



STANDALONE
FINANCIAL
STATEMENTS



Independent Auditor's Report

TO THE MEMBERS OF GODREJ INDUSTRIES LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Godrej Industries Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "standalone Ind AS financial statements").

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs, profit (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at 31 March 2018, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Independent Auditor's Report

Emphasis of matter

We draw attention to Note 47 to the standalone Ind AS financial statements which mentions that the Company has paid remuneration to two Directors during the year ended 31 March 2017 and 31 March 2018, which is in excess of the limits given under section 197 read with Schedule V of the Companies Act, 2013 by ₹ 4.54 crores and ₹ 7.48 crores respectively. The Company has made an application to the Central Government for payment of the excess remuneration for which approval is awaited. Our opinion is not modified in respect of this matter.

Other Matters

The comparative financial information of the Company for the year ended 31 March 2017, prepared in accordance with Ind AS included in these standalone Ind AS financial statements have been audited by the predecessor auditor who had audited the financial statements for the relevant period. The report of the predecessor auditor on the comparative financial information dated 22 May 2017 expressed an unmodified opinion. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements; - Refer Note 25 to the standalone Ind AS financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited standalone Ind AS financial statements for the year ended 31 March 2017 have been disclosed - Refer Note 46 to the standalone Ind AS financial statements.

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

Annexure A to the Independent Auditor's Report - March 31, 2018

(Referred to in our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us, the title deeds of immovable properties, as disclosed in Note 3 to the standalone Ind AS financial statements, are held in the name of the Company.
- (ii) The inventory, except goods-in-transit and goods lying with third parties, has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. In respect of inventory lying with third parties, these have been substantially confirmed by them. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- (iv) The Company has not granted any loans to or given any guarantee or provided any security in connection with any loans taken by parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of investments made or guarantees provided to the parties covered under Section 186 of the Act. The Company has not granted any loans or provided any security to the parties covered under Section 186 of the Act.
- (v) The Company has not accepted any deposits to which the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 of the Act and the rules framed thereunder apply. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under sub section 1 of Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, goods and service tax, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.
According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, goods and service tax, value added tax, cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of income tax, sales tax, value added tax, service tax, duty of customs, duty of excise which have not been deposited with the appropriate authorities on account of any dispute other than those mentioned in Appendix I to this report.
- (viii) In our opinion and according to the information and explanations given to us and based on our examination of the records, the Company has not defaulted in the repayment of dues to banks. There are no dues to financial institutions, Government or debenture holders.

Annexure A to the Independent Auditor's Report - March 31, 2018

- (ix) According to the information and explanations given to us and based on our examination of the records, the term loans obtained by the Company were applied for the purpose for which the loans were obtained. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records, the Company has paid/provided for managerial remuneration to two Directors during the year ended 31 March 2017 and 31 March 2018, which is in excess of the limits given under section 197 read with Schedule V of the Companies Act, 2013 by ₹ 4.54 crores and ₹ 7.48 crores respectively. The Company has made an application to the Central Government for payment of the excess remuneration for which approval is awaited.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the standalone Ind AS financial statements as required by applicable accounting standards.
- (xiv) According to the information and explanations 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. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

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

Place: Mumbai
Date: 23 May 2018

Vijay Mathur
Partner
Membership No. 046476

Annexure A to the Independent Auditor's Report - March 31, 2018

Appendix I

(₹ in Crores)

Name of Statute	Nature of Dues	Amount (₹ Crores)*	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise duty	0.43	2002-03, 2004-07, 2005-08, 2007-12, 2008-09, 2009-10, 2009-11, 2009-14, 2010-11, 2011-12, 2011-13, 2012-13, 2013-14, 2014-15, 2015-16	Assistant Commissioner
Central Excise Act, 1944	Excise duty	0.60	1993-97, 2009-13, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17 2012-14, 2013-14	Joint Commissioner
Central Excise Act, 1944	Excise duty	1.40	2008-09, 2009-13, 2010-11, 2011-12, 2012-13, 2013-14, 2013-15, 2014-15, 2015-16	Additional Commissioner
Central Excise Act, 1944	Excise duty	0.01	2006-10, 2009-10	Deputy Commissioner
Central Excise Act, 1944	Excise duty	0.14	2010-11	Commissioner
Central Excise Act, 1944	Excise duty	0.86	2005-06, 2009-10, 2014-15, 2011-14	Commissioner (Appeals)
Central Excise Act, 1944	Excise duty	-	2009-10, 2012-14, 2013-14, 2013-15, 2014-15, 2015-16	Superintendent
Central Excise Act, 1944	Excise duty	2.95	2008-11, 2009-13, 2010-11, 2013-16	CESTAT
Central Excise Act, 1944	Excise duty	0.30	1997-98	Tribunal
Central Excise Act, 1944	Excise duty	0.04	1995-96	High Court
Central Excise Act, 1944	Excise duty	3.91	1993-97	The Supreme Court
The Customs Act, 1962	Customs duty	2.63	2010-11	Commissioner (Appeals)
The Customs Act, 1962	Customs duty	1.32	1978-93	High Court
VAT Acts of Various States	VAT	0.02	1997-98	Sales Tax Officer
VAT Acts of Various States	VAT	0.07	2000-01	Commissioner (Appeals)
VAT Acts of Various States	VAT	11.07	2003-04, 2005-06, 2010-11	Deputy Commissioner
VAT Acts of Various States	VAT	32.91	2002-03, 2003-04, 2006-07, 2007-08, 2008-09, 2009-10, 2011-12	Joint Commissioner
VAT Acts of Various States	VAT	1.96	2003-04, 2004-05, 2005-06, 2006-07	Tribunal
Octroi	Octroi	0.03	1997-98	Deputy Commissioner
Octroi	Octroi	0.24	1997-2003	Tribunal
Octroi	Octroi	0.02	1998-99, 2000-01	The Supreme Court
Stamp Duty	Stamp duty	1.82	2000-01	Controlling Revenue Authority
Income-tax Act, 1961	Income tax	3.81	AY 2006-2007, AY 2007-2008, AY 2008 - 2009	Assessing Officer
Income-tax Act, 1961	Income tax	5.86	AY 2009 - 2010, AY 2013-2014 AY 2014-2015	CIT
Income-tax Act, 1961	Income tax	19.96	AY 2010-11, AY 2011-2012, AY 2012-13	ITAT
Income-tax Act, 1961	Income tax	28.65	AY 2009 - 2010, AY 2013-2014, AY 2014-2015	High Court

*Net of amounts paid in protest.

