00 | 2017-18 | 9.95 | 1.40 | 22.29 | 10.93 | - | - | 0.63 | 0.03 | 0.60 | - | 100% | India |
| 3. | Astec Lifesciences Limited | INR | 1.00 | 2017-18 | 19.53 | 150.12 | 413.18 | 243.53 | 0.01 | 370.85 | 55.71 | 20.67 | 35.04 | 2.93 | 57.45% | India |
| 4. | Astec Europe Splr | EURO | 80.62 | 2017-18 | 0.11 | (0.14) | 0.10 | 0.12 | - | - | (0.02) | - | (0.02) | - | 50.10% | Belgium |
| 5. | Behram Chemicals Private Limited | INR | 1.00 | 2017-18 | 0.60 | 0.26 | 0.90 | 0.04 | - | 0.11 | 0.07 | (0.03) | 0.10 | - | 65.63% | India |
| 6. | Comercializadora Agricola Agroastrachem Cia Ltda | COP | 0.02 | 2017-18 | 0.01 | (0.11) | 0.00 | 0.10 | - | - | (0.01) | - | (0.01) | - | 100% | Columbia |
| 7. | Creamline Dairy Products Limited | INR | 1.00 | 2017-18 | 11.32 | 186.32 | 406.90 | 209.25 | 0.00 | 1,157.66 | 14.17 | 4.88 | 9.29 | 3.40 | 51.91% | India |
| 8. | Nagavalli Milkline Private Limited | INR | 1.00 | 2017-18 | 2.01 | (0.10) | 1.95 | 0.04 | - | - | (0.00) | - | (0.00) | - | 100% | India |
| 9. | Natures Basket Limited | INR | 1.00 | 2017-18 | 369.23 | (366.39) | 123.33 | 120.49 | 10.07 | 291.22 | (62.24) | - | (62.24) | - | 100% | India |
| 10. | Godrej One Premises Management Private Limited | INR | 1.00 | 2017-18 | 0.01 | - | 8.47 | 8.46 | - | 30.83 | - | - | - | - | 58.00% | India |
| 11. | Godrej International Limited | USD | 65.18 | 2017-18 | 14.76 | 95.66 | 113.91 | 3.49 | - | 6.66 | 4.07 | - | 4.07 | - | 100% | Isle of Man |
| 12. | Godrej International Trading & Investment | USD | 65.18 | 2017-18 | 4.43 | 12.12 | 58.26 | 41.71 | - | 230.73 | 5.85 | 0.77 | 5.08 | - | 100% | Singapore |
| 13. | Ensemble Holdings & Finance Limited | INR | 1.00 | 2017-18 | 6.57 | 124.43 | 131.63 | 0.63 | 129.41 | 58.52 | 57.89 | (0.79) | 58.68 | - | 100% | India |
| 14. | Godrej Properties Limited | INR | 1.00 | 2017-18 | 108.24 | 2,132.05 | 7,122.20 | 4,881.91 | 1,520.71 | 2,390.67 | 336.83 | 101.88 | 234.95 | - | 56.67% | India |
| 15. | Godrej Buildcon Private Limited | INR | 1.00 | 2017-18 | 0.05 | 166.39 | 548.65 | 382.21 | - | 738.79 | 70.23 | 25.23 | 45.00 | - | 100% | India |
| 16. | Godrej Projects Development Limited (formerly known as Godrej Projects Development Projects Limited) | INR | 1.00 | 2017-18 | 0.23 | (41.81) | 971.12 | 1,012.70 | 215.13 | 220.21 | (204.58) | (50.64) | (153.94) | - | 100% | India |
| 17. | Godrej Garden City Properties Private Limited | INR | 1.00 | 2017-18 | 0.05 | 5.80 | 41.36 | 35.51 | 35.06 | 19.54 | 2.41 | 0.67 | 1.74 | - | 100% | India |
| 18. | Godrej Hillside Properties Private Limited | INR | 1.00 | 2017-18 | 0.41 | (0.30) | 0.13 | 0.02 | 0.12 | 0.01 | (0.02) | 0.00 | (0.02) | - | 100% | India |
