



Boards' Report for the financial year ended 31 March 2017

The Directors take pleasure in presenting the 9th Annual Report together with the Audited financial Statements for the year ended 31 March 2017.

1. Financial Results and Performance Rs. in '000'

Particulars	Current Year 2016-2017	Previous Year 2015-2016
Total Income	3,099,053	2,691,639
Loss before tax	(953,929)	(621,944)
Loss after tax	(953,697)	(622,335)
Other Comprehensive Income	(7,804)	(932)
Balance brought forward from previous year	(2,082,341)	(1,459,074)
Balance carried forward to Balance Sheet	(3,043,842)	(2,082,341)

1. Dividend

No Dividend was declared for the current financial year due to insufficient profit.

2. Review Of Operations And Future Outlook

Nature's Basket continued on its growth path, much above industry standards. The sales turnover for NBL in FY 2016-17 was 309.9 crores, delivering a growth of 15% YOY.

The Company during the year appointed Bain & Company to help define the long-term strategy for the business. As a part of the strategy the management decided to exit out of the underperforming market of Delhi and Hyderabad. Post the exit the Company has 26 operating stores across 3 cities of Mumbai, Pune and Bangalore. As a part of the strategy, we have also realigned our portfolio allowing to position ourselves to be "Daily Food Delight" stores on the base of providing the "Freshest and Finest" food to our customers. This helps improve frequency and loyalty of our customers. Overall revenue from loyal customers contribute nearly 80% of overall revenue. The reorganization of the business as a part of the overall strategy resulted in one-time write off / spends aggregating to Rs 23.24 crores.

Our focus is 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. Currently our online sales stands at 7% of our overall sales. We continue to improve our website and App experience through regular updates and improvements.

During the year, the Company has set up a Supply Chain Function to improve overall availability and inventory management, use of technology for improving in store processes, which has also won innovation accolades.

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.

3. Material changes and commitment if any affecting the financial position of the company occurred between the end of the financial year to which this financial statements relate and the date of the report

During the year there were following significant material changes and commitments between the ends of financial year to the date on which the financial statement has been made:

1. Ms. Avani V. Davda was appointed as the Managing Director of the Company with effect from 5th May, 2016.
2. Mr. Sumit Zaveri was appointed as the Chief Financial Official of the Company with effect from 9th March, 2017.

4. Risks and Concerns

As we expand our physical reach both through offline as well as online expansion, we will be exposed to an increasing degree of risks. These risks can adversely impact our operating performance, cash flows, financial performance, management performance and overall sustainability. We have an active risk management strategy in place and an Internal Audit Committee, whose role is to identify potential risks, create mitigation strategies, monitor the occurrence of risk and update the Board.

The risks that may affect us include, but are not limited to:

- Economic conditions.
- Inflationary pressures and other factors affecting demand for our products.
- Increasing costs of raw material, transport and storage.
- Supplier and distributor relationships and retention of distribution channels.
- Competitive market conditions and new entrants to the market.
- Labour shortages and attrition of key staff.
- Exchange rate fluctuation and arbitrage risk.
- Compliance & regulatory pressures including changes to tax laws.
- Seasonal fluctuations

5. Risk Management

The risk management includes identifying types of risks and its assessment, risk handling and monitoring and reporting. The Company has an Internal control System commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Audit function reports to the Chairperson of the Audit Committee of the Board.

The Internal Audit department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the

controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

6. 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 (Act'), your Company has constituted an Internal Complaints Committee. The complaints received by the committee during the year under review were duly resolved.

7. Corporate Social Responsibility Initiatives

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable to the Company for the year under review.

8. Particulars of Loans, Guarantees Or Investments

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Note no.17 to the Financial Statements.

9. Annual Return

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in "Annexure A" and is attached to this Report.

10. Related Party Transaction

All related party transactions that were entered into during the year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the company with the promoters, directors, key managerial personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All related party transactions are placed before the Audit Committee as also the Board for approval. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable. Attention of members is also drawn to the disclosures of transactions with related parties set out in Note no. 41 of Financial Statements, forming part of the Annual Report. None of the Directors has any pecuniary relationship of transactions vis-à-vis the Company.

11. Directors

The Board on recommendation of the Nomination and Remuneration Committee appointed Ms. Avani V. Davda as Managing Director of the Company for a period of 3 years w.e.f. 5th May, 2016. At the Annual General Meeting dated 9th May, 2016, the Members of the Company

had approved the said appointment and terms of remuneration of Ms. Avani V. Davda as Managing Director.

Mr. Sandeep Murthy was appointed as the Independent Director of the Company w.e.f 5th May, 2016. At the Annual General Meeting dated 9th May, 2016, the Members of the Company had approved the said appointment of Mr. Sandeep Murthy as the Independent Director.

In accordance with provisions of the Companies Act, 2013 and in terms of Articles of Association of the Company, Ms. Tanya Dubash shall retire by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment.

All Independent Directors have given declarations that they meet criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013.

12. Key Managerial Personnel

Mr. Sumit Zaveri has been appointed as the Chief Financial Officer w.e.f from 9th March, 2017 as Mr. Shekhar Iyer, stepped down from the position of Chief Financial Officer, with effect from 3rd March, 2017.

13. Performance Evaluation of the Board of Directors, its Individual Members and its committees

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 Companies Act, 2013.

The Corporate HR team of Godrej Industries Limited and Associate Companies (GILAC) worked directly with the Chairperson and the Nomination and Remuneration 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 comprises four sections and complied 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 evaluation:

- Board Feedback Report;
- Individual Board Member Feedback Report; and

- Chairman's Feedback Report

On the recommendation of the Nomination and Remuneration Committee, the Board had framed a policy for selection and appointment of Directors, Senior Management and their remuneration.

14. Remuneration Policy

The Board has on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, senior management and their Remuneration.

Your Company's 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).

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

The total compensation for a given position is influenced by three factors: position, performance and potential.

15. Number of Board Meetings conducted during the year under Review

The Company had 8 Board meetings during the financial year under review.

The Company had held following meetings during the financial year under review:

Eight (8) Board meetings were held during the year on 5th May, 2016, 10th June, 2016, 12th July, 2016, 5th August, 2016, 9th November, 2016, 12th January, 2017, 2nd February, 2017 and 8th March, 2017.

Four (4) Audit Committee Meetings were held during the year on 5th May, 2016, 5th August, 2016, 9th November, 2016 and 2nd February, 2017.

Three (3) Nomination and Remuneration Committee Meetings were held during the year under review on 5th May, 2016, 2nd February, 2017 and 8th March, 2017.

The composition of the Board and the details of the Directors participation at the Meetings is as under:

Sr. No.	Date	Board Meeting (8)	ACM (4)	NRC M (3)	EGM (2)	AGM	Directors / Members			
							Ms. Tanya Dubash	Ms. Avani Davda	Mr. Sandeep Barasia	Mr. Sandeep Murthy
1.	5 th May, 2016	✓	✓	✓	-	-	✓	✓	✓	✓
2.	9 th May, 2016	-	-	-	-	✓	✓	✓	×	✓
3.	10 th June, 2016	✓	-	-	-	-	✓	✓	×	✓
4.	12 th July, 2016	✓	-	-	-	-	✓	✓	×	✓
5.	5 th August, 2016	✓	✓	-	✓	-	✓	✓	✓	✓
6.	9 th November, 2016	✓	✓	-	-	-	✓	✓	✓	✓
7.	12 th January, 2017	✓	-	-	-	-	✓	✓	×	✓
8.	2 nd February, 2017	✓	✓	✓	✓	-	✓	✓	✓	✓
9.	8 th March, 2017	✓	-	✓	-	-	✓	✓	✓	✓

Notes:

- ACM – Audit Committee Meeting
- NRCM – Nomination and Remuneration Committee Meeting
- EGM – Extra Ordinary General Meeting
- AGM – Annual General Meeting

16. Directors Responsibility Statement

To the best of the knowledge and belief and according to the information and explanations obtained by them, your directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- That in the preparation of the annual financial statements for the year ended March 31, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- That such accounting policies as mentioned in the notes to the Financial statements have been selected and applied consistently and 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 as at March 31, 2017 and of the profit/loss of the company for the year ended on that date;
- That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- That the annual financial statements have been prepared on a going concern basis;
- That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.

- f. That systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

17. Subsidiaries, Joint Ventures And Associate Companies

The Company does not have any Subsidiary, Joint venture or Associate Company.

18. Deposits

The Company has neither accepted nor renewed any deposits during the year under review.

19. Disclosure Of Composition Of Audit Committee And Vigil Mechanism

The Audit Committee consists of the following member's

- a. Ms. Tanya A. Dubash, Chairperson
- b. Mr. Sandeep Murthy, Member
- c. Mr. Sandeep Barasia, Member

The above composition of the Audit Committee consists of independent Directors viz., Mr. Sandeep Murthy (from 5th May, 2016) and Mr. Sandeep Barasia who form the majority.

20. Vigil Mechanism

Your Company has adopted a Vigil Mechanism Policy. The purpose of the policy is to allow the employees to raise concerns about unacceptable improper practices and/or any unethical practices being followed in the organization without necessarily informing their superiors. All the employees shall be protected from any adverse action for reporting any unacceptable/improper practice and/or any unethical practice or frauds or violation of any law, rule or regulation so long as the employee. Apart from the employees, this policy will be applicable to the Directors of the Company also. The Audit Committee reviews, the reporting's made under this policy and implements corrective actions, wherever necessary.

21. Auditors

Statutory Auditors

The term of current Statutory Auditors M/s. Kalyaniwalla & Mistry, Chartered Accountants expires at the conclusion of Annual General Meeting for the financial year FY 16-17. In accordance with Section 139 of the Companies Act, 2013 and rules made thereunder, M/s, BSR & Co. LLP, Chartered Accountants, Mumbai, have been appointed as statutory auditors to hold office from the conclusion of this 9th Annual General Meeting till the conclusion of the 14th Annual General Meeting to be held in 2022 (subject to ratification of reappointment by the members at every AGM held after this AGM) of the Company, on a remuneration as may be agreed upon by the Board of Directors and the Auditors.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Aabid & Co., a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the company. The Report of the Secretarial Audit is annexed herewith as "Annexure B"

22. Explanation Or Comments On Qualifications, Reservations Or Adverse Remarks Or Disclaimers Made By the Auditors and the Practicing Company Secretary in their Reports

The explanations /comments made by the Board relating to the qualifications, reservations or adverse remarks made by the Auditors in their report are furnished "Annexure C" and is attached to this report. There was no adverse comments, qualifications or reservations or adverse remarks in the Secretarial Audit Report.

23. Share Capital

During the period under review, the Company obtained shareholders' approval at the Annual General Meeting held on 9th May, 2016 to increase the Authorized Share Capital of the Company to Rs. 2,700,000,000/- (Rupees Two Hundred and Seventy Crore only) divided into 270,000,000 (Twenty Seven Crore) Equity Shares of Rs. 10/- (Rupees Ten) each. Also at the Extra Ordinary General Meeting held on 5th August, 2016 the Authorised share capital was increased to Rs. 3,050,000,000/- (Rupees Three Hundred and Five Crore only) divided into 305,000,000 (Thirty Crore Fifty Lacs) Equity Shares of Rs. 10/- (Rupees Ten) each. Consequently at the Extra Ordinary General Meeting held on 2nd February, 2017 the Authorised share capital was increased to Rs. 4,000,000,000/- (Rupees Four Hundred Crore only) divided into 400,000,000 (Forty Crore) Equity Shares of Rs. 10/- (Rupees Ten) each. Your Company allotted 8,40,00,000 (Eight Crores Forty Lacs) Equity Shares to the entities forming part of Promoter group during the financial year.

24. Rights Issue

Your Company had vide Offer Letter dated 5th May, 2016 issued 9,000,000 (Ninety Lac) Equity Shares of Face Value of Rs. 10/- each to the equity shareholders on a rights basis in the ratio of 0.0399592 Equity Share for every 1(One) Equity Share held, to all such members of the Company whose names appear on the Register of Members of the Company as holders of the Equity Shares of the Company.

The Company vide Offer Letter dated 10th June, 2016, issued 9,215,000 (Ninety Two Lac Fifteen Thousand) Equity Shares of Face Value of Rs. 10/- each to the equity shareholders on a rights basis in the ratio of 0.0393417 new Equity share for every 1 (one) Equity Share held, to all such members of the Company whose names appear on the Register of Members of the Company as holders of the Equity Shares of the Company.

The Company vide Offer Letter dated 12th July, 2016, issued 18,215,000 (One Crore Eighty Two Lac Fifteen Thousand) Equity Shares of Face Value of Rs. 10/- each to the equity shareholders on a rights basis in the ratio of 0.0748218 new Equity share for every 1 (one) Equity Share held, to all such members of the Company whose names appear on the Register of Members of the Company as holders of the Equity Shares of the Company.

The Company vide Offer Letter dated 16th September, 2016, issued 18,215,000 (One Crore Eighty Two Lac Fifteen Thousand) Equity Shares of Face Value of Rs. 10/- each to the equity shareholders on a rights basis in the ratio of 0.0696132 new Equity share for every 1 (one) Equity Share held, to all such members of the Company whose names appear on the Register of Members of the Company as holders of the Equity Shares of the Company.

The Company vide Offer Letter dated 9th January, 2017 issued 18,215,000 (One Crore Eighty Two Lac Fifteen Thousand) Equity Shares of Face Value of Rs. 10/- each to the equity shareholders on a rights basis in the ratio of 0.0650826 new Equity share for every 1 (one) Equity Share held, to all such members of the Company whose names appear on the Register of Members of the Company as holders of the Equity Shares of the Company.

The Company vide Offer Letter dated 10th March, 2017 issued 11,140,000 (One Crore Eleven Lac Forty Thousand) Equity Shares of Face Value of Rs. 10/- each to the equity shareholders on a rights basis in the ratio of 0.0373713 new Equity share for every 1 (one) Equity Share held, to all such members of the Company whose names appear on the Register of Members of the Company as holders of the Equity Shares of the Company.