Annexure B to the Independent Auditor's Report - March 31, 2018

(Referred to in our report of even date)

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

We have audited the internal financial controls over financial reporting of Godrej Industries Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act 2013 ("the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future

Annexure B to the Independent Auditor's Report - March 31, 2018

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

Place: Mumbai
Date: 23 May 2018

Vijay Mathur
Partner
Membership No. 046476

Balance Sheet as at March 31, 2018

Particulars	Note No.	Amount ₹ in Crore	
		As at March 31, 2018	As at March 31, 2017
ASSETS			
Non Current Assets			
Property, Plant and Equipment	3	1,360.08	1,399.37
Capital Work in Progress		7.66	3.99
Investment Property	3a	132.02	126.20
Other Intangible Assets	3b	1.78	0.90
Financial Assets			
Investments in Subsidiaries and Associates	4	2,828.20	2,785.27
Other Investments	4a	0.02	0.02
Loans	5	3.74	3.18
Other Financial Assets	6	10.52	16.18
Deferred Tax Assets (Net)	7	0.87	2.65
Other Tax Assets (Net)		12.78	18.99
Other Non-Current Assets	8	16.27	11.90
Current Assets			
Inventories	9	299.91	296.62
Financial Assets			
Investments	10	-	-
Trade Receivables	11	117.89	121.71
Cash & cash Equivalents	12a	60.07	12.01
Other Bank Balances	12b	1.72	3.06
Loans	13	0.17	0.17
Other Financial Assets	14	37.22	35.28
Other Current Assets	15	79.29	39.78
TOTAL ASSETS		4,970.21	4,877.28
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	16	33.63	33.61
Other Equity	17	1,766.93	1,581.82
Total Equity		1,800.56	1,615.43
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	18	405.49	985.28
Provisions	19	7.04	5.15
Current Liabilities			
Financial Liabilities			
Borrowings	20	1,682.75	1,437.41
Trade Payables	21	352.21	311.97
Other Financial Liabilities	22	682.02	496.04
		2,716.98	2,245.42
Other Current Liabilities	23	35.31	21.17
Provisions	24	4.83	4.83
Total Liabilities		3,169.65	3,261.85
TOTAL EQUITY & LIABILITIES		4,970.21	4,877.28
Significant Accounting Policies	2		

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

As per our Report attached

For and on behalf of the Board of Directors of

Godrej Industries Limited

CIN No.: L24241MH1988PLC097781

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

Vijay Mathur
Partner
M.No.: 046476

Mumbai, May 23, 2018

A. B. Godrej
Chairman
DIN: 00065964

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

N. B. Godrej
Managing Director
DIN: 00066195

Clement Pinto
Chief Financial Officer

Nilufer Shekhawat
Company Secretary

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

Particulars	Note No.	Amount ₹ in Crore	
		Year ended March 31, 2018	Year ended March 31, 2017
Revenue from Operations	27	1,986.32	1,602.17
Other Income	28	33.43	46.88
Total Income		2,019.75	1,649.05
Expenses			
Cost of Materials Consumed	29	1,278.94	1,111.86
Purchases of Stock-in-Trade		7.81	18.68
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	30	13.29	(46.05)
Excise Duty		27.99	102.08
Employee Benefits Expenses	31	133.55	116.25
Finance Costs	32	212.43	207.86
Depreciation and Amortisation Expense		68.58	52.43
Other Expenses	33	287.89	231.29
Total Expenses		2,030.48	1,794.40
Loss Before Exceptional Items and Tax		(10.73)	(145.35)
Exceptional Items	34	267.38	-
Profit / (Loss) Before Tax		256.65	(145.35)
Tax Expense			
Current Tax		4.32	-
Deferred Tax		1.77	(0.11)
Tax Liability of earlier years		9.16	-
Total Tax Expenses		15.25	(0.11)
Profit / (Loss) After Tax for the Year		241.40	(145.24)
Other Comprehensive Income			
Items that will not be reclassified to Profit or Loss			
Remeasurements of defined benefit plans		(0.28)	(1.92)
Income Tax on Items that will not be reclassified to Profit or Loss		-	-
		(0.28)	(1.92)
Total Comprehensive Income/(Loss) for the Year		241.12	(147.16)
Earnings Per Equity Share (Face Value ₹ 1 each)	35		
Basic		7.18	(4.32)
Diluted		7.17	(4.32)
Significant Accounting Policies	2		

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

As per our Report attached

For and on behalf of the Board of Directors of

Godrej Industries Limited

CIN No.: L24241MH1988PLC097781

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

Vijay Mathur
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N. B. Godrej
Managing Director
DIN: 00066195

Clement Pinto
Chief Financial Officer

Nilufer Shekhawat
Company Secretary

Mumbai, May 23, 2018

Statement of Changes in Equity for the year ended March 31, 2018

1. Equity Share Capital

Particulars

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

2. Other Equity

Amount ₹ in Crore

Particulars	Others Equity							Total
	Retained Earnings	General Reserve	Capital Redemption Reserve	Security Premium Reserve	Capital Reserve	Employee Stock Grant Outstanding	Foreign Currency Monetary Item Translation Difference Account	
Balance at April 01, 2016	689.03	52.70	31.46	934.34	9.88	6.83	(0.98)	1,723.26
Loss for the year	(145.24)	-	-	-	-	-	-	(145.24)
Other Comprehensive Income (net of tax) - Remeasurements of the defined benefit plans	(1.92)	-	-	-	-	-	-	(1.92)
Transfer from Employee Stock Option Grant	-	-	-	4.87	-	-	-	4.87
Exercise of Stock Grant (Net of Deferred Stock Grant Expense)	-	-	-	-	-	4.74	-	4.74
Transfer to Securities Premium on exercise of Stock Grants during the year	-	-	-	-	-	4.87	-	4.87
Foreign Currency Monetary Item Translation	-	-	-	-	-	-	0.98	0.98
Balance at March 31, 2017	541.87	52.70	31.46	939.21	9.88	6.70	-	1,581.82
Profit for the year	241.40	-	-	-	-	-	-	241.40
Other Comprehensive Income (net of tax)	(0.28)	-	-	-	-	-	-	(0.28)
Transfer from Employee Stock Option Grant	-	-	-	4.49	-	-	-	4.49
Exercise of Stock Grant (Net of Deferred Stock Grant Expense)	-	-	-	-	-	5.22	-	5.22
Grants Lapsed	-	-	-	-	-	(1.23)	-	(1.23)
Transfer to Securities Premium on exercise of Stock Grants during the year	-	-	-	-	-	(4.49)	-	(4.49)
Final Dividend paid	(58.85)	-	-	-	-	-	-	(58.85)
Dividend Distribution Tax (DDT)	(1.15)	-	-	-	-	-	-	(1.15)
Balance at March 31, 2018	722.99	52.70	31.46	943.70	9.88	6.20	-	1,766.93