| 19. | Godrej Home Developers Private Limited | INR | 1.00 | 2017-18 | 0.41 | (0.29) | 0.13 | 0.01 | 0.11 | 0.01 | (0.01) | 0.00 | (0.01) | - | 100% | India |
| 20. | Godrej Prakriti Facilities Private Limited | INR | 1.00 | 2017-18 | 0.01 | 0.38 | 6.53 | 6.14 | - | 4.25 | 0.22 | 0.06 | 0.16 | - | 100% | India |
| 21. | Prakritiplaza Facilities Management Private Limited | INR | 1.00 | 2017-18 | 0.01 | - | 0.73 | 0.72 | - | 0.04 | - | - | - | - | 100% | India |
| 22. | Godrej Highrises Properties Private Limited | INR | 1.00 | 2017-18 | 0.01 | 0.03 | 71.91 | 71.88 | 0.00 | - | (0.01) | (0.00) | (0.01) | - | 100% | India |
| 23. | Godrej Genesis Facilities Management Private Limited | INR | 1.00 | 2017-18 | 0.01 | 0.36 | 1.79 | 1.42 | - | 2.73 | 0.34 | 0.09 | 0.25 | - | 100% | India |
| 24. | Citystar Infra Projects Limited | INR | 1.00 | 2017-18 | 0.05 | (0.06) | 0.35 | 0.36 | - | - | (0.01) | - | (0.01) | - | 100% | India |
| 25. | Godrej Residency Private Limited | INR | 1.00 | 2017-18 | 0.00 | (0.01) | 0.00 | 0.01 | - | - | (0.01) | - | (0.01) | - | 100% | India |
| 26. | Godrej Land Developers LLP | INR | 1.00 | 2017-18 | 0.00 | (0.02) | 0.00 | 0.02 | - | - | (0.01) | - | (0.01) | - | 100% | India |
| 27. | Godrej Highrises Realty LLP | INR | 1.00 | 2017-18 | 0.00 | (0.02) | 3.29 | 3.31 | - | - | (0.02) | 0.00 | (0.02) | - | 100% | India |
| 28. | Godrej Project Developers & Properties LLP | INR | 1.00 | 2017-18 | 0.00 | (0.02) | 0.17 | 0.19 | - | - | (0.01) | 80.46 | (80.45) | - | 100% | India |
| 29. | Godrej Skyview LLP | INR | 1.00 | 2017-18 | 0.00 | (0.01) | 0.00 | 0.01 | - | - | (0.01) | - | (0.01) | - | 100% | India |
| 30. | Godrej Green Properties LLP | INR | 1.00 | 2017-18 | 0.00 | (0.01) | 0.00 | 0.01 | - | - | (0.01) | - | (0.01) | - | 100% | India |
| 31. | Godrej Projects (Pune) LLP | INR | 1.00 | 2017-18 | 0.00 | (0.01) | 0.00 | 0.01 | - | - | (0.01) | - | (0.01) | - | 100% | India |
| 32. | Godrej Projects (Soma) LLP | INR | 1.00 | 2017-18 | 0.00 | (0.01) | 0.00 | 0.01 | - | - | (0.01) | - | (0.01) | - | 100% | India |
| 33. | Godrej Projects North LLP (formerly known as Godrej Projects (Blue Jay) LLP) | INR | 1.00 | 2017-18 | 0.00 | (0.01) | 0.00 | 0.01 | - | - | (0.01) | - | (0.01) | - | 100% | India |
| 34. | Godrej Athenmark LLP | INR | 1.00 | 2017-18 | 0.00 | (0.01) | 0.00 | 0.01 | - | - | (0.01) | - | (0.01) | - | 100% | India |
| 35. | Godrej Vestamark LLP | INR | 1.00 | 2017-18 | 0.00 | (0.01) | 0.00 | 0.01 | - | - | (0.01) | - | (0.01) | - | 100% | India |
| 36. | Godrej Avamark LLP | INR | 1.00 | 2017-18 | 0.00 | (0.01) | 0.00 | 0.01 | - | - | (0.01) | - | (0.01) | - | 100% | India |
| 37. | Godrej Properties Worldwide Inc., USA | INR | 1.00 | 2017-18 | - | - | - | - | - | - | - | - | - | - | 100% | India |