25. Particulars of Employees

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of Companies Act, 2013 and Rule 5 (1) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been appended in the Financial Statements.

Details of employee remuneration as required under provisions of Section 197 of the Companies Act, 2013 and Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are available at the Registered Office of the Company during working hours before 21 days of the Annual General Meeting and shall be made available to any shareholder on request.

26. Conservation Of Energy, Technology Absorption, Foreign Exchange Earnings And Outgo

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in "Annexure D" and is attached to this report.

27. Acknowledgements

Your Directors thank the various Central and State Government Departments, Organisations for the continued help and co-operation extended by them. The Directors also gratefully acknowledge all stakeholders of the Company viz. customers, members, dealers, vendors, banks and other business partners for the excellent support received from them during the year. The Directors place on record their sincere appreciation to all employees of the company for their unstinted commitment and continued contribution to the Company.

28. Additional Information

The consolidated financial statements of the Company form a part of this Annual Report. Accordingly, this Annual Report of your Company and other related documents shall be made available for inspection during business hours at the Company's registered office in Mumbai, India.

"Annexure A" to this Report gives the Extract of Annual Return to be filed by the Company under the Companies Act, 2013.

"Annexure B" to this Report contains the Secretarial Audit Report.

"Annexure C" to this Report contains the qualifications, reservations or adverse remarks made by the Statutory Auditors in their report.

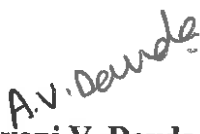
"Annexure D" to this Report gives the information in respect of conservation of Energy, Technology absorption and Foreign Exchange earnings and outgo, required under Section 134 (2)(m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 and forms a part of the Directors' Report.

The notes to the Accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further explanation.

For and on behalf of the Board of Directors



Tanya A. Dubash
Chairperson
DIN: 00026028



Avani V. Davda
Managing Director
DIN: 07504739

Mumbai, May 11, 2017

ANNEXURE – A**Form No. MGT-9****EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31st March 2017**

[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:

- i) CIN: - U15310MH2008PLC182816
- ii) Registration Date: 29 May 2008
- iii) Name of the Company: Natures Basket Limited
- iv) Category / Sub-Category of the Company: Public Company
- v) Address of the registered office and contact details: Godrej One, 3rd Floor, Pirojshanagar, Eastern Express Highway Vikhroli (East) Mumbai Maharashtra-400079
- vi) Whether Listed Company: No
- vii) Name, Address and Contact details of Registrar and Transfer Agent: N/A

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:-

Sl.No.	Name and Description of Main Products / Services	NIC Code of the Product/ service	% to total turnover of the company
1.	N/A	N/A	N/A
2.	N/A	N/A	N/A
3.	N/A	N/A	N/A

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sl.no.	Name and address of the company	CIN/GLN	Holding/ Subsidiary / associate	% of shares held	Applicable section
1.	Godrej Industries Limited	L24241MH1988PLC097781	HOLDING	100%	Section 2(46) of Companies Act, 2013

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

a) Category wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
b) Central Govt	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
c) State Govt.(s)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
d) Bodies Corp.	0	225,230,000	225,230,000	100	0	309,230,000	309,230,000	100	37.29
e) Banks / FI	0	0	0	0	0	0	0	0	0
f)Any Other..	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	0	225,230,000	225,230,000	100	0	309,230,000	309,230,000	100	37.29
(2) Foreign									
a) NRIs – Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
Sub –total (A) (2): -	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	0	225,230,000	225,230,000	100	0	309,230,000	309,230,000	100	37.29

Total Public shareholding (B) = (B)(1)+(B)(2)	0	0	0	0	0	0	0	0	0
C. Shares held by custodian for GDR's & ADR;s									
Promoter and Promoter Group	0	0	0	0	0	0	0	0	0
Public	0	0	0	0	0	0	0	0	0
Grand Total(A+B+C)	0	225,230,000	225,230,000	100	0	309,230,000	309,230,000	100	37.29

b) Shareholding of Promoters

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Share holding at the end of the year			% 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.	Godrej Industries limited	225,230,000	100	N/A	309,230,000	100	N/A	37.29
	Total	225,230,000	100	N/A	309,230,000	100	N/A	37.29

c) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Share holding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	225,230,000	100		100
2.	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /	a. Allotted on 10 th June, 2016, 90,00,000 Equity Shares on Rights basis @Rs. 10 each	100	234,230,000	100

	bonus/ sweat equity etc):	b. Allotted on 12 th July, 2016, 9,215,000 Equity Shares on Rights basis @Rs. 10 each	100	243,445,000	100
		c. Allotted 5 th August, 2016, 18,215,000 Equity Shares on Rights basis @Rs. 10 each	100	261,660,000	100
		d. Allotted on 9 th November, 2016, 18,215,000 Equity Shares on Rights basis @Rs. 10 each	100	279,875,000	100
		e. Allotted on 2 nd February, 2017, 18,215,000 Equity Shares on Rights basis @Rs. 10 each	100	298,090,000	100
		f. Allotted on 30 th March, 2017, 11,140,000 Equity Shares on Rights basis @Rs. 10 each	100	309,230,000	100
3.	At the End of the year			309,230,000	100

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Share holding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	For Each of the Top 10 Shareholders				
2.	At the beginning of the year	N/A	N/A	N/A	N/A

3.	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	N/A	N/A	N/A	N/A
4.	At the End of the year (or on the date of separation, if separated during the year)	N/A	N/A	N/A	N/A

e) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Share holding during the year	
1.	For Each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2.	At the beginning of the year	N/A	N/A	N/A	N/A
3.	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	N/A	N/A	N/A	N/A
4.	At the End of the year	N/A	N/A	N/A	N/A

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loan	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	472,653,531	52,000,000	-	524,653,531
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2,833,656	10,411,385	-	13,245,041
Total (i+ii+iii)	475,487,187	62,411,385	-	53789572
Change in Indebtedness during the financial year				
• Addition	0	100,000,000	-	100,000,000
• Reduction	105,080,526	52,000,000	-	157,080,526

Net Change	(105,080,526)	48,000,000	-	(57,080,526)
Indebtedness at the end of the financial year				
i) Principal Amount	367,574,007	100,000,000	-	467,574,007
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2,622,116	785,616	-	3,407,732
Total (i+ii+iii)	370,196,123	100785616	-	470,981,739

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl.No	Particulars of Remuneration	Name of MD/WTD-		Total Amount
		Mohit Khattar	Avani Davda V.	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	762,171	12,351,724	13,113,895
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission - as % of profit - others, specify	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil
	Total (A)	762,171	12,351,724	13,113,895
Ceiling as per the Act		In compliance with Schedule V of the Companies Act 2013		

B. Remuneration to other directors:

Sl.No.	Particulars of Remuneration	Sandeep Murthy	Sandeep Kumar Barasia	Total Amount
1.	Independent Directors			
	• Fee for attending board committee meetings	877,000	560,000	1,437,000
	• Commission	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil
	Total (1)	877,000	560,000	1,437,000

2.	Other Non-Executive Directors			
	• Fee for attending board committee meetings	Nil	Nil	Nil
	• Commission	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil
	Total (B) = (1+2)	877,000	560,000	1,437,000
Ceiling as per the Act		In compliance with the Companies Act 2013		

C. Remuneration to key managerial personnel other than MD/Manager/WTD

Sl.No	Particulars of Remuneration	Key Managerial Personnel				Total Amount
		Company Secretary - Sushma Shukla CFO - Shekhar Iyer & Sumit Zaveri				
		CEO	Company Secretary	CFO		
				Shekhar Iyer	Sumit Zaveri	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	690,648	5,665,077	3,062,197	7,172,325
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	877,485	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil	Nil
4.	Commission - as % of profit - others, specify	Nil	Nil	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total	Nil	690,648	6,542,562	3,062,197	7,172,325

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES (Under the Companies Act)
: NONE**

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017

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

To,

The Members,

Natures Basket Limited

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by **Natures Basket Limited** (herein after called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing opinion thereon.

Based on our verifications of the Company's Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company as given in **Annexure I** for the Financial Year ended on 31st March, 2017 according to the provisions of:



1

- (i) The Companies Act, 2013 (the "Act") and the Rules made there under,
- (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 is applicable 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')
 - 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, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - 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;
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
- i) The other Laws applicable specifically to the company is Annexed with this Report as ANNEXURE- II.

The Company is not listed on any Stock Exchange in India, therefore only clause (i) and (iv) are applicable to the Company.

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 Company is not listed on any Stock Exchange of India; hence compliance related to Listing Agreements is not applicable to the Company.

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Director and Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provision of the Act.



Adequate notices were given to all Directors to schedule the Board Meetings, Agenda and detailed notes on agenda were circulated at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

We further report that there are adequate systems and processes in the company which commensurate with the size and operations of the company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

Place: Mumbai

Date: 11th May, 2017

For Aabid & Co

Company Secretaries



Mohammad Aabid

Partner

Membership No.: F6579

C.P.No.: 6625

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

ANNEXURE – I

List of documents verified

1. Memorandum & Articles of Association of the Company.
2. Annual Report for the Financial Year ended 31st March, 2017.
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration committee, along with Attendance Register held during the financial year under report.
4. Minutes of General Body Meetings held during the financial year under report.
5. Agenda papers submitted to all the directors/members for the Board Meetings and Committee meetings.
6. Declarations received from the Directors of the Company pursuant to the provisions of Section 184 of Companies Act, 2013.
7. E-forms filed by the company, from time to time, under applicable provisions of the Companies Act, 1956 and Companies Act, 2013 and attachments thereof during the financial year under report.
8. Intimations / documents/ reports / returns filed with the Stock Exchanges pursuant to the provisions of Listing Agreement during the financial year under report.
9. Statutory Registers viz.

Register of Directors' & Key Managerial Personnel (KMP)



- Register of Members

- Register of Charges

ANNEXURE – II

List of Applicable Laws to the Company

Registered Office :

Godrej One, 3rd Floor, Pirojshanagar, Eastern Express Highway Vikhroli (East)
Mumbai , Maharashtra (India) 400079

Under the Major Group and Head :

- 1) Companies Act, 2013.
- 2) The Maternity Benefit Act, 1961.
- 3) The Payment of Gratuity Act, 1972
- 4) The Maharashtra Shops & Establishment Act, 1972
- 5) The Employee's State Insurance Act, 1948
- 6) Employee's Compensation Act, 1923
- 7) The Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975
- 8) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- 9) The Employees Provident Funds and Miscellaneous Provisions Act, 1952
- 10) The Profession Tax Act, 1975.
- 11) Tourism Policy of Maharashtra, 2006
- 12) The Food, Safety & Standard Act, 2006
- 13) The Bombay Prohibition Act, 1949
- 14) Legal Metrology Act, 2009
- 15) The Environment (Protection) Act, 1986
- 16) Water (Prevention and Control of Pollution) Act, 1974



- 17) Air (Prevention and Control of Pollution) Act, 1981
- 18) Environment Protection Act, 1986
- 19) Hazardous Waste (Management, Handling & Transboundary Movement) Rules, 2008
- 20) Bombay Police Act, 1951
- 21) Entertainment Duty Act, Bombay 1923
- 22) Maharashtra Fire Prevention & Life Safety Measures Act, 2006
- 23) Income Tax Act, 1961
- 24) Relevant provisions of the Service Tax and Rules and Regulations thereunder.
- 25) The Foreign Exchange Management Act, 1999, Rules and Regulations made thereunder.



ANNEXURE-III

To,
The Members,
Natures Basket Limited.

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial 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.
4. Wherever required, we have obtained Management Representation about the compliance laws, rules and regulations, and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on a test basis.



6. 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.



KALYANIWALLA & MISTRY LLP

C H A R T E R E D A C C O U N T A N T S

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NATURES BASKET LIMITED.

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS Financial Statements of **NATURES BASKET LIMITED** ("the Company"), which comprises the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the 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 Ind AS Financial Statements that give a true and fair view of the state of affairs (financial position), profit (financial performance including other comprehensive income), cash flows and changes in equity 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 provision 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 Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 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 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 Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the

LLP IN : AAH - 3437

REGISTERED OFFICE : KALPATARU HERITAGE, 127, MAHATMA GANDHI ROAD, MUMBAI 400 001

TEL.: (91) (22) 6158 7200 FAX : (91) (22) 2267 3964

TAX OFFICE : ESPLANADE HOUSE, 29, HAZARIMAL SOMANI MARG, FORT, MUMBAI 400 001

auditor considers internal financial control relevant to the Company's preparation of the 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 Ind AS Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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 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(financial position) of the Company as at March 31, 2017, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matters

We draw attention to Note No. 33 wherein the financial statements have been prepared on a going concern basis notwithstanding substantial erosion in net worth in view of further infusion of the additional funds from its promoters/shareholders.

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 (including Other Comprehensive Income), the Cash Flow Statement 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 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 March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

**KALYANIWALLA
& MISTRY LLP**

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “**Annexure 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 Ind AS Financial Statements – Refer Note 34 to the 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 are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in its Ind AS Financials Statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. However, we are unable to obtain sufficient and appropriate audit evidence to report on whether the disclosures are in accordance with book of account maintained by the Company and as produced to us by the Management – Refer Note 40.

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Reg. No. 104607W / W100166



Ermin K. Irani
Partner
Membership No.: 35646

Place: Mumbai
Dated: May 11, 2017

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in in Para 1 'Report on Other Legal and Regulatory Requirements' in our Independent Auditors' Report to the members of the Company on the Ind AS Financial Statements for the year ended March 31, 2017.