Refer Note 17 for Nature and Purpose of Reserves

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

As per our Report attached

For and on behalf of the Board of Directors of

Godrej Industries Limited

CIN No.: L24241MH1988PLC097781

For BSR & Co. LLP

Chartered Accountants

Firm Regn. No.: 101248W / W-100022

Vijay Mathur

Partner

M.No.: 046476

A. B. Godrej

Chairman

DIN: 00065964

N. S. Nabar

Executive Director

& President (Chemicals)

DIN: 06521655

N. B. Godrej

Managing Director

DIN: 00066195

Clement Pinto

Chief Financial Officer

Nilufer Shekhawat

Company Secretary

Mumbai, May 23, 2018

Cash Flow Statement for the year ended March 31, 2018

Particulars	Amount ₹ in Crore	
	Year ended March 31, 2018	Year ended March 31, 2017
1 Cash Flow From Operating Activities:		
Profit / (Loss) Before Tax	256.65	(145.35)
Adjustments for:		
Depreciation and Amortisation	68.58	52.43
Unrealised Foreign Exchange gain	(3.76)	(10.15)
Profit on Sale of Investments	(268.68)	(0.83)
(Profit) / Loss on Sale, Write off and Provision of Property, Plant & equipments (Net)	(0.19)	1.48
Interest Income	(1.08)	(9.34)
Interest & Finance Charges	212.43	207.86
Write back of Provision for Doubtful Loan	-	(5.70)
Employee Share based Payments	2.16	3.41
Provision for Doubtful Debts and Sundry Balances (net)	0.08	1.75
Operating Profit Before Working Capital Changes	266.19	95.56
Adjustments for :		
Increase/ (Decrease) in Non-financial Liabilities	15.75	(2.04)
Increase/ (Decrease) in Financial Liabilities	59.10	95.32
(Increase)/ Decrease in Inventories	(3.29)	(31.07)
(Increase)/ Decrease in Non-financial Assets	(50.76)	46.98
(Increase)/ Decrease in Financial Assets	4.77	50.95
Cash Generated from Operations	291.76	255.70
Direct Taxes Paid	(7.26)	(8.06)
Net Cash Generated from Operating Activities	284.50	247.64
2 Cash Flow from Investing Activities:		
Purchase / Adjustment of Property, Plant & equipments, Investment Property & Intangibles	(61.52)	(62.18)
Proceeds from Sale of Property, Plant & equipments	0.99	2.49
Purchase of Investments	(1,344.85)	(1,059.78)
Proceeds from Sale of Investments	1,567.47	866.28
Intercompany Deposits / Loans (net)	6.81	17.82
Interest Received	1.08	9.34
Net Cash Generated from / (used in) Investing Activities	169.98	(226.03)

Cash Flow Statement for the year ended March 31, 2018

Amount ₹ in Crore

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
3 Cash Flow from Financing Activities:		
Proceeds from issue of Equity shares	1.85	1.54
Proceeds from Non-Current Borrowings	35.00	415.00
Proceeds from Current Borrowings	3,657.12	2,591.95
Repayment of Non-Current Borrowings	(437.44)	(310.19)
Repayment of Current Borrowings	(3,391.21)	(2,505.66)
Interest & Finance Charges Paid	(211.74)	(209.33)
Dividend Paid	(58.85)	-
Tax on Distributed Profits	(1.15)	-
Net Cash (used in) / Generated from Financing Activities	(406.42)	(16.69)
Net Increase in Cash and Cash Equivalents	48.06	4.92
Cash and Cash Equivalents (Opening Balance)	12.01	7.09
Cash and Cash Equivalents (Closing Balance)	60.07	12.01

Notes :**Particulars**

(Amount ₹ in Crore)

Particulars	As at March 31, 2018	As at March 31, 2017
1 Cash and Cash Equivalents		
Cash on Hand and Balances with Banks	60.07	12.01
Cash and Cash Equivalents	60.07	12.01

2 Reconciliation of Liabilities arising from Financing activities**Particulars**

Particulars	As at March 31, 2017	Cash Flow	Non Cash Changes	As at March 31, 2018
Non-Current Borrowings	1,424.11	(381.38)	(21.06)	1,021.67
Current Borrowings	1,438.74	244.85	-	1,683.59
Total Borrowings	2,862.85	(136.53)	(21.06)	2,705.26

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

As per our Report attached of even date

For and on behalf of the Board of Directors of

Godrej Industries Limited

CIN No.: L24241MH1988PLC097781

For BSR & Co. LLP

Chartered Accountants

Firm Regn. No.: 101248W / W-100022

Vijay Mathur

Partner

M.No.: 046476

Mumbai, May 23, 2018

A. B. Godrej

Chairman

DIN: 00065964

N. S. Nabar

Executive Director

& President (Chemicals)

DIN: 06521655

N. B. Godrej

Managing Director

DIN: 00066195

Clement Pinto

Chief Financial Officer

Nilufer Shekhawat

Company Secretary

Notes to Standalone Financial Statements

Note 1 : General Information

1 Corporate Information

The Company was incorporated under the Companies Act, 1956 on March 7, 1988 under the name of Gujarat-Godrej Innovative Chemicals Limited. The business and undertaking of the erstwhile Godrej Soaps Limited was transferred to the Company under a Scheme of Amalgamation with effect from April 1, 1994 and the Company's name was changed to Godrej Soaps Limited. Subsequently, under a Scheme of Arrangement the Consumer Products division of the Company was demerged with effect from April 1, 2001 into a separate company, Godrej Consumer Products Limited (GCPL).

The Company's name was changed to Godrej Industries Limited on April 2, 2001. The Vegetable Oils and Processed Foods Manufacturing business of Godrej Foods Limited was transferred to the Company with effect from June 30, 2001. The Foods division (except Wadala factory) was then sold to Godrej Hershey Limited, on March 31, 2006. Swadeshi Detergents Limited, 100% subsidiary of the Company, was amalgamated with the Company effective from April 01, 2013. Wadala Commodities Limited was amalgamated with the Company effective from April 01, 2014.

The Company is domiciled in India and is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The Company's registered office is at Godrej ONE, Pirojshanagar, Eastern Express Highway, Vikhroli (east), Mumbai – 400 079. The Company is engaged in the businesses of manufacture and marketing of oleo-chemicals, their precursors and derivatives, bulk edible oils, estate management and investment activities.