Amount in 0.00 are less than ₹ 0.01 crore.

Percentage holding in LLPs denotes the Share of Profit in the LLPs

(a) Turnover Includes Revenue from Operations and Other Income

**Part "B" : Associates / Joint Ventures**

**Statement pursuant to Section 129 (3) of the Companies Act , 2013 related to Associate Companies and Joint Ventures**

Amount in ₹ Crore

| Sr. No. | Name of Joint Venture Company/ Limited Liability Partnership/Associates | Latest audited Balance Sheet Date | Shares of Joint Ventures / Associates held by the company on the year end | | | Description of how there is significant influence | Reason why associate / joint venture is not consolidated | Networth attributable to Shareholding as per latest audited Balance Sheet | Profit/(Loss) for the year | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | No of Share | Amount of Investment in Joint Venture/ Associates | Extend of Holding % | | | | Considered in Consolidation | Not Considered in Consolidation |
| 1. | Godrej Consumer Products Limited | 31.03.2018 | 161875240 | 1366.21 | 23.76% | through % of holding | NA | 1486.97 | 358.62 | - |
| 2. | ACI Godrej Agrovet Private Limited | 31.03.2018 | 1850000 | 12.49 | 50.00% | through % of holding | NA | 68.42 | 6.52 | - |
| 3. | Godrej Tyson Foods Limited | 31.03.2018 | 97461 | 66.03 | 49.00% | through % of holding | NA | 89.40 | 4.37 | - |
| 4. | Omnivore India Capital Trust | 31.03.2017 | 2125 Units | 21.25 | 10.12% | The Company participates in the key activities jointly with the Investment Manager. | NA | 16.40 | 5.61 | - |
| 5. | Al Rahaba International Trading Limited Liability Company | 31.03.2017 | 24 | 0.04 | 24.00% | through % of holding | NA | 4.98 | (0.20) | - |
| 6. | Godrej Maxximilk Private Limited | 31.03.2018 | 307915 | 4.34 | 49.90% | through % of holding | NA | 1.91 | (0.20) | - |
| 7. | Godrej Realty Private Limited | 31.03.2018 | 884850 | 5.52 | 51.00% | through % of holding | NA | 0.90 | (0.32) | - |
| 8. | Godrej Landmark Redevelopers Private Limited | 31.03.2018 | 25500 | 0.03 | 51.00% | through % of holding | NA | 53.00 | (0.51) | - |
| 9. | Godrej Redevelopers (Mumbai) Private Limited | 31.03.2018 | 28567 | 4.44 | 51.00% | through % of holding | NA | 18.56 | 6.10 | - |
| 10. | Wonder Space Properties Private Limited | 31.03.2018 | 114191 | 1.78 | 25.10% | through % of holding | NA | 1.69 | (0.01) | - |
| 11. | Wonder City Buildcon Private Limited | 31.03.2018 | 810420 | 1.61 | 25.10% | through % of holding | NA | 1.92 | 1.39 | - |
| 12. | Godrej Home Constructions Private Limited | 31.03.2018 | 1071770 | 2.18 | 25.10% | through % of holding | NA | (0.16) | (1.09) | - |
| 13. | Godrej Greenview Housing Private Limited | 31.03.2018 | 1264560 | 1.37 | 20.00% | through % of holding | NA | (2.80) | (2.93) | - |
| 14. | Wonder Projects Development Private Limited | 31.03.2018 | 1050100 | 1.40 | 20.00% | through % of holding | NA | 0.82 | (0.57) | - |
| 15. | Godrej Real View Developers Private Limited | 31.03.2018 | 1306000 | 1.31 | 20.00% | through % of holding | NA | 0.74 | (0.57) | - |