Statement on Matters specified in paragraphs 3 & 4 of the Companies (Auditor's Report) Order, 2016:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets purchased after April 01, 2009. *In respect of fixed assets acquired/purchased prior to April 01, 2009, the register is not complete in respect of particulars such as quantitative details and situation of fixed assets.*
- (b) As explained to us, the Company has a programme for physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the company and nature of its assets. The discrepancies reported on such verification for assets purchased after April 01, 2009 are not material and have been properly dealt with in the books of account. *For assets acquired/purchased prior to April 01, 2009, in the absence of proper details of assets the Company is unable to conduct a physical verification in order to ascertain if there are material discrepancies in respect of such assets.*
- (c) The Company does not have immovable property and hence the provisions of sub clause (c) of paragraph 3(i) of the Order are not applicable.
- ii. In our opinion and according to the information and explanations given to us, physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed on physical verification and the same have been properly dealt with in the books of account.
- iii. The Company has granted unsecured loans to companies and a firm covered in the register maintained under section 189 of the Act. There is no fix term of repayment of principle and interest and hence the question of regular receipt of principle and interest and any overdue amount does not arise.
- iv. In our opinion and according to the information and explanations given to us and the records examined by us, the Company has not advanced any loans or made any investments or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has given a loan within the limit specified by section 186 of the Act and details of such transactions have been disclosed in the financial statements.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any Deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Rules framed thereunder are not applicable.

- vi. In our opinion and according to the information and explanations given to us, the maintenance of cost records under sub section (1) of Section 148 of the Act is not applicable to the Company under the Companies (Cost Record and Audit) Rules, 2014.
- vii. (a) According to the information and explanations given to us and the records examined by us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues with the appropriate authorities. According to the information and explanations given to us, there are no arrears of outstanding statutory dues in respect of above as on the last day of the financial year for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us and the records examined by us, there are no dues of Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise and Value added tax outstanding on account of any dispute except:

₹ In Thousand

Sr. No.	Name of the Statute	Nature of Dues	Amount	Period to which the amount relates	Forum where dispute is pending
1	Income Tax Act	Interest U/S 234B	842,536	2012-13	Commissioner of Income Tax (Appeals) - Mumbai

- viii. According to information and explanation given to us and based on examination of the records, the Company has not defaulted in repayment of loans or borrowings to financial institution and banks. The Company does not have any dues to debenture holders.
- ix. The Company has not raised money through initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us and based on the documents and records examined by us on an overall basis, the term loans obtained by the Company were applied for the purpose for which the loans were obtained.
- x. During the course of our examination of the books of account and records of the Company, and according to the information and explanation given to us and representations made by the Management, no material fraud by or on the Company by its officers or employees, has been noticed or reported during the year.
- xi. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company. Accordingly, provisions of paragraph 3(xii) of the Order are not applicable.
- xiii. According to the information and explanation given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and details of such transactions have

**KALYANIWALLA
& MISTRY LLP**

been disclosed in the Ind AS Financial Statements as required by the applicable accounting standards.

- xiv. According to the information and explanation given 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.
- xv. According to the information and explanation given to us and based on our examination of the records, the Company has not entered into non-cash transactions with the directors or persons connected with him. Hence the provisions of Section 192 of the Act are not applicable.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 hence the provisions of paragraph 3 (xvi) of the Order are not applicable.

**For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Reg. No. 104607W / W100166**



Ermin K. Irani

Partner

Membership No.: 35646

Place: Mumbai

Dated: May 11, 2017

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Para 2 (f) 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report to the members of the Company on the Ind AS Financial Statements for the year ended March 31, 2017.

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

We have audited the internal financial controls over financial reporting of **NATURES BASKET LIMITED** ("the Company") as of March 31, 2017 in conjunction with our audit of the 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 control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, 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 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 control 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 Ind AS Financial Statements, whether due to fraud or error.

**KALYANIWALLA
& MISTRY LLP**

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 Ind AS 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 Ind AS 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 unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, 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 March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India"

**For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Reg. No. 104607W / W100166**



**Ermin K. Irani
Partner
Membership No.: 35646**

Place: Mumbai
Dated: May 11, 2017

NATURES BASKET LIMITED
Balance Sheet As At March 31, 2017

		Rs. in Thousand		
Particulars	Note No.	March 31, 2017	March 31, 2016	April 1, 2015
I Assets				
(1) Non Current Assets				
(a) Property Plant and Equipment	2	302,010	454,807	364,418
(b) Capital Work in Progress	2	16,682	-	16,400
(c) Goodwill	2	53,076	53,076	53,076
(d) Other Intangible Assets	2	13,617	16,820	20,030
(e) Financial Assets	3			
(i) Investments		543	543	578
(ii) Loans		73,682	84,355	79,154
(iii) Other Financial Assets		5,614	4,815	3,991
(f) Other Non Current Assets	4	20,131	27,512	36,153
Total Non Current Assets		485,355	641,928	573,800
(2) Current Assets				
(a) Inventories	5	195,401	242,989	175,218
(b) Financial Assets				
(i) Trade Receivables	6	35,631	32,066	22,968
(ii) Cash And Cash Equivalents	7	200,400	129,999	138,157
(iii) Bank Balances other than (ii) above	8	63	1,066	228
(iv) Loans	9	27,203	70,897	71,798
(v) Other Financial Assets	10	550	10,615	6,435
(c) Current Taxes (Net)	11	8,721	6,402	6,401
(d) Other Current Assets	12	59,332	32,429	25,507
Total Current Assets		527,301	526,463	446,712
Total Assets		1,012,656	1,168,391	1,020,512
II. Equity And Liabilities				
(1) Equity				
(a) Equity Share Capital	13	3,092,300	2,252,300	1,601,900
(b) Other Equity	14	(3,043,842)	(2,082,341)	(1,459,074)
Equity attributable to equity holders		48,458	169,959	142,826
Total Equity		48,458	169,959	142,826
(2) Non Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	15	263,322	367,573	342,431
(b) Long Term Provisions	16	4,113	1,571	1,087
Total Non Current Liabilities		267,435	369,144	343,518
(3) Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	17	100,000	52,000	52,000
(ii) Trade Payables	18	253,234	290,434	295,694
(iii) Other Current Financial Liabilities	19	319,276	272,549	175,702
(b) Other Current Liabilities	20	23,901	14,118	10,616
(c) Provisions	21	352	187	156
Total Current Liabilities		696,763	629,288	534,168
Total Equity And Liabilities		1,012,656	1,168,391	1,020,512

The Notes 1 to 42 form an integral part of the Financial Statements
As per our Report of even date

Signatures to Balance Sheet and Notes to Financial Statements
For and on behalf of the Board

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number: 104607W/ W100166

Sd/-
ERMIN K. IRANI
PARTNER
Membership Number: 35646
Place: Mumbai
Dated: May 11, 2017

Sd/-
AVANI V. DAVDA
Managing Director
DIN: 07504739

Sd/-
TANYA A. DUBASH
Chairperson
DIN: 00026028

Sd/-
SUMIT ZAVERI
Chief Financial Officer
Membership No. 104045

NATURES BASKET LIMITED
Statement Of Profit And Loss For The Year Ended March 31, 2017

Particulars	Note No.	Rs. in Thousand	
		For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
Revenue from Operations	22	3,035,670	2,667,129
Other Income	23	63,383	24,510
Total Income		3,099,053	2,691,639
Expenses			
(1) Purchases of Traded Goods	24	2,243,748	2,087,786
(2) (Increase)/ decrease in inventories of traded goods	25	47,588	(67,771)
(3) Employee Benefits Expense	26	286,174	259,914
(4) Finance Costs	27	76,399	50,113
(5) Depreciation And Amortization Expense	2	101,189	94,991
(6) Other Expenses	28	1,297,884	888,550
Total Expenses		4,052,982	3,313,583
(Loss) Before Tax		(953,929)	(621,944)
Tax Expense			
(a) Deferred Tax		-	-
(b) Tax Adjustment		232	(391)
(Loss) For The Period		(953,697)	(622,335)
Other Comprehensive Income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/ (losses) on post employment benefits		(7,804)	(897)
Income tax effect		-	-
Net gain/ (loss) on FVTOCI Equity Securities		-	(35)
Income tax effect		-	-
Total other comprehensive income not to be reclassified to profit or loss in subsequent periods		(7,804)	(932)
Total comprehensive income for the year		(961,501)	(623,267)
Earnings per Share from continuing operation : (Basic/Diluted) in Rs.	29	(3.64)	(3.22)

The Notes 1 to 42 form an integral part of the Financial Statements
As per our Report of even date

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number: 104607W/W100166

Sd/-
ERMIN K. IRANI
PARTNER
Membership Number: 35646
Place: Mumbai
Dated: May 11, 2017

Signatures to Statement of Profit And Loss and Notes to Financial Statements
For and on behalf of the Board

Sd/-
AVANI V. DAVDA
Managing Director
DIN: 07504739

Sd/-
TANYA A. DUBASH
Chairperson
DIN: 00026028

Sd/-
SUMIT ZAVERI
Chief Financial Officer
Membership No. 104045

NATURES BASKET LIMITED
Statement Of Changes in Equity For The Year Ended March 31, 2017

a. Equity Share Capital:

Equity shares of INR 10 each issued, subscribed and fully paid

	No. in Thousands	Rs. in Thousand
Balance As at April 1, 2015	160,190	1,601,900
Issue of share capital (Refer Note 13)	65,040	650,400
Balance As at March 31, 2016	225,230	2,252,300
Issue of share capital (Refer Note 13)	84,000	840,000
Balance As at March 31, 2017	309,230	3,092,300

b. Other Equity

For The Period Ended March 31, 2017

Rs. in Thousand

	Reserves & Surplus	Items of Other Comprehensive Income (OCI)		
	Retained earnings	Re-measurement gains/ (losses) on post employment benefits	Net gain/ (loss) on Fair Value Through OCI: Equity Securities	Total Equity
As at April 1, 2016	(2,081,962)	(897)	518	(2,082,341)
Changes in Accounting Policy or prior period errors	-	-	-	-
Restated balance as at April 1, 2016	(2,081,962)	(897)	518	(2,082,341)
Profit for the period	(953,697)	-	-	(953,697)
Other Comprehensive Income	-	(7,804)	-	(7,804)
Total Comprehensive Income	(953,697)	(7,804)	-	(961,501)
As at March 31, 2017	(3,035,659)	(8,701)	518	(3,043,842)

For The Period Ended March 31, 2016

Rs. in Thousand

	Reserves & Surplus	Items of Other Comprehensive Income (OCI)		
	Retained earnings	Re-measurement gains/ (losses) on post employment benefits	Net gain/ (loss) on FVTOCI Equity Securities	Total Equity
As at April 1, 2015	(1,459,627)	-	553	(1,459,074)
Changes in Accounting Policy or prior period errors	-	-	-	-
Restated balance as at April 1, 2015	(1,459,627)	-	553	(1,459,074)
Profit for the period	(622,335)	-	-	(622,335)
Other Comprehensive Income	-	(897)	(35)	(932)
Total Comprehensive Income	(622,335)	(897)	(35)	(623,267)
As at March 31, 2016	(2,081,962)	(897)	518	(2,082,341)

The Notes 1 to 42 form an integral part of the Financial Statements
As per our Report of even date

Signatures to Statement of Profit And Loss and Notes to Financial Statements
For and on behalf of the Board

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number: 104607W/ W100166

Sd/-
ERMIN K. IRANI
PARTNER
Membership Number: 35646
Place: Mumbai
Dated: May 11, 2017

Sd/-
AVANI V. DAVDA
Managing Director
DIN: 07504739

Sd/-
TANYA A. DUBASH
Chairperson
DIN: 00026028

Sd/-
SUMIT ZAVERI
Chief Financial Officer
Membership No. 104045

NATURES BASKET LIMITED
Cash Flow Statement For The Year Ended March 31, 2017

Particulars	Rs. in Thousand	
	March 31, 2017	March 31, 2016
A. Cash Flow from Operating Activities :		
Loss Before Tax	(953,929)	(621,944)
Adjustments for:		
Other Comprehensive Income	(7,804)	(932)
Depreciation	101,189	94,991
Loss On Sale Of Assets	121,154	10,490
Provision for Doubtful Advance	6,909	9,636
Interest Expenses	76,399	48,879
Prepaid Rent Amortization of Financial Instruments	20,275	6,909
Doubtful Advances written off	28	-
Bad Debts Written Off	-	74
Interest unwinded on Financial Instruments	(20,959)	(6,253)
Liabilities no longer required written back	(2,795)	(1,775)
Interest Income	(34,592)	(8,612)
Dividend Income	(4)	(4)
	<u>259,800</u>	<u>153,403</u>
Operating (Loss) Before Working Capital Changes	(694,129)	(468,542)
Adjustments for:		
Inventories	47,589	(67,772)
Trade Receivables	(3,565)	(9,171)
Short Term Loans, Other Financial Assets and Other Current Assets	(30,152)	(5,461)
Long Term Loans, Other Financial Assets & Other Non Current Assets	13,598	(21,913)
Trade Payables	(37,200)	(5,259)
Long Term Provisions	2,542	484
Short Term Provisions, Other Financial Liabilities & Other Current Liabilities	70,136	88,235
	<u>62,948</u>	<u>(20,857)</u>
Cash Generated from Operations	(631,181)	(489,399)
Direct Taxes Paid (net of refund received)	(2,088)	(391)
Net Cash Flow from Operating Activities	(633,270)	(489,790)
B. Cash Flow from Investing Activities :		
Acquisition of Fixed Assets	(92,950)	(162,385)
Proceeds from Sale of Fixed Assets	3,126	228
Intercompany Deposit Placed	(770,000)	-
Recovery of Intercompany Deposit Placed	822,000	-
Interest Received	45,103	3,872
Fixed deposits Placed During the Period	(296)	(702)
Dividend Received	4	4
Net Cash Flow from Investing Activities	6,988	(158,983)
C. Cash Flow from Financing Activities :		
Proceeds from Issue of Capital	840,000	650,400
Proceeds from Long Term Borrowings	(0)	134,000
Repayment of Long Term Borrowings	(105,081)	(99,301)
Proceeds from Short Term Borrowings	600,000	-
Repayment of Short Term Borrowings	(552,000)	-
Interest Paid	(86,236)	(44,484)
Net Cash Flow from Financing Activities	696,683	640,615
Net (decrease)/ increase in Cash and Cash Equivalents	70,401	(8,158)
Cash and Cash Equivalents (Opening Balance)	129,999	138,157
Cash and Cash Equivalents (Closing Balance)	200,400	129,999

Notes:

- The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS 7 on "Cash Flow Statements", and presents cash flows by operating, investing and financing activities.
- Figures in brackets are outflows/deductions.
- Figures of the previous year have been regrouped/restated wherever necessary to conform to this year's classification.