2 Basis of Preparation

These standalone financial statements have been prepared on accrual basis to comply in all material aspect with the Indian Accounting Standards (hereinafter referred to as the "Ind As") as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and other generally accepted accounting principles in India.

The financial statements have been prepared on a going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

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

3 Functional and presentation currency

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

4 Key estimates and assumptions

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

Information about critical judgments in applying accounting policies are in respect of leases (determining) whether an arrangement contain a lease (Refer Note 17) that have the most significant effect on the carrying amounts of assets and liabilities and in respect of assumptions and estimates on uncertainties are as follows:

- Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalized.

Notes to Standalone Financial Statements

- Impairment of Property, Plant and Equipments
- Recognition and measurement of defined benefit obligations
- Recognition of deferred tax assets
- Fair valuation of employee share options
- Discounting of long-term financial liabilities
- Fair value of financial instruments
- Provisions and Contingent liabilities

5 Standards issued but not yet effective

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

Ind AS 115 Revenue from Contracts with Customers

On March 28, 2018 the MCA, has notified the Ind AS 115, Revenue from Contracts with customers. Ind AS 115, establishes a comprehensive framework for determining whether, how much and when the revenue should be recognized. It replaces existing revenue recognition guidance, including Ind AS 18 Revenue. Ind AS 115 is effective for annual periods beginning on or after April 1, 2018 and will be applied accordingly. The Company is evaluating the impact of this amendment on its standalone financial statements.

Ind AS 21 The Effect of Changes in Foreign Exchange Rates

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Company is evaluating the impact of this amendment on its standalone financial statements.

6 Measurement of fair values

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

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

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

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

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

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

Notes to Standalone Financial Statements

Note 2 : Significant Accounting Policies

1 Property, Plant and Equipment

(i) Recognition and measurement

Property, plant and equipment (PPE) are measured at Original cost net of tax / duty credit availed less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Advances paid towards the acquisition of PPE outstanding at each reporting date are classified as capital advances under Other Non-Current Assets and Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

Capital expenditure on tangible assets for Research and Development is classified under Property, Plant and Equipment and is depreciated on the same basis as other property, plant and equipment.

Property, Plant and Equipment are derecognised from financial statement on disposal and gains or losses arising from disposal are recognised in the Statement of Profit and Loss in the year of occurrence.

Exchange differences on repayment and year end translation of foreign currency loans availed upto March 31, 2016 relating to acquisition of depreciable capital assets are adjusted to the carrying cost of the assets.

(ii) Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred.

When significant parts of Property, Plant and Equipments are required to be replaced, the Company derecognises the replaced part and recognises the new part with its own associated useful life and it is depreciated accordingly.

(iii) Depreciation

Depreciation is provided, under the Straight Line Method, pro rata to the period of use, based on useful lives specified in Schedule II to the Companies Act, 2013 except where the Company, based on technical evaluation, the condition of the plants, regular maintenance schedule, material of construction and past experience, has considered useful life of the following items of PPE different from that prescribed in Schedule II to the Act.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The range of useful lives of the property, plant and equipment are as follows:

- a) Plant and Machinery - 7-30 years
- b) Furniture and Fixtures - 7-10 years
- c) Office Equipments - 2-5 years
- d) Factory Building - 10-30 years
- e) Non Factory Building - 10-60 years
- f) Vehicles - 3-8 years
- g) Leasehold land - Lower of useful life & Lease Period.
- h) Assets costing less than INR 5,000 are depreciated at 100% in the year of acquisition.

Notes to Standalone Financial Statements

2 Investment Property

(i) Recognition and measurement

Investment Property comprise of Freehold Land and Buildings.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Statement of Profit and Loss in the period of derecognition.

(ii) Depreciation

Depreciation on Building classified as Investment Property is provided, under the Straight Line Method, pro rata to the period of use, based on useful lives specified in Schedule II to the Companies Act, 2013.

3 Intangible Assets

(i) Recognition and measurement

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

Intangible assets are initially measured at cost and are subsequently measured at cost less accumulated amortization (other than goodwill and indefinite life of intangibles) and any accumulated impairment losses.

Gain or loss arising from derecognition of an intangible asset is recognised in the Statement of Profit and Loss.

(ii) Amortisation

Intangible Assets are amortised over the estimated useful life on Straight Line Method (SLM).

The useful lives of Intangible assets are assessed as either finite or indefinite. The amortisation period and the amortisation method for an intangible asset with finite useful life are reviewed at the end of each reporting period. Changes in the expected useful life or expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Computer Software is amortised in a Straight Line basis over a period of 3 years.

4 Impairment of non-financial assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, impairment is recognized for such excess amount. The impairment loss is recognized as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

When there is indication that an impairment loss recognized for an asset in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss.

Notes to Standalone Financial Statements

5 Investments in Subsidiaries, Associates and Jointly Controlled Entities

Investments in subsidiaries, associates and jointly controlled entities are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, associates and jointly controlled entities, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

6 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is determined using the weighted average method. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

If payment for inventory is deferred beyond normal credit terms then cost is determined by discounting the future cash flows at an interest rate determined with reference to market rates. The difference between the total cost and the deemed cost is recognised as interest expense over the period of financing under the effective interest method.

Slow and non-moving material, obsolescence, defective inventories are duly provided for and valued at lower of cost and net realizable value. Goods and materials in transit are valued at actual cost incurred upto the date of balance sheet. Materials and supplies held for use in the production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.

7 Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash on hand, bank balances and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the Statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

8 Assets held for Sale

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all of the following criteria's are met: (i) decision has been made to sell. (ii) the assets are available for immediate sale in its present condition, (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as held for sale are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

9 Financial Assets

(i) Initial recognition and measurement

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value, in case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost is recognised in the Statement of Profit and Loss. In other cases, the transaction cost is attributed to the acquisition value of the financial asset.

(ii) Classification and Subsequent measurement

Financial assets are subsequently classified and measured at

- amortised cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

Notes to Standalone Financial Statements

(iii) Trade Receivables and Loans:

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instruments.

(iv) Debt Instruments

Debt instruments are initially measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') till derecognition on the basis of (i) the Company's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset.

(a) Measured at amortised cost: Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

(b) Measured at fair value through other comprehensive income: Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognised in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'Other Income' in the Statement of Profit and Loss.

(c) Measured at fair value through profit or loss: A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'Other Income' in the Statement of Profit and Loss.

(v) Equity Instruments

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'Other Income' in the Statement of Profit and Loss.

(vi) Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

(vii) Impairment of Financial Asset

Expected credit losses are recognised for all financial assets subsequent to initial recognition other than financial assets in FVTPL category.