| 16. | Pearlite Real Properties Private Limited | 31.03.2018 | 3552500 | 3.55 | 49.00% | through % of holding | NA | (0.65) | (4.21) | - |
| 17. | Godrej Skyline Developers Private Limited | 31.03.2018 | 26000 | 0.26 | 26.00% | through % of holding | NA | 0.14 | (0.12) | - |
| 18. | Godrej Green Homes Limited (Considered as Subsidiary till March 12, 2018) | 31.03.2018 | 338841 | 1.37 | 50.00% | through % of holding | NA | 95.23 | (0.38) | - |
| 19. | Godrej Property Developers LLP | 31.03.2018 | NA | 0.03 | 32.00% | through % of holding and Voting rights | NA | (0.02) | (0.00) | - |
| 20. | Mosiac Landmarks LLP | 31.03.2018 | NA | 0.00 | 1.00% | through % of holding and Voting rights | NA | 0.05 | 0.11 | - |
| 21. | Dream World Landmarks LLP | 31.03.2018 | NA | 0.11 | 40.00% | through % of holding and Voting rights | NA | 0.73 | (1.98) | - |
| 22. | Oxford Realty LLP | 31.03.2018 | NA | 0.00 | 35.00% | through % of holding and Voting rights | NA | 6.75 | 9.31 | - |
| 23. | Godrej SSPDL Green Acres LLP | 31.03.2018 | NA | 0.05 | 37.00% | through % of holding and Voting rights | NA | (2.15) | (0.35) | - |
| 24. | Oasis Landmarks LLP | 31.03.2018 | NA | 0.00 | 38.00% | through % of holding and Voting rights | NA | 7.20 | 7.19 | - |
| 25. | M S Ramaiah Ventures LLP | 31.03.2018 | NA | 0.04 | 49.50% | through % of holding and Voting rights | NA | 0.96 | (0.00) | - |
| 26. | Caroa Properties LLP | 31.03.2018 | NA | 0.04 | 35.00% | through % of holding and Voting rights | NA | (3.26) | (0.67) | - |
| 27. | Godrej Construction Projects LLP | 31.03.2018 | NA | 0.00 | 34.00% | through % of holding and Voting rights | NA | (2.36) | (0.01) | - |
| 28. | Godrej Housing Projects LLP | 31.03.2018 | NA | 0.01 | 50.00% | through % of holding and Voting rights | NA | (5.56) | (5.48) | - |
| 29. | Amitis Developers LLP | 31.03.2018 | NA | 0.05 | 46.00% | through % of holding and Voting rights | NA | (1.71) | (1.72) | - |
| 30. | A R Landcraft LLP | 31.03.2018 | NA | 0.05 | 40.00% | through % of holding and Voting rights | NA | 14.59 | (1.34) | - |
| 31. | Prakhhyat Dwellings LLP | 31.03.2018 | NA | 0.00 | 42.50% | through % of holding and Voting rights | NA | (0.04) | (0.22) | - |
| 32. | Bavdhan Realty @ Pune 21 LLP | 31.03.2018 | NA | 0.00 | 45.00% | through % of holding and Voting rights | NA | 0.00 | (0.00) | - |
| 33. | Godrej Highview LLP | 31.03.2018 | NA | 4.80 | 40.00% | through % of holding and Voting rights | NA | 1.76 | (3.05) | - |
| 34. | Godrej Irismark LLP | 31.03.2018 | NA | 0.01 | 50.00% | through % of holding and Voting rights | NA | (0.00) | (0.00) | - |
| 35. | Godrej Projects North Star LLP (formerly Known as Godrej Century Projects LLP) | 31.03.2018 | NA | 0.00 | 55.00% | through % of holding and Voting rights | NA | (0.01) | (0.01) | - |
| 36. | Godrej Developers & Properties LLP | 31.03.2018 | NA | 0.00 | 38.00% | through % of holding and Voting rights | NA | (0.02) | (0.01) | - |
| 37. | Sai Srushti Onehub Projects LLP | 31.03.2018 | NA | 0.01 | 75.00% | through % of holding and Voting rights | NA | 45.46 | (0.00) | - |

Amount in 0.00 are less than ₹ 0.01 crore.