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number: 104607W/W100166

For and on behalf of the Board

Sd/-
ERMIN K. IRANI
PARTNER
Membership Number: 35646
Place: Mumbai
Dated: May 11, 2017

Sd/-
TANYA A. DUBASH
Chairperson
DIN: 00026028

Sd/-
AVANI V. DAYDA
Managing Director
DIN: 07504739

Sd/-
SUMIT ZAVERI
Chief Financial Officer
Membership No. 104045

(1) Company Overview

Natures Basket Limited ("the Company") is a Public Limited Company, which is domiciled in India and incorporated in the Republic of India with its registered office at 3rd Floor, Godrej One, Pirojshanagar, Vikhroli (East) Mumbai - 400 079. The Company is incorporated under the Companies Act, 1956 on May 29, 2008. The Company is in the business of selling Premium Gourmet products. Presently, the Company has 26 active stores and 2 Distribution Centres in Maharashtra & Bangalore. The Company is a subsidiary of Godrej Industries Limited.

(2) Basis of Preparation

(i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013 ("the Act"), Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other relevant provisions of the Act as applicable.

The financial statements upto year ended March 31, 2016 were prepared in accordance with the Accounting Standards notified under section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP") and other relevant provisions of the Act as applicable.

These financial statements are the Company's first Ind AS financial statements and are covered by Ind AS 101- First-time Adoption of Indian Accounting Standards. The transition to Ind AS has been carried out from the accounting principles generally accepted in India ("Indian GAAP") which is considered as the 'Previous GAAP' for purposes of Ind AS 101. An explanation of how the transition to Ind AS has affected the Company's financial position, financial performance and the Cash flow is provided in Note No. 38 & 39.

The Financial Statements of the Company for the year ended March 31, 2017 were authorised for issuance in accordance with a resolution of the Board of Directors on May 11, 2017

(ii) Historical cost convention:

The financial statements have been prepared on a historical cost convention basis, except for the following:

- a) Certain financial assets and liabilities (including derivative instruments) that are measured at fair value;
- b) Defined benefit plans - plan assets measured at fair value
- c) Share-based payments - Cost; and
- d) Assets Held for Sale - Measures at Fair Value less cost to sell

(iii) Functional and presentation currency:

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

(3) Key estimates and assumptions

While preparing financial statements in conformity with Ind AS, the management has made certain estimates and assumptions that require subjective and complex judgments. These judgments affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses, disclosure of contingent liabilities at the statement of financial position date and the reported amount of income and expenses for the reporting period. Future events rarely develop exactly as forecasted and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Judgment, estimates and assumptions are required in particular for:

i) Determination of the estimated useful lives of tangible assets

Useful lives of tangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

ii) Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

iii) Recognition of deferred tax assets

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.



iv) Recognition and measurement of other provisions

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

v) Discounting of long-term financial assets / liabilities

All financial assets / liabilities are required to be measured at fair value on initial recognition. In case of financial assets / liabilities which are required to subsequently be measured at amortised cost, interest is accrued using the effective interest method.

vi) Determining whether an arrangement contains a lease

At inception of an arrangement, the Company determines whether the arrangement is or contains a lease.

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

vii) Rebates and sales incentives

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

viii) Fair value of financial instruments

Derivatives are carried at fair value. Derivatives includes foreign currency forward contracts, commodity futures and interest rate swaps. Fair value of foreign currency forward contracts are determined using the fair value reports provided by respective bankers. Fair value of interest rate swaps are determined with respect to current market rate of interest.

(4) Measurement of Fair Values

The Company's accounting policies and disclosures require the measurement of fair values for, both financial and non-financial assets and liabilities.

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.

(5) Standards issued but not yet effective

Ind AS 102 Share-based Payment:

In March 2017, the Ministry of Corporate Affairs had made amendments to Classification and Measurement of Share-based Payment Transactions under Ind AS 102. Paragraphs 19, 30-31, 33 and 52 of Ind AS 102 were amended and paragraphs 33A-33H, 59A-59B, 63D and B44A-B44C and their related headings were added. It mainly deals with accounting for a modification of a share-based payment transaction that changes its classification from cash-settled to equity settled.

The Company is in the process of making an assessment of the impact of amendments to Ind AS 102. As at the date of this report, the Company's management does not expect that the impact on the Company's results of operations and financial position will be material upon adoption of amendments to Ind AS 102.

(6) Accounting Policies

i) Property, Plant & Equipment

Items of property, plant & equipment have been stated at cost less accumulated depreciation and any accumulated impairment



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

- a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

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

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

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

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment as recognized as at April 01, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

ii) Subsequent expenditure

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

iii) Depreciation / Amortisation

Depreciation on tangible fixed assets is provided in accordance with the provisions of Schedule II of the Companies Act 2013, on Straight Line Method. Depreciation on additions / deductions is calculated on pro rata basis. 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. In case of the following category of property, plant and equipment, the depreciation has been provided based on the technical specifications, external & internal assessment, requirement of refurbishments and past experience of the remaining useful life which is different from the useful life as specified in Schedule II to the Act:

Plant & Machinery	7.5 Years
Lease Hold Improvements	Primary Lease and Secondary Lease Period

Assets costing less than Rs. 5,000 are fully depreciated in the year of purchase/acquisition.

iv) Intangible Assets and Goodwill

Goodwill arising on business acquisition is measured at cost less accumulated impairment losses.

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

Other Intangible Assets which are acquired by the Company have finite useful lives and are measured at cost less accumulated amortization and any accumulated impairment losses.

The cost of intangible assets at 1st April 2015, the Company's date of transition to Ind AS, was determined with reference to its carrying value at that date.

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in the Statement of Profit or Loss.

The intangible assets are amortised over the estimated useful lives as given below:

Computer Software	6 Years
Website Platform	10 Years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

v) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is ready for its intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

vi) Impairment of Assets

Non-financial assets

The Company assesses whether there is an indication that an asset may be impaired at each Balance Sheet date and also whether there is an indication of reversal of impairment loss recognized in the previous periods. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognized for such excess amount.

The recoverable amount is determined at the higher of the fair value less cost to sell and the value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using appropriate discount rates that reflects current market assessments of the time value of money and the risk specific to the asset.

If the assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss. When there is indication that an impairment loss recognized 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 recognized in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss.



vii) Investments

Ind AS 109 prescribes fair value measurement of all financial assets in the form of equity investments and all changes in the fair value to be reported in equity.

Accordingly, the investments are fair valued and the impact of fair valuation of equity investments would be reflected through OCI.

viii) Inventories

Stock in Trade is valued at weighted average cost or market value, whichever is lower. Packing Material is treated as consumed on purchase.

The cost of inventories have been computed to include all cost of purchases and other related costs incurred in bringing the inventories to the present location and condition. Slow and non-moving material, obsolescence, defective inventories are duly provided for and valued at net realizable value.

ix) Provisions and Contingent Liabilities

Provisions are recognized in the accounts in respect of present probable obligations the amount of which can be reliably estimated.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

x) Revenue Recognition

a) Sale of Goods

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when 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.

b) Dividend income

Dividend income is recognised only 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.

c) Interest income

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 or loss.

xi) 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.

xii) Share Based payment

Employees are given stock option plans of the Ultimate Holding Company. The cost of stock option plans is calculated using Black & Scholes option pricing model. The cost calculated using this method is recognized as an employee benefit expense over the vesting period of the options, which is four years.

xiii) Retirement & Other Employee Benefits

(i) Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering services are classified as short-term employee benefits. Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. The Company has a scheme of Performance Linked Variable Remuneration (PLVR) which rewards its employees based on either Economic Value Added (EVA) or Profit before tax (PBT). The PLVR amount is related to actual improvement made in either EVA or PBT over the previous year when compared with expected improvements.

Short-term benefits such as salaries, wages, short-term compensation absences, etc., are determined on an undiscounted basis and recognized in the period in which the employee renders the related service.

(ii) Post Employment Benefits:

Defined Contribution Plans: The Company's contributions paid/payable to Regional Provident Fund, Super Annuation Fund, Employees State Insurance Scheme, Employees Pension Schemes, 1995 and other funds, are determined under the relevant approved schemes and/or statutes and are recognised as expense in the Statement of Profit and Loss during the period in which the employee renders the related service. There are no further obligations other than the contributions payable to the approved trusts/appropriate authorities.

Defined Benefit Plans: The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.



(iii) Other long term employee benefits:

Liability towards Long-term Compensated Absences are determined based on actuarial valuation by independent actuaries at the date of the Balance Sheet using Projected Unit Credit method. Actuarial gains/losses comprising of experience adjustments and the effects of changes in actuarial assumptions are immediately recognized in the Statement of Profit & Loss of the year.

(iv) Terminal Benefits:

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

xiv) Earnings Per Share

The basic earnings per share is computed using the weighted average number of common shares outstanding during the period. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the period, except where the results would be anti-dilutive.

xv) Foreign currency transactions

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency') The Indian Rupee (INR) is the functional and presentation currency of the Company.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as income and expenses in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of transactions. Non-monetary items that are measured at fair value in a foreign currency shall be translated using the exchange rates at the date when the fair value was measured.

The gains or losses resulting from translations of monetary assets and liabilities are included in net profit in the Statement of Profit and Loss.

xvi) Taxes on Income:

Income Tax expense comprises of current and deferred tax. Income Tax expense is recognized in net profit in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognised in other comprehensive income.

i) Current Tax

Current Tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for the year determined in accordance with the provisions of the Income Tax Act, 1961. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

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

- a) has a legally enforceable right to set off the recognized amounts; and
- b) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

ii) Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax liability is not recognized for the following taxable temporary differences:

- a) on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- b) initial recognition of goodwill.

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 assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been 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.

xvii) Lease

In determining 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 if fulfilment 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.

Finance Lease

Agreements are classified as finance leases (including those for land), if substantially all the risks and rewards incidental to ownership of the leased asset is transferred to the lessee.

Finance leases are capitalized at the commencement of the lease at fair value of the lease property or at the present value of the minimum lease payments, whichever is lower. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the Statement of Profit & Loss.

A leased asset is depreciated over the useful life of the asset.



Operating Lease

Agreements (including those for land) which are not classified as finance leases are considered as operating lease (where a significant portion of the risk and rewards of ownership are retained by the lessor). Payments made under operating leases are recognized in Statement of Profit and Loss. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

xviii) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts, interest rate swaps and currency options; and embedded derivatives in the host contract.

Financial instruments also covers contracts to buy or sell a non-financial item that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, with the exception of contracts that were entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements.

Derivatives are currently recognized at fair value on the date on which the derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

i) Financial Assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in two broad categories:

- Financial assets at fair value
- Financial assets at amortized cost

Where assets are measured at fair value, gains and losses are either recognized entirely in the Statement of Profit and Loss (i.e. fair value through profit or loss), or recognized in Other Comprehensive Income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured at amortized cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

- **Business model test:** The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).
- **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

- **Business model test:** The objective of the Company's business model is achieved by both collecting contractual cash flows and selling financial assets.
- **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Even if an instrument meets the two requirements to be measured at amortized cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

All other financial asset is measured at fair value through profit or loss.

All equity investments are measured at fair value in the balance sheet, with value changes recognized in the statement of profit and loss, except for those equity investments for which the entity has elected to present value changes in 'other comprehensive income'.

If an equity investment is not held for trading, an irrevocable election is made at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognized in the statement of profit and loss.

Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either:
 - (a) the Company has transferred substantially all the risks and rewards of the asset, or
 - (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.



Impairment of Financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
- b) Trade receivables - The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits, security like letters of credit, security deposit collected etc. and expectations about future cash flows.

ii) Financial Liabilities

Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

Loans and borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognised as well as through the EIR amortization process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or 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 the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

xix) 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.

xx) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand 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.



2. Fixed Assets

Rs. in Thousand

ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK				
	As At 01.04.16	Additions	Deductions	As At 31.03.17	Upto 01.04.16	For the Period	On Deductions	Upto 31.03.17	As At 31.03.17	As At 31.03.16	
Property Plant & Equipment	Plant & Machinery	88,004	11,319	25,344	73,979	13,516	15,576	8,658	20,434	53,545	74,488
	Furniture & Fixtures	148,599	15,956	48,178	116,377	14,766	16,889	10,291	21,364	95,013	133,834
	Vehicles	174	-	16	158	32	19	8	43	115	142
	Equipments	27,051	7,496	7,243	27,304	7,283	7,542	3,963	10,862	16,442	19,768
	A.C., Water Coolers	47,552	4,314	12,743	39,123	11,279	11,491	6,579	16,191	22,932	36,273
	Electrical Equipments & Installation	25,179	497	11,101	14,575	2,692	2,706	2,434	2,964	11,611	22,487
	Computers	14,744	1,974	2,561	14,157	4,907	4,819	1,646	8,080	6,077	9,837
	Servers & Networks	2,399	2,998	643	4,754	416	715	232	899	3,855	1,983
	Leasehold Improvements	191,271	19,174	64,643	145,802	35,276	37,895	19,789	53,382	92,420	155,995
	Total	544,973	63,728	172,472	436,229	90,167	97,652	53,600	134,219	302,010	454,807
Previous Year	364,417	192,621	12,063	544,974	-	91,514	1,347	90,167	454,807		
Capital Work in Progress											
Total	-	-	-	-	-	-	-	-	16,682	-	
Previous Year	-	-	-	-	-	-	-	-	16,682	-	
Goodwill											
Total	53,076	-	-	53,076	-	-	-	-	53,076	53,076	
Previous Year	53,076	-	-	53,076	-	-	-	-	53,076	53,076	
Other Intangible Assets											
Website Platform	10,503	-	-	10,503	1,071	1,071	-	2,142	8,361	9,432	
Intangible Assets	9,794	334	-	10,128	2,406	2,466	-	4,872	5,256	7,388	
Total	20,297	334	-	20,631	3,477	3,537	-	7,014	13,617	16,820	
Previous Year	20,030	267	-	20,297	-	3,477	-	3,477	16,820		
Grand Total	618,346	64,062	172,472	509,936	93,644	101,189	53,600	141,233	385,385	524,703	
Previous Year	437,522	192,888	12,063	618,347	-	94,991	1,347	93,644	524,703	-	

Note: Property Plant and equipment is pledged against loans taken from Banks and Financial Institutions.