For financial assets other than trade receivables, as per Ind AS 109, the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. The Company's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall.

Notes to Standalone Financial Statements

The impairment losses and reversals are recognised in Statement of Profit and Loss.

10 Financial Liabilities

(i) Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

(ii) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

(iii) Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires. Financial Liability is also derecognised on modification of terms of contract and when cash flow under modified terms are substantially different.

11 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

12 Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks respectively. The Company also uses commodity futures contracts to hedge the exposure to oil price risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. The subsequent changes in fair value are recorded in Statement of Profit and Loss.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

13 Provisions and Contingent Liabilities

Provisions are recognised when the Company has a present obligation as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. The expenses relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is probable.

Commitments includes the amount of purchase orders (net of advance) issued to parties for acquisition of assets.

Provisions, contingent assets, contingent liabilities and commitments are reviewed at each balance sheet date.

Notes to Standalone Financial Statements

14 Revenue Recognition

Sales are recognised when goods are supplied and significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of contracts and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods. Sales are inclusive of excise duty and net of returns, trade discounts, rebates and sales taxes / Goods and Service Tax (GST).

Income from processing operations is recognised on completion of production / dispatch of the goods, as per the terms of contract.

Dividend income is recognised when the right to receive the same is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of dividend can be measured reliably.

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that discounts the estimated future cash payments or receipts through the expected life of the financial instruments or a shorter period, where appropriate, to the net carrying amount of the financial assets. Interest income is included in other income in the Statement of Profit and Loss.

Income on assets given on operating lease is recognised on a straight line basis over the lease term in the Statement of Profit and Loss.

15 Employee Benefits

(i) Short-Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, performance incentives, etc., are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the employee renders the related service.

The Company has a scheme of Performance Linked Variable Remuneration (PLVR) which rewards its employees based on Economic Value Added (EVA) or Profit Before Tax (PBT). The PLVR amount is related to actual improvement made in EVA or PBT over the previous year when compared with expected improvements.

(ii) Post Employment Benefits

(a) Defined Contribution Plans

Payments made to a defined contribution plan such as Provident Fund and Family Pension maintained with Regional Provident Fund Office are charged as an expense in the Statement of Profit and Loss as they fall due.

(b) Defined Benefit Plans

Gratuity Fund

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, after discounting the same. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses are recognised immediately in Other Comprehensive Income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Provident Fund

Provident Fund Contributions other than those made to the Regional Provident Fund Office of the Government which are made to the Trust administered by the Company are considered as Defined

Notes to Standalone Financial Statements

Benefit Plans. The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company.

Pension

Pension plan for eligible employees are considered as defined benefit obligations and are provided for on the basis of an actuarial valuation, using the Projected Unit Credit Method, as at the date of the Balance Sheet.

(iii) Other Long-Term Employee Benefits

The Company's net obligation in respect of other long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods and are provided for on the basis of an actuarial valuation, using the Projected Unit Credit Method, as at the date of the Balance Sheet. Remeasurement of net obligation are recognised immediately in the Statement of Profit and Loss.

(iv) Termination Benefits

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

16 Share-Based Payments

Employees of the Company also receive remuneration in the form of share based payments in consideration of the services rendered.

Under the equity settled share based payment, the fair value on the grant date of the awards given to employees is recognised as 'employee benefit expenses' with a corresponding increase in equity over the vesting period. The fair value of the options at the grant date is calculated on the basis of the Black Scholes model. At the end of each reporting period, apart from the non market vesting condition, the expense is reviewed and adjusted to reflect changes to the level of options expected to vest. When the options are exercised, the Company issues fresh equity shares.

When the terms of an equity-settled award are modified, an additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

17 Operating Leases

Leases of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under operating leases are recognized on a straight line basis over the lease term as an expense in the Statement of Profit and Loss, unless such payments are structured to increase in line with expected general inflation to compensate for the lessors expected inflationary cost increase.

18 Research and Development Expenditure

Revenue expenditure on Research & Development is charged to the Statement of Profit and Loss of the year in which it is incurred. Capital expenditure incurred during the year on Research & Development is included under additions to fixed assets.

19 Borrowing Costs

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate applicable to the respective borrowing. Borrowing costs that are directly attributable to the acquisition of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is put to use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

20 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

21 Foreign Exchange Transactions

- (i) The financial statements of the Company are presented in Indian Rupee (INR), which is Company's functional and presentation currency.

Notes to Standalone Financial Statements

- (ii) Transactions in foreign currency are recorded at exchange rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currency, remaining unsettled at the period end are translated at closing rates. The difference in translation of monetary assets and liabilities and realised gains and losses on foreign currency transactions are recognised in the Statement of Profit and Loss. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.
- (iii) The difference in translation of long term monetary assets acquired and liabilities incurred prior to April 01, 2016 and realised gains and losses on foreign currency transactions relating to acquisition of depreciable capital assets are added to or deducted from the cost of the asset and depreciated over the balance life of the asset; and in other cases, accumulated in a Foreign Currency Monetary Item Translation Difference Account and amortised over the balance period of such long term asset / liability, by recognition as income or expense but not beyond March 31, 2020.
- (iv) Realised gain or losses on cancellation of forward exchange contracts are recognised in the Standalone Statement of Profit and Loss of the period in which they are cancelled.

22 Taxes on Income

Income tax expense comprises current and deferred tax and is recognized in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity or in OCI.

(i) Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

(ii) Minimum Alternate Tax (MAT)

MAT credit is recognised as a deferred tax assets only when and to the extent there is convincing evidence that the Company will pay normal tax during specified period. MAT credit is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

(iii) Deferred Tax

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

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

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

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred Tax assets and liabilities are offset only if:

- a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity..