Percentage holding in LLPs denotes the Share of Profit in the LLPs

(a) Turnover Includes Revenue from Operations and Other Income

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

**A. B. GODREJ**
Chariman
DIN:00065964

**N. B. GODREJ**
Managing Director
DIN:00066195

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

**Clement Pinto**
Chief Financial Officer

**Nilufer Shekhawat**
Company Secretary

Mumbai, May 23, 2018

# Godrej Industries Limited

CIN: L24241MH1988PLC097781
Regd. Office: Godrej One, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai 400 079.
Tel. 2518 80 10 / 20 / 30 Fax: 2518 8066 E-mail: investor@godrejinds.com,
Website: www.godrejindustries.com

**Form No. MGT-11**

## PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

| | | | |
|---|---|---|---|
| Name of the member(s): | | E-mail id: | |
| Registered address: | | Folio No./*DP id and Client id: | |

**Applicable for investors holding shares in electronic form*

I/We, being the holder(s) of _____ Shares of the above named Company, hereby appoint:

| | | | | |
|---|---|---|---|---|
| 1. | Name: | | E-mail Id: | |
| | Address: | | Signature: | |

or failing him

| | | | | |
|---|---|---|---|---|
| 2. | Name: | | E-mail Id: | |
| | Address: | | Signature: | |

or failing him

| | | | | |
|---|---|---|---|---|
| 3. | Name: | | E-mail Id: | |
| | Address: | | Signature: | |

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the THIRTIETH ANNUAL GENERAL MEETING of the Company to be held on Monday, August 13, 2018 at 2.30 p.m. at the Auditorium, Godrej One, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai – 400 079 and at any adjournment thereof in respect of such resolutions as are indicated below:

| Res. No. | Description |
|---|---|
| 1. | Adoption of audited financial statements (both standalone and consolidated) and Reports thereon for the Financial Year ended March 31, 2018. |
| 2. | Declaration of dividend. |
| 3. | Appointment of a Director in place of Mr. V. M. Crishna (DIN: 00066267), who retires by rotation and being eligible, offers himself for re-appointment. |
| 4. | Appointment of a Director in place of Mr. N. S. Nabar (DIN: 06521655), who retires by rotation and being eligible, offers himself for re-appointment. |
| 5. | Ratification of appointment of Statutory Auditors and fixing their remuneration. |
| 6. | Reappointment of and remuneration payable to Ms. T. A. Dubash (DIN: 00026028) as Whole-time Director. |
| 7. | Reappointment of and remuneration payable to Mr. N.S. Nabar (DIN: 06521655) as Whole-time Director |
| 8. | Contribution to bonafide charitable and other funds |
| 9. | Creation of Charges pursuant to Section 180(1)(a) of the Companies Act, 2013 |
| 10. | Remuneration of M/s. R. Nanabhoy & Co., as Cost Auditors of the Company. |

Signature of Shareholder _____

Affix Revenue Stamp

Signature of Proxy _____

Signed this _____ day of _____ , 2018

**Note :** 1. This Form in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

2. The Proxy-holder is required to carry an identity proof at the time of attending the Meeting.

# Godrej Industries Limited

CIN: L24241MH1988PLC097781
Regd. Office: Godrej One, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai 400 079.
Tel. 2518 80 10 / 20 / 30 Fax: 2518 8066 E-mail: investor@godrejinds.com,
Website: www.godrejindustries.com

## ATTENDANCE SLIP

| | |
|---|---|
| Name of the member(s): | |
| Name of the Proxy: | |
| Folio No. / *DP id and Client id: | |

**Applicable for investors holding shares in electronic form*

I/We hereby record my/our presence at the **THIRTIETH ANNUAL GENERAL MEETING** of the Company on Monday, August 13, 2018 at 2.30 p.m. at the Auditorium, Godrej One, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai – 400 079.