Rs. in Thousand

14,320	4793	9,527
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Gross Block
Accumulated Depreciation
Net Block
Transition

Particulars	Plant & Machinery	Furniture & Fixtures	Vehicles	Equipments	Electrical Equipments & Installation	A.C., Water Coolers	Computers	Servers & Networks	Leasehold Improvements	Goodwill	Website Platform	Intangible Assets
Gross Block as on April 1, 2015	84,907	119,512	458	32,268	23,379	47,943	29,005	3,050	229,628	59,032	10,705	14,320
Accumulated Depreciation till April 1, 2015	18,162	22,884	284	15,247	3,800	19,902	20,938	1,557	102,959	5,956	202	4,793
Net Block treated as deemed cost upon transition	66,745	96,628	174	17,021	19,579	28,041	8,067	1,493	126,669	53,076	10,503	9,527

Note No.	Particulars	Rs. in Thousand		
		March 31, 2017	March 31, 2016	April 1, 2015
3	Financial Assets - Non Current			
	(i) Investments			
	Unquoted Equity Shares (at Fair Value)			
	2,500 Equity Shares of Rs.10/- each fully paid (March 31, 2016: 2,500; April 1, 2015: 2,500) in The Saraswat Co-operative Bank Limited	543	543	578
	Total	543	543	578
	Note No.3.1 :			
	Due to non availability of Sufficient information, the Company has not done fair valuation of Investments in the current year. The Company has carried forward previous years fair valued amount.			
	(ii) Loans			
	Unsecured, Considered Good unless otherwise stated			
	(a) Security Deposits			
	Considered Good	73,601	84,124	78,865
	Considered Doubtful	6,247	5,947	-
	Less: Provision for Doubtful Advances	(6,247)	(5,947)	-
		73,601	84,124	78,865
	(b) Employee Loans & Advances			
	Considered Good	81	231	289
	Considered Doubtful	3,158	2,377	2,188
	Less: Provision for Doubtful Advances	(3,158)	(2,377)	(2,188)
		81	231	289
	Total	73,682	84,355	79,154
	(iii) Other Financial Assets			
	(a) Long Term Deposits with Bank with maturity period more than 12 months (Refer Note 3.2)	4,393	3,093	3,229
	(b) Non Trade Receivables	6,846		
	Less: Provision for doubtful debts	(6,846)	-	-
		-		
	(c) NSC Pledged with Government Authorities	1,221	1,722	762
	Total	5,614	4,815	3,991
	Note No.3.2 :			
	Fixed Deposits valuing Rs. 400 Thousand, (Previous Year Rs. 1,489 Thousand; April 1,2015 Rs 3,078 Thousand) are pledged with the Bank for guarantees issued.			
4	Other Non Current Assets			
	(i) Capital Advances			
	Considered Good	1,294	-	14,102
	Considered Doubtful	3,500	3,500	-
	Less: Provision for Doubtful Advances	(3,500)	(3,500)	-
		1,294	-	14,102
	(ii) Prepaid Expenses	18,837	27,512	22,051
	Total	20,131	27,512	36,153
5	Inventories			
	Stock in Trade (at cost)	195,401	242,989	175,218
	Total	195,401	242,989	175,218
	Financial Assets - Current			
6	Trade Receivables			
	Unsecured, Considered Good	35,631	32,066	22,968
	Total	35,631	32,066	22,968



Note No.	Particulars	Rs. in Thousand		
		March 31, 2017	March 31, 2016	April 1, 2015
7	Cash And Cash Equivalents			
	(i) Balances With Banks in Current Accounts	194,816	123,001	132,516
	(ii) Cash on Hand	5,584	6,998	5,641
	Total	200,400	129,999	138,157
8	Bank Balances other than (7) above			
	Deposits with maturity more than 3 months but less than 12 months (Refer Note 3.2)	63	1,066	228
	Total	63	1,066	228
9	Loans			
	Unsecured, Considered Good unless otherwise stated			
	(a) Security Deposits	26,963	18,221	19,097
	(b) Inter Corporate Deposits	-	52,000	52,000
	(c) Employee Loans & Advances	240	676	701
	Total	27,203	70,897	71,798
10	Other Financial Assets			
	(a) Interest Accrued but not due on ICD	-	10,512	5,773
	(b) Receivable from Related Parties	-	-	662
	(c) Other Receivables	49	103	-
	(d) NSC Pledged with Government Authority	501	-	-
	Total	550	10,615	6,435
11	Current Tax (Net)			
	Advance Payment of Taxes (Net of provision for Tax)	8,721	6,402	6,401
	Total	8,721	6,402	6,401
12	Other Current Assets			
	Unsecured, Considered Good			
	Other Loans And Advances			
	(a) Prepaid Expenses	11,524	15,378	10,891
	(b) Balances with Government Authorities	-	25	4,179
	(c) Advances to Vendors / Service Providers	42,301	17,016	10,436
	(d) Non Current Assets held for Sale	5,504	-	-
	(e) Others	3	10	-
	Total	59,332	32,429	25,507



Note No.	Particulars	Rs. in Thousand					
		March 31, 2017	March 31, 2016	April 1, 2015			
13	Share Capital						
	(i) Authorised Share Capital						
	(a) 400,000,000 (Previous Year 235,000,000; As on April 1, 2015 165,000,000) Equity Shares of Rs.10/- each	4,000,000	2,350,000	1,650,000			
	(ii) Issued, Subscribed And Paid-up Share Capital						
	(a) 309,230,000 (Previous Year 225,230,000; As on April 1, 2015 160,190,000) Equity Shares of Rs.10/- each fully paid up	3,092,300	2,252,300	1,601,900			
	Total	3,092,300	2,252,300	1,601,900			
	(iii) Rights, Preferences and restrictions attached to shares						
	Equity Shares: The Company has one class of Equity shares having a par value of Rs.10 per share. Each Share holder is eligible for one vote per share held. In the event of liquidation, the Equity Shareholders are eligible to receive the remaining assets of the Company after distribution of all the preferential amounts, in proportion to their share holding.						
	(iv) Reconciliation of Number of Equity Shares	March 31, 2017	March 31, 2016	April 1, 2015			
		No. of Shares	Amount (In Thousand)	No. of Shares	Amount (In Thousand)	No. of Shares	Amount (In Thousand)
	Balance as at the beginning of the year	225,230,000	2,252,300	160,190,000	1,601,900	106,080,000	1,060,800
	Add: Rights Shares Issued in the ratio 0.115 : 1					12,220,000	122,200
	Add: Rights Shares Issued in the ratio 0.070 : 1					8,280,000	82,800
	Add: Rights Shares Issued in the ratio 0.065 : 1					8,280,000	82,800
	Add: Rights Shares Issued in the ratio 0.121 : 1					16,280,000	162,800
	Add: Rights Shares Issued in the ratio 0.060 : 1					9,050,000	90,500
	Add: Rights Shares Issued in the ratio 0.102 : 1			16,260,000	162,600		
	Add: Rights Shares Issued in the ratio 0.092 : 1			16,260,000	162,600		
	Add: Rights Shares Issued in the ratio 0.084 : 1			16,260,000	162,600		
	Add: Rights Shares Issued in the ratio 0.078 : 1			16,260,000	162,600		
	Add: Rights Shares Issued in the ratio 0.040 : 1	9,000,000	90,000				
	Add: Rights Shares Issued in the ratio 0.040 : 1	9,215,000	92,150				
	Add: Rights Shares Issued in the ratio 0.075 : 1	18,215,000	182,150				
	Add: Rights Shares Issued in the ratio 0.070 : 1	18,215,000	182,150				
	Add: Rights Shares Issued in the ratio 0.065 : 1	18,215,000	182,150				
	Add: Rights Shares Issued in the ratio 0.037 : 1	11,140,000	111,400				
	Balance as at the end of the year	309,230,000	3,092,300	225,230,000	2,252,300	160,190,000	1,601,900
	(v) Shareholding Information						
	(a) Equity Shares held by Godrej Industries Ltd. - Holding Company (and its nominees)			3,092,300	2,252,300	1,601,900	
	309,230,000 (Previous Year 225,230,000; As on April 1, 2015 160,190,000) Equity Shares of Rs.10/- each fully paid up						
	(b) Shareholders holding more than 5% of Equity Shares						
	Godrej Industries Limited - the Holding Company			3,092,300	2,252,300	1,601,900	
	309,230,000 (Previous Year 225,230,000; As on April 1, 2015 160,190,000) Equity Shares of Rs.10/- each fully paid up			100%	100%	100%	
14	Other Equity						
	Retained Earnings			(3,043,842)	(2,082,341)	(1,459,074)	
15	Financial Liabilities - Non-Current						
	(i) Borrowings						
	Term Loans						
	Secured						
	(a) Term Loan From a Bank (Refer Note No.15.1)			144,477	171,473	93,469	
	(b) Term Loan From a Financial Institution (Refer Note No.15.2)			118,845	196,100	248,962	
	Total			263,322	367,573	342,431	



Note No.	Particulars	Rs. in Thousand		
		March 31, 2017	March 31, 2016	April 1, 2015

Note No.15.1 :

(a) Nature of Security

Term loan from AXIS Bank & YES Bank is secured by hypothecation of moveable plant and machinery, furniture, fixtures consisting of refrigeration and interior work, both present and future of funded stores.

(b) Terms of Repayment

	March 31, 2017		March 31, 2016		April 1, 2015	
	Non Current	Current	Non Current	Current	Non Current	Current
1 Loan from Axis Bank Carrying Interest rate ranging from 9.65% to 11.50% pa.						
(i) Monthly installment of Rs.750,000/- up to 30.07.2020.	20,250	9,000	29,250	9,000	38,250	6,750
(ii) Monthly installment of Rs.166,667/- up to 30.07.2020.	4,500	2,000	6,500	2,000	8,500	1,500
(iii) Monthly installment of Rs.583,333/- up to 30.07.2020.	15,750	7,000	22,750	7,000	29,750	5,250
(iv) Monthly installment of Rs.330,000/- up to 31.08.2020 and last installment of Rs.319,000/-	8,977	3,996	12,973	3,996	16,969	2,331
	49,477	21,996	71,473	21,996	93,469	15,831
2 Loan from YES Bank Carrying Interest @ 10.30% pa						
(i) Monthly installment of Rs.458,333/- commencing from 22.12.2017 up to 21.12.2022.	26,125	1,375	27,500	-	-	-
(ii) Monthly installment of Rs.375,000/- commencing from 22.12.2017 up to 21.12.2022.	21,375	1,125	22,500	-	-	-
(iii) Monthly installment of Rs.833,333/- commencing from 22.12.2017 up to 21.12.2022.	47,500	2,500	50,000	-	-	-
	95,000	5,000	100,000	-	-	-

Note No.15.2 :

(a) Nature of Security

Term loan from Tata Capital Financial Services Ltd. is secured by hypothecation of the Fixed Assets and Current Assets of the funded stores & head office.

(b) Terms of Repayment

	March 31, 2017		March 31, 2016		April 1, 2015	
	Non Current	Current	Non Current	Current	Non Current	Current
1. Loan from Tata Capital Financial Services Ltd. Carrying Interest rate ranging from 10.35% to 9.70% pa.						
(i) Monthly installment of Rs.1,666,667/- up to 10.10.2018.	11,667	20,000	31,667	20,000	51,666	20,000
(ii) Monthly installment of Rs.832,710/- up to 10.10.2016.	-	-	-	5,829	5,829	9,993
(iii) Monthly installment of Rs.416,667/- up to 10.07.2019.	6,667	5,000	11,667	5,000	16,667	5,000
(iv) Monthly installment of Rs.583,333/- up to 10.11.2019.	11,667	7,000	18,667	7,000	25,667	7,000
(v) Monthly installment of Rs.833,333/- up to 10.01.2020.	18,333	10,000	28,333	10,000	38,333	10,000
(vi) Monthly installment of Rs.500,000/- up to 10.03.2020.	12,000	6,000	18,000	6,000	24,000	6,000
(vii) Monthly installment of Rs.641,667/- up to 10.03.2020.	15,400	7,700	23,100	7,700	30,800	7,700
(viii) Monthly installment of Rs.333,333/- up to 10.03.2020.	8,000	4,000	12,000	4,000	16,000	4,000
(ix) Monthly installment of Rs.333,333/- up to 10.03.2020.	8,000	4,000	12,000	4,000	16,000	4,000
(x) Monthly installment of Rs.500,000/- up to 10.03.2020.	12,000	6,000	18,000	6,000	24,000	6,000
(xi) Monthly installment of Rs.629,630/- up to 10.03.2020.	15,111	7,556	22,666	7,556	-	-
	118,845	77,256	196,100	83,085	248,962	79,693
	263,322	104,252	367,573	105,081	342,431	95,524