23 Earnings Per Share

Basic Earnings per share is calculated by dividing the profit / (loss) for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the profit / (loss) for the period attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

Notes to Standalone Financial Statements

Note 3 : Property, Plant and Equipments

Amount ₹ in Crore

Particulars	Freehold Land	Leasehold Land	Buildings	Plant & Machinery	Furniture & Fixtures	Vehicles - Own	Computer Hardware	Office Equipments	Research Centre	Total
Gross Carrying Amount										
Balance as at April 01, 2016	0.76	23.07	663.19	470.83	12.09	22.30	10.81	10.28	0.41	1,213.74
Additions	-	-	75.43	217.86	8.95	7.79	1.67	9.54	0.31	321.55
Disposals / Adjustments	0.24	-	3.33	38.80	1.58	0.89	0.13	0.49	0.12	45.58
Balance as at March 31, 2017	0.52	23.07	735.29	649.89	19.46	29.20	12.35	19.33	0.60	1,489.71
Additions	-	-	15.71	13.08	1.47	1.49	2.14	1.47	0.06	35.42
Disposals / Adjustments	-	-	8.41	0.02	-	0.54	0.08	0.04	(0.04)	9.05
Balance as at March 31, 2018	0.52	23.07	742.59	662.95	20.93	30.15	14.41	20.76	0.70	1,516.08
Accumulated Depreciation										
Balance upto March 31, 2016	-	0.24	13.56	17.11	2.13	3.39	2.49	3.18	0.01	42.11
Additions	-	0.28	15.96	20.44	2.10	3.87	3.98	3.14	0.10	49.87
Disposals / Adjustments	-	-	0.35	0.07	0.65	0.37	0.04	0.11	0.05	1.64
Balance upto March 31, 2017	-	0.52	29.17	37.48	3.58	6.89	6.43	6.21	0.06	90.34
Additions	-	0.28	16.99	34.76	2.00	3.99	4.26	3.54	0.13	65.95
Disposals / Adjustments	-	-	0.45	(0.43)	-	0.21	0.07	-	(0.01)	0.29
Balance upto March 31, 2018	-	0.80	45.71	72.67	5.58	10.67	10.62	9.75	0.20	156.00
Net Carrying Amount										
Balance as at April 01, 2016	0.76	22.83	649.63	453.72	9.96	18.91	8.32	7.10	0.40	1,171.63
Balance as at March 31, 2017	0.52	22.55	706.12	612.41	15.88	22.31	5.92	13.12	0.54	1,399.37
Balance as at March 31, 2018	0.52	22.27	696.88	590.28	15.35	19.48	3.79	11.01	0.50	1,360.08

Notes :

1. Refer Note No. 26 for disclosure of contractual commitments for the acquisition of Property, Plant and Equipments.
2. No Property, Plant and Equipment is pledged as security by the Company.
3. Addition to Property, Plant and Equipments includes ₹ 0.18 Crore (Previous year ₹(-) 7.85 Crore) on account of Exchange Difference arising on conversion of Long Term Foreign Currency Monetary Items relating to acquisition of depreciable assets.
4. Buildings includes certain Office Premises given on lease in exchange for similar Office Premises in the same building. [Gross Block - ₹ 94.72 Crore (Previous year - ₹ 94.72 Crore) and Net Carrying Amount - ₹ 90.40 Crore (Previous year- ₹ 91.90 Crore)]

Notes to Standalone Financial Statements

Note 3a : Investment Property

Particulars	Amount ₹ in Crore		
	Freehold Land	Buildings	Total
Gross Carrying Amount			
Balance as at April 01, 2016	0.38	130.09	130.47
Additions	-	0.02	0.02
Disposals / Adjustments	-	0.15	0.15
Balance as at March 31, 2017	0.38	129.96	130.34
Additions	-	8.41	8.41
Disposals / Adjustments	-	-	-
Balance as at March 31, 2018	0.38	138.37	138.75
Accumulated Depreciation			
Balance upto April 01, 2016	-	2.01	2.01
Additions	-	2.16	2.16
Disposals / Adjustments	-	0.03	0.03
Balance upto March 31, 2017	-	4.14	4.14
Additions	-	2.14	2.14
Disposals / Adjustments	-	(0.45)	(0.45)
Balance upto March 31, 2018	-	6.73	6.73
Net Carrying Amount			
Balance as at April 01, 2016	0.38	128.08	128.46
Balance as at March 31, 2017	0.38	125.82	126.20
Balance as at March 31, 2018	0.38	131.64	132.02
Fair Value			
As at April 01, 2016	4.15	218.23	222.38
As at March 31, 2017	4.15	219.75	223.90
As at March 31, 2018	4.15	189.94	194.09

Notes :

- Information regarding income and expenditure of Investment Property

Particulars	Amount ₹ in Crore	
	Year ended March 31, 2018	Year ended March 31, 2017
Rental income derived from investment properties	9.05	6.22
Direct operating expenses	5.75	3.64
Gains arising from investment properties before depreciation	3.3	2.58
Less : Depreciation	2.14	2.16
Gains arising from investment properties	1.16	0.42

Notes to Standalone Financial Statements

Note 3a : Investment Property (Contd.)

- The Company's investment properties consist of 10 properties in India. The Management has determined that the investment property consists of two classes of assets - Land and Building - based on the nature, characteristics and risks of each property.
- The Company has no restriction on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.
- The fair valuation is based on current prices in the active market for similar properties. The main input used are quantum, area, location, demand, age of building and trend of fair market rent in the location of the property. The fair value is based on valuation performed by an accredited independent valuer. Fair valuation is based on replacement cost method. The fair value measurement is categorised in level 2 fair value hierarchy.

5. Reconciliation of Fair Value

Particulars	Freehold Land	Buildings	Total
Opening balance as at April 01, 2016	4.15	218.23	222.38
Fair value differences	-	1.50	1.50
Purchases	-	0.02	0.02
Opening balance as at April 01, 2017	4.15	219.75	223.90
Fair value differences	-	(38.22)	(38.22)
Purchases / Transfer from Property, Plant & Equipments	-	8.41	8.41
Closing balance as at March 31, 2018	4.15	189.94	194.09

Note 3b : Other Intangible Assets

Particulars	Amount ₹ in Crore Computer Software
Gross Carrying Amount	
Balance as at April 01, 2016	0.78
Additions	0.60
Disposals / Adjustments	0.10
Balance as at March 31, 2017	1.28
Additions	1.37
Disposals / Adjustments	-
Balance as at March 31, 2018	2.65
Accumulated Depreciation	
Balance upto April 01, 2016	0.08
Additions	0.40
Disposals / Adjustments	0.10
Balance upto March 31, 2017	0.38
Additions	0.49
Disposals / Adjustments	-
Balance upto March 31, 2018	0.87
Net Carrying Amount	
Balance as at April 01, 2016	0.70
Balance as at March 31, 2017	0.90
Balance as at March 31, 2018	1.78