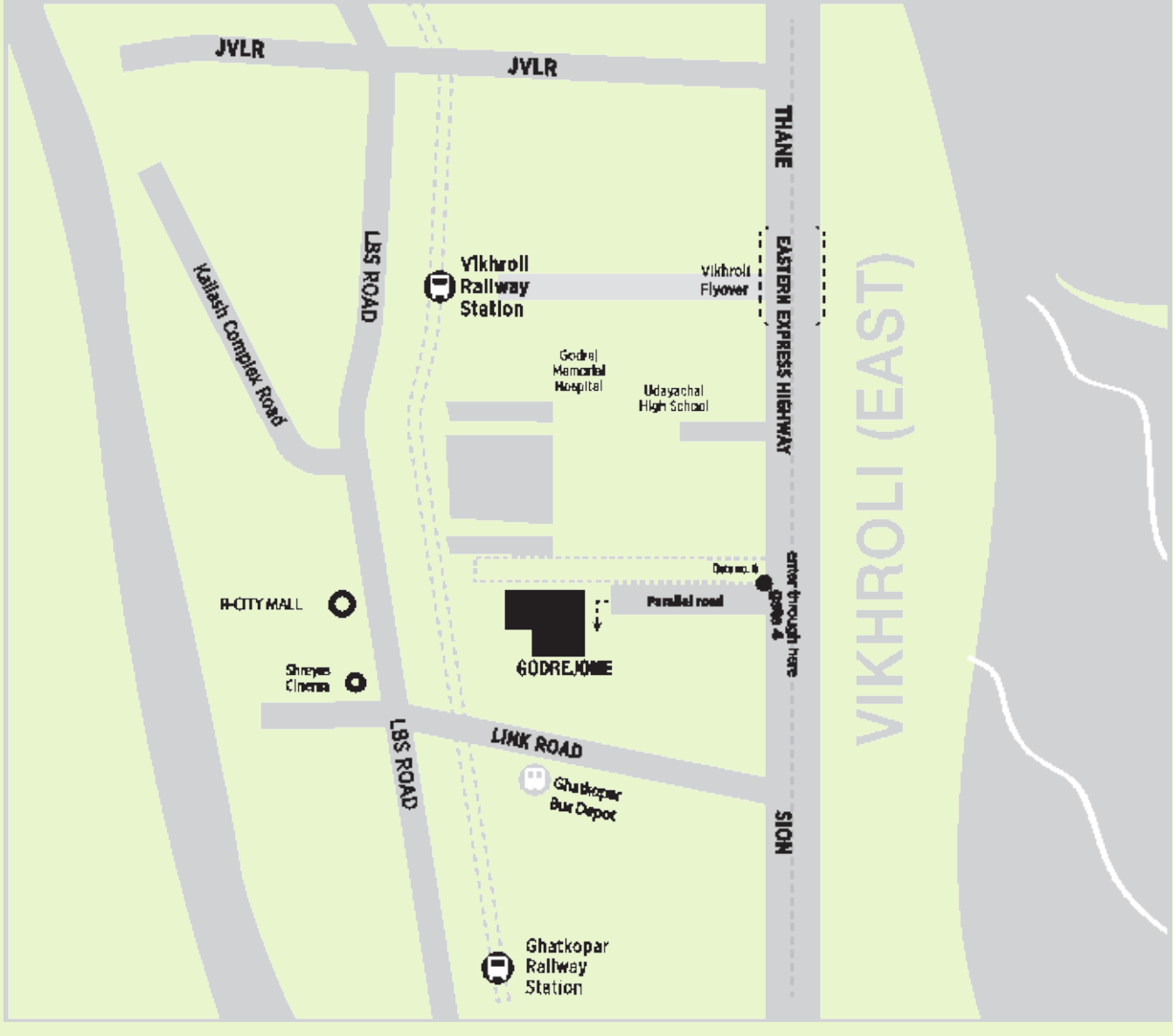
Member's/ Proxy's Signature
(To be signed at the time of handing over this slip)

**Notes:** 1. Please complete this attendance slip and hand it over at the entrance of the meeting hall.
2. Joint shareholders may obtain additional attendance slip at the venue of the meeting.
3. The map to reach the AGM venue is given overleaf.

VENUE OF AGM

Auditorium, Godrej One,
Pirojshanagar, Eastern Express Highway,
Vikhroli (East), Mumbai 400 079.

**Note :** The Company has arranged for a bus service to the venue from Vikhroli railway station (East). The bus will pick you up near the railway station, from Opp. Bus depot at 2.00 p.m. A drop back facility will also be available.





**Godrej Industries Ltd.**

www.godrejindustries.com

This Annual Report is printed on Eco-Friendly Paper.