Note No.	Particulars	Rs. in Thousand		
		March 31, 2017	March 31, 2016	April 1, 2015
16 Provisions				
	Provision for Employee Benefits For Unavailed Leave	4,113	1,571	1,087
	Total	4,113	1,571	1,087
17 Short Term Borrowings				
	<u>Unsecured</u>			
	Unsecured Short Term Loan from Banks	100,000	-	-
	Inter Corporate Deposit from Related Party (Refer Note No.17.1)	-	52,000	52,000
	Total	100,000	52,000	52,000
Note No.17.1 :				
The Short Term Loan carries an interest rate of 9.25%.				
In the Previous year, the Inter Corporate Deposit from Related Party was repayable on demand, carrying interest @ 10% to 9.4%. (April 1, 2015 10%)				
18 Trade Payables				
	(a) Total outstanding dues of micro enterprises and small enterprises	-	-	-
	(b) Total outstanding dues of creditors other than micro enterprises & small enterprises	253,234	290,434	295,694
	Total	253,234	290,434	295,694
Note No.18.1 :				
Micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) have been identified by the Company on the basis of the information available with them and the auditors have relied on the same. Sundry creditors include total outstanding dues of micro enterprises and small enterprises amounting to Rs. NIL (Previous Year: Rs. NIL).				
19 Other Financial Liabilities - Current				
	(a) Payable to Related Parties	-	607	-
	(b) Current Maturities of Secured Long Term Debt (Refer Note Nos.15.1 & 15.2)	104,252	105,081	95,524
	(c) Interest Accrued but Not Due on Borrowings	3,408	13,245	8,850
	(d) Non Trade Payables	201,547	151,235	69,729
	(e) Security Deposit	384	384	-
	(f) Gratuity	9,259	1,997	1,599
	(g) Leave Encashment	426	-	-
	Total	319,276	272,549	175,702
20 Other Current Liabilities				
	(a) Statutory Dues	21,937	12,667	10,096
	(b) Other Liabilities	1,964	1,451	520
	Total	23,901	14,118	10,616
Note No.20.1 :				
There is no amount due and outstanding to be credited to the Investor Education & Protection Fund, in respect of matured but unclaimed Fixed Deposits / Loans and any unclaimed interest.				
21 Short Term Provisions				
	(a) Provision for Employee Benefits For Unavailed Leave	352	187	156
	Total	352	187	156



Note No.	Particulars	Rs. in Thousand	
		For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
22	Revenue From Operations		
(a)	Sale of Products	3,030,282	2,663,537
(b)	Other Operating Revenues		
(i)	Seconds Sales	143	282
(ii)	Others	5,245	3,310
		5,388	3,592
Total		3,035,670	2,667,129
23	Other Income		
(a)	Interest Income		
(i)	Fixed Deposits with a Bank	449	2,989
(ii)	Interest unwinded on Financial Instruments	20,959	6,253
(iii)	Others	34,143	5,623
		55,551	14,864
(b)	Dividend Income	4	4
(c)	Claims Received	-	14
(d)	Liabilities no longer required written back	2,795	1,775
(e)	Promotional Income	3,467	7,595
(f)	Other Non Operating Income	1,566	258
Total		63,383	24,510
24	Purchases of Stock in Trade	2,243,748	2,087,786
25	Changes in Inventories of Stock in Trade		
(a)	Stock at the Commencement of the Period	242,989	175,218
(b)	Less: Stock at the Close of the Period	195,401	242,989
Total		47,588	(67,771)
26	Employee Benefits Expense		
(a)	Salaries and Wages	259,981	233,167
(b)	Contribution to Provident and Other Funds	11,702	11,405
(c)	Expenses on Employee Stock Based Payments	2,539	3,181
(d)	Staff Welfare Expenses	11,952	12,161
Total		286,174	259,914
27	Finance Costs		
(a)	Interest Expense		
(i)	Bank Term Loans	42,008	43,665
(ii)	Inter Corporate Deposits	34,391	5,214
(b)	Other Borrowing Costs	-	1,234
Total		76,399	50,113
28	Other Expenses		
(a)	Consumption of Packing Materials and Non-Trading Consumables	27,024	19,644
(b)	Rent	301,534	280,644
(c)	Prepaid Rent Amortization of Financial Instruments	20,275	6,909
(d)	Repairs - Others	28,158	27,511
(e)	Insurance	8,397	6,614
(f)	Rates and Taxes	117,394	5,695
(g)	Provision for Doubtful Advances	6,909	9,636
(h)	Doubtful Advances written off	28	-
(i)	Labour Charges	124,622	115,561
(j)	Electricity Charges	108,704	110,201
(k)	Legal & Professional Fees	144,277	34,814
(l)	Auditor's Remuneration (Refer Note No.28.1)	2,691	1,911
(m)	Directors Sitting fees	1,410	1,363
(n)	Freight, Coolie and Cartage	42,933	57,036
(o)	Discount, Selling Expenses and Commission	4,291	4,420
(p)	Advertisement and Publicity	138,721	114,670
(q)	Loss on Sale / Write Off of Fixed Assets	121,154	10,490
(r)	Bad Debts Written Off	-	74
(s)	Loss by Theft	-	600
(t)	Local Conveyance	7,812	7,094
(u)	Stationery & Printing	3,812	3,563
(v)	Telephone & Fax	4,393	4,131
(w)	Computer Expenses	7,291	7,014
(x)	License Fees	5,417	6,342
(y)	Office Expenses	10,090	9,101
(z)	Bank Charges	23,827	20,694
(za)	Private Label Expenses	5,346	4,630
(zb)	Travelling Expenses	8,107	4,163
(zc)	Training/Conference Expenses	4,517	805
(zd)	Miscellaneous Expenses	18,750	13,220
Total		1,297,884	888,550



Note No.	Particulars	Rs. in Thousand	
		For the Year Ended	For the Year Ended
		March 31, 2017	March 31, 2016
Note No.28.1 :			
Auditor's Remuneration			
(a)	For Audit	1,406	1,398
(b)	For Audit Under Other Statutes	430	398
(c)	For Taxation Matters	832	105
(d)	For Reimbursement of Expenses	-	10
(e)	For Other Services	23	-
Total		2,691	1,911

29 Earnings Per Share

(a)	Net Loss After Tax (Rs. in thousand)	(953,697)	(622,335)
(b)	Number of Equity Shares Outstanding at the beginning of the year	225,230,000	160,190,000
(c)	Number of Equity Shares Outstanding at the end of the year	309,230,000	225,230,000
	Weighted average number of equity shares outstanding during the year	262,210,658	193,243,115
(c)			
(d)	Basic and Diluted Earnings Per Share (Rs.)	(3.64)	(3.22)
(e)	Nominal Value of Shares (Rs.)	10	10

30 Employee Benefits

Defined Contribution Plans:

The Company's contributions paid/payable to Regional Provident Fund at certain locations, Super Annuation Fund, Employees State Insurance Scheme, Employees Pension Schemes, 1995 and other funds, are determined under the relevant approved schemes and/or statutes and are recognised as expense in the Statement of Profit and Loss during the period in which the employee renders the related service. There are no further obligations other than the contributions payable to the approved trusts/appropriate authorities. The Company has recognised Rs. 8,302 Thousand for the year ended March 31, 2017 (Previous year: Rs. 8,127 Thousand) towards Provident Fund contribution.

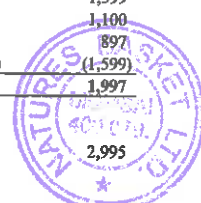
Defined Benefit Plan:

The Company's gratuity and leave encashment/long-term compensated absences schemes are defined benefit plans. The Company's liability for the defined benefit schemes is actuarially determined based on the projected unit credit method. The Company's net obligations in respect of such plans is calculated by estimating the amount of future benefit that the employees have earned in return for their services and the current and prior periods that benefit is discounted to determine its present value and the fair value of the plan asset is deducted. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

In accordance with the provisions of the Payment of Gratuity Act, 1972, the Company has a defined benefit plan which provides for gratuity payments. The plan provides a lump sum gratuity payment to eligible employees at retirement, resignation or termination of their employment. The amounts are based on the respective employee's last drawn salary and the years of employment with the Company.

The following table sets out the funded status of the gratuity plan and the amounts recognised in the Company's financial statements as at March 31, 2017:

(a)	Change in Present Value of Obligation		
(i)	Present value of obligation as at the beginning of the year	4,993	3,674
(ii)	Interest Cost	403	294
(iii)	Service Cost	1,316	972
(iv)	Benefits Paid	(2,301)	(836)
(v)	Actuarial (gain)/loss on obligation	7,563	890
	Present value of obligation, as at the end of the year	11,974	4,993
(b)	Change in Plan Assets		
(i)	Fair value of plan assets as at the beginning of the year	2,995	2,075
(ii)	Interest Income	242	166
(iii)	Contributions	2,019	1,599
(iv)	Benefits Paid	(2,301)	(836)
(v)	Return on Plan Assets excluding interest income	(241)	(8)
	Fair Value of plan assets, as at the end of the year	2,715	2,996
(c)	Amount Recognised in the Balance Sheet		
(i)	Present value of obligation, as at the end of the year	(11,974)	(4,993)
(ii)	Fair value of plan assets as at the end of the year	2,715	2,996
(iii)	Funded Status (Surplus/ (Deficit))	(9,259)	(1,997)
	Net (Liability)/ Asset recognised in the Balance Sheet	(9,259)	(1,997)
(d)	Net Interest Cost for Current Period		
(i)	Present value of obligation, as at the beginning of the year	(4,993)	3,674
(ii)	Fair value of plan assets as at the beginning of the year	2,996	(2,075)
(iii)	Net (Liability)/ Asset recognised as at the beginning	(1,997)	1,599
(iv)	Interest Cost	403	294
(v)	Interest Income	(242)	(166)
	Net Interest cost for the current year	161	128
(e)	Expenses recognised in the Statement of Profit or Loss for Current Period		
(i)	Current Service Cost	1,316	972
(ii)	Interest Cost	403	294
(iii)	Expected return on plan assets	(242)	(166)
	Expenses Recognized	1,477	1,100
(f)	Expenses recognised in the Other Comprehensive Income (OCI) for Current Period		
(i)	Actuarial (Gains)/ Losses on Obligation for the period	7,563	890
(ii)	Return on Plan Assets, excluding interest income	241	7
(iii)	Change in Asset Ceiling	-	-
	Net (Income)/ Expense for the period recognized in OCI	7,804	897
(g)	Balance Sheet reconciliation		
(i)	Opening Net Liability	1,997	1,599
(ii)	Expenses recognised in Statement of Profit or Loss	1,477	1,100
(iii)	Expenses recognised in OCI	7,804	897
(iv)	Employer's Contribution	(2,019)	(1,599)
	Net Liability/ (Asset) recognised in the Balance Sheet	9,259	1,997
(h)	Category of Assets		
(i)	Insurance Fund	2,714	2,995



Note No.	Particulars	For the Year Ended March 31, 2017	Rs. in Thousand For the Year Ended March 31, 2016
(i)	Other Details		
(i)	Number of Active Members	355	407
(ii)	Per month salary for Active Members	4,894	4,750
(iii)	Weighted Average Duration of the Projected Benefit Obligation	15	
(iv)	Average Future Service (Years)	13	25
(v)	Projected Benefit Obligation	11,974	4,993
(vi)	Prescribed Contribution for next year (12 Months)	4,894	3,313
(j)	Net Interest Cost for Next Year		
(i)	Present value of obligation, as at the end of the year	11,974	4,993
(ii)	Fair value of plan assets as at the end of the year	(2,715)	(2,996)
(iii)	Net (Liability)/ Asset recognised as at the end of the year	9,259	1,997
(iv)	Interest Cost	870	403
(v)	Interest Income	(197)	(242)
	Net Interest cost for the next year	673	161
(k)	Expenses recognized in the Statement of Profit or loss for next year		
(i)	Current Service Cost	3,351	1,316
(ii)	Net Interest Cost	673	161
(iii)	(Expected contributions by the employees)		
	Expenses Recognized	4,024	1,477
(l)	Maturity Analysis of Projected benefit obligation: From the Fund		
	Projected Benefits payable in future years from the date of reporting		
(i)	1st Following Year	2,866	79
(ii)	2nd Following Year	346	111
(iii)	3rd Following Year	385	139
(iv)	4th Following Year	519	178
(v)	5th Following Year	520	325
(vi)	Sum of Years 6 to 10	2,887	2,222
(m)	Sensitivity Analysis		
(i)	Projected Benefit Obligation on Current Assumptions	11,974	4,993
(ii)	Delta Effect of +1% Change in Rate of Discounting	(1,111)	(758)
(iii)	Delta Effect of -1% Change in Rate of Discounting	1,348	943
(iv)	Delta Effect of +1% Change in Rate of Salary Increase	1,056	893
(v)	Delta Effect of -1% Change in Rate of Salary Increase	(953)	(738)
(vi)	Delta Effect of +1% Change in Rate of Employee Turnover	(953)	338
(vii)	Delta Effect of -1% Change in Rate of Employee Turnover	(275)	(401)
(n)	Assumptions Used in Accounting for the Gratuity Plan of Past 5 Years		
		31.03.2017	31.03.2016
(i)	Discount Rate	7.27%	8.07%
(ii)	Salary escalation rate	10%	5%
(iii)	Expected rate of return on plan assets	7.27%	8.07%
		31.03.2015	31.03.2014
		8.01%	9.30%
		4%	4%
		8.01%	9.30%
		8.25%	8.25%

Note:

- (a) The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- (b) The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets.

Other long-term employee benefits:

Compensated absences are payable to employees at the rate of daily salary for each day of accumulated leave on death or on resignation or upon retirement. The charge towards compensated absences for the year ended 31 March 2017 based on actuarial valuation using the projected accrued benefit method is Rs. 4,891 Thousand (Previous Year : Rs. 1,758 Thousand).

Terminal Benefits: All terminal benefits including voluntary retirement compensation are fully written off to the Statement of Profit & Loss.

Incentive Plans: The Company has a scheme of Performance Linked Variable Remuneration (PLVR) which is fully written off to the Statement of Profit & Loss. The Scheme rewards its employees based on Economic Value Addition (EVA), which is related to actual improvement made in EVA over the previous period when compared with expected improvements.

31 Expenses on Employee Stock Based Payments

The Company has participated in the Godrej Industries Limited Employee Stock Grant Scheme 2011 and the Compensation Committee of the company has approved the grant of stocks to a certain eligible employee in terms of the Scheme. The stock grants shall vest 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 3 consecutive years. The exercise price is Re.1 per equity share as provided in the scheme. During the current financial year the company has provided Rs.2,916 thousand, (Previous Year Rs.4,056 thousand, As at April 1 2015 Rs.2,909 thousand) for the aforesaid eligible employee.

32 Lease Taken by the Company

The Company's leasing arrangements are in respect of operating leases for premises occupied by the Company.

These leasing arrangements are cancellable, and are renewable on a periodic basis by mutual consent on mutually acceptable terms. Escalation is applicable as per the terms and conditions of the agreement.