Notes to Standalone Financial Statements

Note 4 : Investments in Subsidiaries and Associates

Particulars	Note	Face Value	As at March 31, 2018		As at March 31, 2017	
			Number	Amount	Number	Amount
Amount ₹ in Crore						
Investment in Equity Instruments (Fully paid up unless stated otherwise)						
(a) Quoted Investments						
(i) Subsidiaries						
Godrej Properties Limited	5		122,681,066	726.78	122,681,066	726.78
Godrej Agrovet Limited	a	10	111,357,225	325.64	-	-
(ii) Associates						
Godrej Consumer Products Limited		1	161,875,240	1,366.21	80,937,620	1,366.21
(b) Unquoted Investments						
(i) Subsidiaries						
Ensemble Holdings & Finance Limited	b	10	6,574,597	23.19	6,190,826	21.19
Godrej Agrovet Limited	a	10	-	-	117,878,964	344.71
Godrej International Limited (Isle of Man)		£1	2,105,000	14.76	2,105,000	14.76
Godrej International Trading & Investments Pte. Limited		\$1	1,000,000	4.43	1,000,000	4.43
Godrej International Limited (Labuan) *		\$1	-	-	1	0.00
Natures Basket Limited		10	369,230,000	367.19	309,230,000	307.19
Godrej One Premises Management Private Limited *		10	1,400	0.00	1,400	0.00
				<u>2,828.20</u>		<u>2,785.27</u>
Aggregate Amount of Quoted Investments				2,418.63		2,092.99
Aggregate Amount of Unquoted Investments				409.57		692.28
Aggregate Amount of Impairment in Value of Investments				-		-
Market Value of Quoted Investments				33,687.03		18,246.55

* Amount less than ₹ 0.01 Crore.

Notes

- a During the year, the Company participated in Godrej Agrovet Limited (GAVL) IPO and sold 65,21,739 shares and earned a profit of ₹ 267.38 crore on sale of shares. The Company, however, continues to hold a controlling stake in GAVL
- b The Investment value includes share application money of ₹ 1.99 crore as at March 31, 2017 in respect of which allotment of shares was pending.

Notes to Standalone Financial Statements

Note 4a : Non Current Financial Assets - Other Investments

Particulars	Note	Face Value	Amount ₹ in Crore				
			As at March 31, 2018		As at March 31, 2017		
			Number	Amount	Number	Amount	
1 Investment in Equity Instruments (Fully Paid up unless stated otherwise) At Fair Value Through Profit and Loss							
(a) Unquoted Investments							
Bharuch Eco-Aqua Infrastructure Ltd.	10	440,000	0.44	440,000	0.44		
Less : Provision for Impairment in the Value of Investment			(0.44)		(0.44)		
			-		-		
Avesthagen Ltd.	7	469,399	12.43	469,399	12.43		
Less : Provision for Impairment in the Value of Investment			(12.43)		(12.43)		
			-		-		
CBay Infotech Ventures Pvt. Ltd.	10	112,579	2.33	112,579	2.33		
Less : Provision for Impairment in the Value of Investment			(2.33)		(2.33)		
			-		-		
Gharda Chemicals Ltd.	a	100	114	0.12	114	0.12	
Less : Provision for Impairment in the Value of Investment			(0.12)		(0.12)		
			-		-		
HyCa Technologies Pvt. Ltd.	10	12,436	1.24	12,436	1.24		
Less : Provision for Impairment in the Value of Investment			(1.24)		(1.24)		
			-		-		
Tahir Properties Ltd (Partly paid) *	b	100	25	0.00	25	0.00	
Boston Analytics Inc.	\$1	1,354,129	6.91	1,354,129	6.91		
Less : Provision for Impairment in the Value of Investment			(6.91)		(6.91)		
			-		-		
The Saraswat Co-op Bank Ltd.	10	1,000	0.02	1,000	0.02		
2 Investment In Partnership Firms							
At Fair Value Through Profit and Loss							
View Group LP *	c		0.00		0.00		
Less : Provision for Impairment in the Value of Investment			0.00		0.00		
			-		-		
			0.02		0.02		
Aggregate Amount of Quoted Investments			-		-		
Aggregate Amount of Unquoted Investments			23.49		23.49		
Aggregate Amount of Impairment in Value of Investments			(23.47)		(23.47)		
Market Value of Quoted Investments			-		-		

* Amount less than ₹ 0.01 Crore.

Notes

a The said shares have been refused for registration by the investee company.

b Uncalled Liability on partly paid shares

- Tahir Properties Ltd. - Equity - ₹ 80 per share (Previous year - ₹ 80 per share).

c View Group LP has been dissolved on December 14, 2012, however, the Company has still not received an approval from RBI for writing-off the investment.

Notes to Standalone Financial Statements

Note 5 : Non-Current Financial Assets - Loans

Particulars	Amount ₹ in Crore	
	As at March 31, 2018	As at March 31, 2017
1 Security Deposits		
(a) Unsecured and Considered Good	3.24	2.75
(b) Unsecured and Considered Doubtful	0.95	0.95
Less : Allowance for Bad and Doubtful Deposit	(0.95)	(0.95)
Net Unsecured and Considered Doubtful	-	-
2 Other Loans		
(a) Secured and Considered Doubtful (Refer note 1 below)	10.33	10.33
Less : Allowance for Bad and Doubtful Loans	(10.33)	(10.33)
(b) Unsecured and Considered Good Loans to employees	0.50	0.43
	3.74	3.18

Notes

- 1 The Company had advanced an amount of ₹ 10.33 Crore to certain individuals who also pledged certain equity shares as security against the said advance. The Company has enforced its security and lodged the shares for transfer in its name. The said transfer application was rejected and Company has preferred an appeal to the Company Law Board (CLB). The CLB rejected the application and advised the parties to approach the High Court. The Company had filed an appeal before the Hon'ble High Court against the order of the Company Law Board under Section 10 F of the Companies Act, which was disposed of with the direction to keep the transfer of shares in abeyance till the arbitration proceedings between the parties are on. The Hon'ble Bombay High Court passed an interim order dated September 18, 2012, restraining the Company from inter alia, dealing, selling or creating third party rights, etc. in the pledged shares and referred the matter to arbitration. The Company had filed a Special Leave Petition (SLP) before the Supreme Court against this interim order of the Hon'ble Bombay High Court which the Supreme Court has dismissed and the matter is presently before the Arbitrator.

The Management is confident of recovery of this amount as underlying value of the said shares is substantially greater than the amount of loan and interest thereon. However, on a conservative basis, the Company has provided for the entire amount of ₹ 10.33 Crore in the books of account.

- 2 Details of Loans under section 186 (4) of Companies Act, 2013.