- (a) The total of future minimum lease payments under cancellable operating leases for each of the following periods:

(i)	Not later than one year	189,803	250,722
(ii)	Later than one year and not later than five years	518,722	929,869
(iii)	Later than five years	88,297	53,295
		<u>796,822</u>	<u>1,233,886</u>

- (b) Lease payments recognised in the statement of Profit & Loss for the year

	<u>279,284</u>	<u>247,554</u>
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Note No.	Particulars	Rs. in Thousand	
		For the Year	For the Year
		Ended March 31, 2017	Ended March 31, 2016
33	Accumulated Losses		
	The financial statements have been prepared on the assumption of a going concern basis notwithstanding substantial erosion in net worth and in view of further infusion of additional funds from its promoters / shareholders. The Company has an accumulated (Deficit) in Statement of Profit & Loss of Rs. 3,035,659 thousand (Previous year Rs. 2,081,962 thousand; As at April 1 2015 Rs.1,459,627 thousand). The Company is expecting to generate faster growth in additional revenue through its online business and new stores which is expected to improve its financial position in the short to medium term. In the expectation of the successful outcome of the above, the accounts have been prepared on a going concern basis.		
34	Contingent Liabilities		
	(a) Claims against the Company not acknowledged as Debts		
	(i) Income tax demand pertaining to the financial year 2012-13 against which the Company has preferred appeals	843	843
	(ii) Service tax demand raised by Directorate General of Central Excise Intelligence (DGCEI) pertaining to the financial year 2010-2011 to 2014-2015 against which the Company has preferred appeals.	9,976	
	(ii) VAT demands raised by Deputy Commissioner pertaining to the financial year 2010-2011 & 2012-2013 against which the Company has preferred appeals.	27,761	
	(b) Guarantees		
	(i) Guarantees issued by banks	400	1,140
35	Balance Confirmation		
	Current Assets, Loans and Advances, Deposits and Trade Payables are subject to confirmation / reconciliation and consequential adjustments, if any.		



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 presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

March 31, 2017		Carrying amount			Fair value			Rs. in Thousand
	Note	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3
								Total
Financial assets								
1 Non Current Financial Assets								
(a)			543					543
(b)		73,601		81	73,682	543	73,601	73,601
(c)				5,614	5,614			
2 Current Financial Assets								
(a)				35,631	35,631			
(b)				200,400	200,400			
(c)				63	63			
(d)				27,203	27,203			
(e)				550	550			
		73,601	543	269,542	343,686	543	73,601	74,144
* Due to non availability of sufficient information, Company has not done fair valuation of Investment in the current year. The previous year amount has been carried forward.								
Financial liabilities								
1 Non Current Financial Liabilities								
(a)				263,322	263,322			
2 Current Financial liabilities								
(a)				100,000	100,000			
(b)				253,234	253,234			
(c)				319,276	319,276			
		-	-	935,832	935,832	-	-	-

* Due to non availability of sufficient information, Company has not done fair valuation of Investment in the current year. The previous year amount has been carried forward.

1 Non Current Financial Liabilities

(a)	Long term borrowings	263,322	263,322
2	<u>Current Financial Liabilities</u>		
(a)	Short term borrowings	100,000	100,000
(b)	Trade and other payables	253,234	253,234
(c)	Other financial liabilities	319,276	319,276
		935,832	935,832



March 31, 2016		Carrying amount				Fair value			Rs. in Thousand
	Note	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
1 Non-current Financial Assets									
(a) Non-current investments			543		543	543			543
(b) Long-term loans and advances		84,124		231	84,355		84,124		84,124
(c) Other non-current financial assets				4,815	4,815				
2 Current Financial Assets									
(a) Trade and other receivables				32,066	32,066				
(b) Cash and cash equivalents				129,999	129,999				
(c) Bank balance other than above				1,066	1,066				
(d) Short-term loans and advances				70,897	70,897				
(e) Other current financial assets				10,615	10,615				
		84,124	543	249,690	334,357	543	84,124	-	84,667
Financial Liabilities									
1 Non Current Financial Liabilities									
(a) Long term borrowings				367,573	367,573				
2 Current Financial liabilities									
(a) Short term borrowings				52,000	52,000				
(b) Trade and other payables				290,434	290,434				
(c) Other financial liabilities				272,549	272,549				
		-	-	982,557	982,557	-	-	-	-



April 1, 2015		Carrying amount			Fair value			Rs. in Thousand
Note	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
1 Non-current Financial Assets								
(a) Non-current investments		578			578			578
(b) Long-term loans and advances	78,865		289	79,154		78,865		78,865
(c) Other non-current financial assets			3,991	3,991				
2 Current Financial Assets								
(a) Trade and other receivables			22,968	22,968				
(b) Cash and cash equivalents			138,157	138,157				
(c) Bank balance other than above			228	228				
(d) Short-term loans and advances			71,798	71,798				
(e) Other current financial assets			6,435	5,773				
	78,865	578	243,866	322,646	578	78,865	-	79,443
Financial Liabilities								
1 Non Current Financial Liabilities								
(a) Long term borrowings			342,431	342,431				
2 Current Financial Liabilities								
(a) Short term borrowings			52,000	52,000				
(b) Trade and other payables			295,694	295,694				
(c) Other financial liabilities			175,702	175,702				
	-	-	865,827	865,827	-	-	-	-

ii. Financial risk management

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

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

Risk management framework

The Company's management has overall responsibility for the establishment and oversight of the Company's risk management framework. The management is responsible for developing and monitoring the Company's risk management. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment for all employees to understand their roles and obligations.

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



Natures Basket Limited

Notes forming part of the Financial Statements

ii. 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.

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 monitors the outstanding balances at periodic intervals and accordingly makes specific provisions against such trade receivables and loans & advances wherever required.

The maximum exposure to credit risk for trade and other receivables is as follows:

Carrying amount	Rs. in Thousand		
	March 31, 2017	March 31, 2016	April 1, 2015
Current Financial Assets			
Trade Receivables	35,631	32,066	22,968

The ageing of trade and other receivables is as follows

	Rs. in Thousand		
	March 31, 2017	March 31, 2016	April 1, 2015
Past due 1-30 days	18,060	18,226	14,405
Past due 31-90 days	7,497	3,608	2,342
Past due 91-180 days	2,107	4,302	2,195
> 180 days	7,968	5,930	4,026
Total	35,631	32,066	22,968



Natures Basket Limited

Notes forming part of the Financial Statements

iii. 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.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

Rs. In Thousand

March 31, 2017	Carrying amount	Contractual cash flows					
		Total	0-6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Non current, non derivative financial liabilities	263,321	263,321	-	-	110,918	137,403	15,000
Current, non derivative financial liabilities	672,510	672,510	617,884	54,626	-	-	-
Total	935,831	935,831	617,884	54,626	110,918	137,403	15,000

Rs. In Thousand

March 31, 2016	Carrying amount	Contractual cash flows					
		Total	0-6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Non current, non derivative financial liabilities	367,573	367,573	-	-	104,252	228,321	35,000
Current, non derivative financial liabilities	614,984	614,984	564,525	50,458	-	-	-
Total	982,557	982,557	564,525	50,458	104,252	228,321	35,000

Rs. In Thousand

April 1, 2015	Carrying amount	Contractual cash flows					
		Total	0-6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Non current, non derivative financial liabilities	342,431	342,431	-	-	97,525	239,421	5,485
Current, non derivative financial liabilities	523,395	523,395	472,550	50,844	-	-	-
Total	865,826	865,826	472,550	50,844	97,525	239,421	5,485

Guarantees issued by the Company:

Guarantees issued by the Company are in favour of the Government Authorities. These amounts will be payable on default by the Company. As of the reporting date, there have been no defaults and hence, the Company does not have any present obligation to third parties in relation to such guarantees.



Natures Basket Limited

Notes forming part of the Financial Statements

iv. Interest rate risk

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 financial assets or borrowings because of fluctuations in the interest rates, if such assets/borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

	March 31, 2017	March 31, 2016	Rs. in Thousand April 1, 2015
Fixed-rate instruments			
Financial assets			
Long term Loans and Advances			
Security deposits	73,601	84,124	78,865
Loans & Advances to Employees	81	231	289
Other non-current financial assets			
Deposits with Bank with maturity period more than 12 months	4,393	3,093	3,229
Deposits with maturity more than 3 months but less than 12 months	63	1,066	228
Short term loans and advances and Other current financial assets			
Security deposits	26,963	18,221	19,097
Inter Corporate Deposits	-	52,000	52,000
Interest Accrued but not due on Inter Corporate Deposits	-	10,512	5,773
Loans & Advances to Employees	240	676	701
Total	105,341	169,923	160,182
Financial liabilities			
Long Term Borrowings			
Term Loans from Bank & Financial Institutions	263,322	367,573	342,431
Short Term borrowings			
Unsecured Short Term Loan from Banks	100,000	-	-
Inter Corporate Deposits	-	52,000	52,000
Other Current Financial Liabilities			
Current Maturities of Secured Long Term Debt	104,252	105,081	95,524
Interest accrued but not due on borrowings	3,408	13,245	8,850
Total	470,982	537,899	498,805

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any borrowings at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Fair value sensitivity analysis for floating-rate instruments

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remaining constant.

	100 bps increase	100 bps decrease	Impact on Profit or loss 100 bps increase	100 bps decrease
March 31, 2017				
Term Loans from Banks & Financial Institutions	(3,676)	3,676	(3,676)	3,676
Short Term Loans from Banks	(1,000)	1,000	(1,000)	1,000
Cash flow sensitivity (net)	(4,676)	4,676	(4,676)	4,676
March 31, 2016				
Term Loans from Banks & Financial Institutions	(4,727)	4,727	(4,727)	4,727
Cash flow sensitivity (net)	(4,727)	4,727	(4,727)	4,727

The risk estimates provided assume a change of 100 basis points interest rate for the interest rate benchmark as applicable to the borrowings summarised above. 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 period end balances are not necessarily representative of the average debt outstanding during the period.



Natures Basket Limited
Notes forming part of the Financial Statements

37 Capital Management

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

The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The primary objective of the Company's Capital Management is to maximise shareholder value. The Company manages its capital structure and makes adjustments in the light of changes in the economic environment and the requirements of the financial covenants, if any.

	Rs. in Thousand	
	As at March 31, 2017	As at March 31, 2016
Total Liabilities	964,197	998,433
Less : Cash and cash equivalent	200,400	129,999
Adjusted net debt	763,798	868,433
Adjusted equity	48,458	169,959
Adjusted net debt to adjusted equity ratio	16	5



NATURES BASKET LIMITED
Notes forming part of the Financial Statements

38 Net Worth Reconciliation

Rs. in Thousand

1. Net Worth Reconciliation as at March 31, 2016

Particulars	As per IGAAP	Ind AS Adjustments	As per Ind AS
I Assets			
(1) Non Current Assets			
(a) Property Plant and Equipment	450,795	4,012	454,807
(b) Capital Work in Progress	-	-	-
(c) Goodwill	47,173	5,903	53,076
(d) Other Intangible Assets	16,820	-	16,820
(e) Financial Assets			
(i) Investments	25	518	543
(ii) Loans	122,092	(37,737)	84,355
(iii) Other Financial Assets	4,815	-	4,815
(f) Other Non Current Assets	406	27,106	27,512
Total Non Current Assets	642,126	(198)	641,928
(2) Current Assets			
(a) Inventories	249,532	(6,543)	242,989
(b) Financial Assets			
(i) Trade Receivables	32,066	-	32,066
(ii) Cash And Cash Equivalents	129,999	-	129,999
(iii) Bank Balances other than (ii) above	1,066	-	1,066
(iv) Loans	71,369	(472)	70,897
(v) Other Financial Assets	10,615	-	10,615
(c) Current Taxes (Net)	6,402	-	6,402
(d) Other Current Assets	23,905	8,524	32,429
Total Current Assets	524,954	1,509	526,463
Total Assets	1,167,080	1,311	1,168,391
II. Equity And Liabilities			
(1) Equity			
(a) Equity Share Capital	2,252,300	-	2,252,300
(b) Other Equity	(2,083,028)	687	(2,082,341)
Equity attributable to equity holders	169,272	687	169,959
Total Equity	169,272	687	169,959
(2) Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	367,573	-	367,573
(b) Long Term Provisions	1,571	-	1,571
Total Non Current Liabilities	369,144	-	369,144
(3) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	52,000	-	52,000
(ii) Trade Payables	290,434	-	290,434
(iii) Other Current Financial Liabilities	271,925	624	272,549
(b) Other Current Liabilities	14,118	-	14,118
(c) Provisions	187	-	187
Total Current Liabilities	628,664	624	629,288
Total Equity And Liabilities	1,167,080	1,311	1,168,391



2. Net Worth Reconciliation as at April 1, 2015

Rs. in Thousand

Particulars	As per IGAAP	Ind AS Adjustments	As per Ind AS
I Assets			
(1) Non Current Assets			
(a) Property Plant and Equipment	364,418	-	364,418
(b) Capital Work in Progress	16,400	-	16,400
(c) Goodwill	53,076	-	53,076
(d) Other Intangible Assets	20,030	-	20,030
(e) Financial Assets			
(i) Investments	25	553	578
(ii) Loans	108,607	(29,453)	79,154
(iii) Other Financial Assets	3,991	-	3,991
(f) Other Non Current Assets	14,240	21,913	36,153
Total Non Current Assets	580,787	6,987	573,800
(2) Current Assets			
(a) Inventories	178,833	(3,615)	175,218
(b) Financial Assets			
(i) Trade Receivables	22,968	-	22,968
(ii) Cash And Cash Equivalents	138,157	-	138,157
(iii) Bank Balances other than (ii) above	228	-	228
(iv) Loans	71,954	(156)	71,798
(v) Other Financial Assets	6,435	-	6,435
(c) Current Taxes (Net)	6,401	-	6,401
(d) Other Current Assets	19,733	5,774	25,507
Total Current Assets	444,709	(2,003)	446,712
Total Assets	1,025,496	4,984	1,020,512
II. Equity And Liabilities			
(1) Equity			
(a) Equity Share Capital	1,601,900	-	1,601,900
(b) Other Equity	(1,456,176)	(2,898)	(1,459,074)
Equity attributable to equity holders	145,724	(2,898)	142,826
Total Equity	145,724	(2,898)	142,826
(2) Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	342,431	-	342,431
(b) Long Term Provisions	1,087	-	1,087
Total Non Current Liabilities	343,518	-	343,518
(3) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	52,000	-	52,000
(ii) Trade Payables	295,694	-	295,694
(iii) Other Current Financial Liabilities	177,788	(2,086)	175,702
(b) Other Current Liabilities	10,616	-	10,616
(c) Provisions	156	-	156
Total Current Liabilities	536,254	(2,086)	534,168
Total Equity And Liabilities	1,025,496	4,984	1,020,512



Property Plant and Equipment (PPE)

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at April 1, 2015 measured as per the IGAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Goodwill

Under Ind AS, Goodwill has to be tested for impairment and not amortised.

Financial Assets/ liabilities

Under Ind AS, financial instruments are required to be measured at fair value on initial recognition with the respective instrument being subsequently measured at amortised cost with reference to the discount rate used for determining fair value on initial recognition. The difference between the transaction price and fair value has been appropriately adjusted for the respective arrangement.

Inventory

Under Ind AS, consideration received for listing fees shall be a reduction from cost of sales and therefore a reduction of inventory value.

Interest bearing loans and borrowings

Under Indian GAAP, transaction costs incurred in connection with interest bearing loans and borrowings are recognised upfront and charged to Statement of Profit and Loss for the period. Under Ind-AS, transaction costs are included in the initial recognition of financial liability and charged to the Statement of Profit and Loss using the effective interest

Offsetting

Financial assets and financial liabilities which were offset under Indian GAAP but do not meet the offsetting criteria have been shown gross under Ind AS.



NATURES BASKET LIMITED
Notes forming part of the Financial Statements

39 Profit Reconciliation

Profit & Loss Reconciliation for the Year Ended March 31, 2016

Particulars	Rs. in Thousand		
	As per IGAAP	Ind AS Adjustments	As per Ind AS
Revenue from Operations	2,686,422	(19,293)	2,667,129
Other Income	18,759	5,751	24,510
Total Income	2,705,181	(13,542)	2,691,639
Expenses			
(1) Purchases of Traded Goods	2,096,420	(8,635)	2,087,786
(2) (Increase)/ decrease in inventories of traded goods	(70,699)	2,928	(67,771)
(3) Employee Benefits Expense	260,811	(897)	259,914
(4) Finance Costs	50,113	-	50,113
(5) Depreciation And Amortization Expense	104,906	(9,915)	94,991
(6) Other Expenses	890,090	(1,541)	888,550
Total Expenses	3,331,641	(18,059)	3,313,583
(Loss) Before Tax	(626,460)	4,517	(621,944)
Tax Expense			
(a) Deferred Tax	-	-	-
(b) Prior Period Tax Adjustment	(391)	-	(391)
(Loss) For The Period	(626,851)	4,518	(622,333)
Other Comprehensive Income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/ (losses) on post employment benefits		(897)	(897)
Income tax effect	-	-	-
Net gain/ (loss) on FVTOCI Equity Securities		(35)	(35)
Income tax effect	-	-	-
Total other comprehensive income not to be reclassified to profit or loss in subsequent periods	-	(932)	(932)
Total comprehensive income for the year	(622,838)	429	(623,267)
Earnings per Share from continuing operation : (Basic/Diluted) in Rs.	(3.24)		(3.22)

Revenue from Operations:

Under Ind AS, revenue is required to be measured at the fair value of the consideration receivable net of expected sales returns, rebates, discounts etc.

Employee benefit:

Both under Indian GAAP and Ind AS the Company recognised costs related to post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, actuarial gains and losses are charged to the Statement of Profit and Loss, however in Ind AS the actuarial gains and losses are recognised through Other Comprehensive Income.



40 Details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016:

Particulars	SBN's	Other Denomination Notes	Total
Closing Cash in Hand as on 08.11.2016	7,510,500	2,023,824	9,534,324
(+) Permitted Receipts	-	91,599,639	91,599,639
(-) Permitted Payments	-	(16,516,329)	(16,516,329)
(-) Amount Deposited in Banks	(7,400,500)	(71,299,088)	(78,699,588)
Closing Cash in Hand as on 30.12.2016	110,000	5,808,045	5,918,045

Note: "Closing balance as on 30.12.2016 of SBN is in respect of recovery of cash stolen from a store for which an FIR has been filed with the Police and for which the case is pending. Request has been made to RBI for deposit of the demonetised currency. Pending approval from the RBI, the amount has been shown as cash in hand."



Note No.	Particulars	Rs. in Thousand	
		For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
41	Related Party Transactions		
	Related Party disclosures as required by Ind AS - 24, "Related Party Disclosures", are given below:		
(a)	Relationships:		
(i)	Holding Company		
	1 Vora Soaps Limited (Ultimate Holding Company w.e.f. March 30, 2017)		
	2 Godrej & Boyce Mfg. Co. Ltd., (Ultimate Holding Company up to March 29, 2017)		
	3 Godrej Industries Ltd., the Holding Company		
(ii)	Fellow Subsidiaries		
	A. Subsidiaries of Godrej Industries Ltd.:		
	1 Godrej Agrovet Ltd. (GAVL)		
	2 Godrej Properties Ltd. (GPL)		
	3 Ensemble Holdings & Finance Ltd.		
	4 Godrej International Ltd. (incorporated in the Isle of Man)		
	5 Godrej International Trading & Investments Pte Ltd. (Incorporated in Singapore)		
	6 Godrej International Ltd. (a subsidiary incorporated in Labuan, Malaysia on 12th February, 2015)		
	B. Subsidiaries of Godrej & Boyce Mfg. Co Ltd (G&B) (with G&B's direct equity holdings in excess of 50%):		
	1 Godrej Industries Ltd.		
	2 Godrej Infotech Ltd.		
	3 Godrej (Malaysia) Sdn. Bhd. (incorporated in Malaysia)		
	4 Godrej (Singapore) Pte. Ltd. (incorporated in Singapore)		
	5 Veromatic International BV (incorporated in the Netherlands)		
	6 Busbar Systems (India) Ltd		
	7 Mercury Mfg. Co. Ltd. (a subsidiary w.e.f. 1st October, 2013)		
	8 East View Estates Pvt. Ltd. (a wholly-owned subsidiary w.e.f. 31st March, 2015)		
	9 First Rock Infrastructure Pvt. Ltd. (a wholly-owned subsidiary w.e.f. 31st March, 2015)		
	10 Miracletouch Developers Pvt. Ltd. (a wholly-owned subsidiary w.e.f. 31st March, 2015)		
	11 Godrej Americas Inc. (a wholly-owned subsidiary incorporated in the USA on 1st April, 2014)		
(iii)	Key Management Personnel		
	1 Ms. Avani Davda - Managing Director (w.e.f. May 5, 2016)		
	2 Mr. Mohit Khattar- Managing Director (Till May 5, 2016)		
	3 Mr. Sumit Zaveri - Chief Financial Officer (w.e.f. March 9, 2017)		
	4 Mr. Shekhar Iyer- Chief financial Officer (Till March 3, 2017)		
	5 Ms. Sushma Shukla- Company Secretary		
(iv)	Relatives of Managing Director		
	Ms. Avani Davda - Managing Director (w.e.f. May 5, 2016)		
	1 Mr. Vishal Jagjivan Davda		
	2 Mr. Ramesh Mohanlal Saglani		
	3 Ms. Kusum Ramesh Saglani		
	4 Mr. Param Vishal Davda		
(v)	Individuals Exercising Control or Significant Influence (and their relatives)		
	Ms. Tanya Dubash		
	1 Mr. Arvind Darab Dubash		
	2 Mr. Adi Burjor Godrej		
	3 Mr. Aryaan Arvind Dubash		
	4 Mr. Azaar Arvind Dubash		
	5 Mr. Pirojsha Adi Godrej		
	6 Mr. Nisaba Adi Godrej		
(vi)	Non Executive Directors		
	1 Mr. Sandeep Murthy		
	2 Mr. Sandeep Kumar Barasia		
(vii)	Associate of a member of a Group Company		
	1 Godrej One Premises Management Pvt Ltd		
(viii)	Subsidiary of a member of a Group Company		
	1 Godvet Agrochem limited		
	2 Creamline Dairy Products Limited		
	3 Astec Lifesciences Limited		
(ix)	Firm in which director or Manager or his relative has control or exercises significant influence		
	Anamudi Real Estates LLP (Ms. Tanya Dubash - Designated Partner)		



(b) B. The following transactions were carried out with the related parties in the ordinary course of business :

Nature of Transactions	Details relating to parties referred to in items (i) to (ix) above Holding Company & Ultimate Holding Company (i)	Fellow Subsidiaries (ii)	Rs. in Thousand Other Related Parties (iii) (iv) (v) (vi) (vii) (viii) & (ix)
(i) Issue of share capital	840,000 650,400		
(ii) Intercompany deposits Taken during the year			500,000
(iii) Intercompany deposits repaid during the year		52,000	500,000
(iv) Interest expense on intercompany deposits taken		698	32,882
(v) Intercompany deposits given during the year		5,214	-
(vi) Intercompany deposits received back during the year			822,000
(vii) Interest Income on intercompany deposits given			33,925
(viii) Outstanding Intercompany deposits taken		-	5,266
(ix) Outstanding Intercompany deposits Given		52,000	-
(x) Security Deposit Paid towards lease rent	400		52,000
(xi) Security Deposit Receivable	600 600		
(xii) Expenses/ Reimbursement charged by other companies	37,332 25,889	2,139 607	9,999 3388
(xiv) Expenses charged to other companies	- 2,787		
(xv) Purchase of Fixed Assets	43,458		
(xvi) Sale of Traded Goods		1,710 726	
(xvii) Outstanding receivables, net of (payables)	339 (1,476)	151 (10,831)	9,922
(xviii) Remuneration			24,521 21,139
(xix) Directors Sitting Fees			1,437 1,477



(c) C. Significant Related Party Transactions :

Nature of Transactions	Holding Company	Amount	Fellow Subsidiaries	Rs. in Thousand		
				Amount	Other Related Parties (iii) (iv) (v) (vi) (vii)(viii) & (ix)	Amount
	(i)		(ii)			
(i) Issue of share capital	Godrej Industries Ltd	840,000 650,400				
(ii) Intercompany deposits Taken during the year			Godrej Agrovet Ltd.		Creamline Dairy Pvt. Ltd	500,000
(iii) Intercompany deposits repaid during the year			Godrej Agrovet Ltd.	52,000	Creamline Dairy Pvt. Ltd	500,000
(iv) Interest expense on intercompany deposits taken			Godrej Agrovet Ltd.	698	Creamline Dairy Pvt. Ltd	32,882
(v) Intercompany deposits given during the year				5,214	Astec Lifesciences Ltd.	270,000
					Godvet Agrochem Ltd.	500,000
(vi) Intercompany deposits received back during the year					Astec Lifesciences Ltd.	270,000
					Godvet Agrochem Ltd.	500,000
(vii) Interest Income on intercompany deposits given					Anamudi Real Estate LLP	52000
					Anamudi Real Estates LLP	705
						5,266
					Astec Lifesciences Ltd.	12,386
					Godvet Agrochem Ltd.	20,834
(viii) Outstanding Intercompany deposits taken			Godrej Agrovet Ltd.	52,000		
(ix) Outstanding Intercompany deposits Given					Anamudi Real Estates LLP	52,000
(x) Security Deposit Paid towards lease rent	Godrej Industries Ltd.	400				
(xi) Security Deposit Receivable	Godrej Industries Ltd.	600				



Nature of Transactions	Holding Company	Amount	Fellow Subsidiaries	Amount	Other Related Parties	Amount
	(i)		(ii)		(iii) (iv) (v) (vi) (vii)(viii) & (ix)	
(xii) Expenses charged by other companies	Godrej Industries Ltd.	37,029 24,722	Godrej Agrovet Ltd.	2,139 607	Godrej One Premises	9,999 3388
	Godrej & Boyce Mfg. Co. Ltd.	303 1,167				
(xiv) Expenses charged to other companies	Godrej & Boyce Mfg. Co. Ltd.	2,787				
(xv) Purchase of Fixed Assets	Godrej & Boyce Mfg. Co. Ltd.	43,458				
(xvi) Sale of Traded Goods			Godrej Properties Ltd	1,710 726		
(xvii) Outstanding receivables, net of (payables)	Godrej Industries Ltd.	381 (1,476)	Godrej Agrovet Ltd.	- (11,019)	Anamudi Real Estates LLP	- 10,512
	Godrej & Boyce Mfg. Co. Ltd.		Godrej Properties (42) Ltd	151 188	Godrej One Premises	- (590)
(xviii) Remuneration to Key Managerial Personnel		March 31, 2017	March 31, 2016			
Short- term employee benefits		22,750	18,950			
Share Based Payments		877	1,395			
Termination Benefits		893	794			
Total		24,521	21,139			
(xix) Directors Sitting Fees					Sandeep Barasia	560 681
					Sandeep Murthy	877
					Arumugham Mahendran	796

Note No.41.2 :

Figures for the previous year are in the second line in Italics.

42 Comparative Accounts

Previous year figures have been reclassified wherever necessary to confirm with current year's classification.



Annexure – D

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO PURSUANT TO PROVISIONS OF SECTION 134 OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (ACCOUNTS) RULES, 2014.

A. Conservation of Energy

These provisions are Not Applicable the Company during the year under review.

B. Technology Absorption, adaptation and innovation

These provisions are Not Applicable the Company during the year under review.


C. Foreign Exchange earnings and outgo:

	FY 16-17	FY 15-16
	Rs. in Thousand	Rs. in Thousand
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange outgo	2,445	2,245

For and on behalf of the Board of Directors



Tanya A. Dubash
Chairperson
DIN - 00026028



Avani V. Davda
Managing Director
DIN -07504739

Mumbai; May 11, 2017