Particulars	Amount ₹ in Crore			
	As at March 31, 2018		As at March 31, 2017	
	Maximum Balance During the Year	Amount outstanding	Maximum Balance During the Year	Amount Outstanding
1 Loans where there is no repayment schedule				
(i) Federal & Rashmikant	5.83	5.83	5.83	5.83
(ii) M/s Dhruv & Co. (Regd.)	4.18	4.18	4.18	4.18
(iii) D. R. Kavasmaneck & Dr. P. R. Kavasmaneck	0.32	0.32	0.32	0.32
2 Loans to Employees	0.50	0.50	0.51	0.43

Notes to Standalone Financial Statements

Note 6 : Non-Current Financial Assets - Others

Particulars	Amount ₹ in Crore	
	As at March 31, 2018	As at March 31, 2017
1 Fair Value of Derivative Contracts	0.86	-
2 Secured		
(a) Interest Accrued on Loans (Refer Note 1 below)	3.15	3.15
Provision for Doubtful Interest Accrued	(3.15)	(3.15)
	-	-
3 Unsecured		
(a) Interest Accrued on Loans	1.03	1.03
Provision for Doubtful Interest Accrued	(1.03)	(1.03)
	-	-
4 Balances with Statutory Authorities	9.66	16.18
	<u>10.52</u>	<u>16.18</u>

Note

- 1 Interest on loan referred to in sub note (1) under Note 5 - Non-Current Loans, amounting to ₹ 3.15 Crore was accrued upto March 31, 2000 and has been fully provided for, no interest is being accrued thereafter.

Note 7 : Deferred Tax Assets (Net)

Particulars	Amount ₹ in Crore	
	As at March 31, 2018	As at March 31, 2017
1 Liabilities		
(a) Written Down Value of Assets	109.79	130.71
2 Assets		
(a) Provision for Employee Benefits	1.76	2.31
(b) Provision for Doubtful Debts / Advances	6.31	6.27
(c) Other Provisions	9.07	10.76
(d) Unabsorbed Depreciation	92.65	111.37
(e) Indexation benefit on Land	0.87	2.65
	<u>0.87</u>	<u>2.65</u>

Note 8 : Other Non-Current Assets

Particulars	Amount ₹ in Crore	
	As at March 31, 2018	As at March 31, 2017
1 Capital Advances	13.65	9.28
2 Other Advances		
(a) Deposits with Statutory Authorities	2.62	2.62
	<u>16.27</u>	<u>11.90</u>

Notes to Standalone Financial Statements

Note 9 : Inventories

Particulars	Amount ₹ in Crore	
	As at March 31, 2018	As at March 31, 2017
1 Raw Materials [includes Goods in transit ₹ 29.42 Crore (Previous year ₹ 8.27 Crore)]	124.69	107.93
2 Packing Material	4.35	3.41
3 Work in Progress	89.81	88.88
4 Finished Goods [includes Goods in transit ₹ 15.94 Crore, (Previous year ₹ 19.66 Crore)]	72.26	78.66
5 Stock in Trade	0.02	7.84
6 Stores and Spares	8.78	9.90
	299.91	296.62

Notes

- Inventories are valued at lower of cost and net realisable value. Cost is computed on weighted average basis and is net of cenvat.
- Working capital facilities sanctioned by banks under consortium arrangement are secured by hypothecation of stocks.

Note 10 : Current Financial Assets - Investments

Particulars	Note	Face Value	Amount ₹ in Crore	
			As at March 31, 2018	As at March 31, 2017
1 Other Investment				
(a) Unquoted Investment				
Optionally Convertible Loan Notes/Promissory Notes				
Boston Analytics Inc. (15%)	a	\$ 750,000	3.00	3.00
Less : Provision for Impairment in the Value of Investment			(3.00)	(3.00)
			-	-
Boston Analytics Inc. (20%)	a	\$ 15,50,000	6.73	6.73
Less : Provision for Impairment in the Value of Investment			(6.73)	(6.73)
			-	-
Boston Analytics Inc. (12%)	b	\$ 950,000	4.69	4.69
Less : Provision for Impairment in the Value of Investment			(4.69)	(4.69)
			-	-
			-	-
Aggregate Amount of Quoted Investments			-	-
Aggregate Amount of Unquoted Investments			14.42	14.42
Aggregate Amount of Impairment in Value of Investments			(14.42)	(14.42)
Market Value of Quoted Investments			-	-

Notes

- The Optionally Convertible Promissory Notes (15%) of Boston Analytics Inc. in respect of which the Company did not exercise the conversion option and Boston Analytics Inc. promissory notes (20%) where there was a partial conversion option which the Company did not exercise, were due for redemption on June 30, 2009 and August 21, 2009, respectively. The said promissory notes have not been redeemed as of the Balance Sheet date and have been fully provided for.
- 12% promissory notes were repayable on or before December 31, 2011, along with interest on maturity. The said promissory notes have not been redeemed as of the Balance Sheet date and have been fully provided for.

Notes to Standalone Financial Statements

Note 11 : Current Financial Assets - Trade Receivables

Particulars	Amount ₹ in Crore	
	As at March 31, 2018	As at March 31, 2017
1 Secured and Considered Good (Refer Note below)	7.36	12.48
2 Unsecured and Considered Good	110.53	109.23
3 Unsecured and Considered Doubtful	2.97	2.89
Less : Allowance for Bad and Doubtful Debt	(2.97)	(2.89)
	-	-
	117.89	121.71

Note

Secured by Security Deposits collected from Customers, Letter of Credit or Bank Guarantees held against them.

Note 12 a : Current Financial Assets - Cash and Cash Equivalents

Particulars	Amount ₹ in Crore	
	As at March 31, 2018	As at March 31, 2017
1 Balances with Banks		
(a) Current Accounts	58.92	10.98
(b) Deposits having maturity less than 3 months	0.80	0.80
2 Cash on Hand	0.35	0.23
	60.07	12.01

Note 12 b : Current Financial Assets - Other Bank Balances

Particulars	Amount ₹ in Crore	
	As at March 31, 2018	As at March 31, 2017
1 Deposits with more than 3 months but less than 12 months maturity	1.17	2.50
2 Other Bank Balances (Refer Note below)	0.55	0.56
	1.72	3.06

Notes

Other Bank Balances include :

- Fixed Deposit of ₹ 0.19 Crore (Previous year ₹ 0.19 Crore) held by the bank as security against guarantees issued.
- Balance of ₹ 0.33 Crore (Previous year ₹ 0.34 Crore) unclaimed dividends.

Notes to Standalone Financial Statements

Note 13 : Current Financial Assets - Loans

Particulars	Amount ₹ in Crore	
	As at March 31, 2018	As at March 31, 2017
1 Unsecured Loans		
(a) Inter Corporate Deposit		
Considered Good	-	-
Considered Doubtful	5.77	5.77
Provision for Doubtful Deposit	(5.77)	(5.77)
	<u>-</u>	<u>-</u>
(b) Current Maturity of Long term Loans		
Considered Good	0.17	0.17
Considered Doubtful*	0.00	0.00
Provision for Doubtful Loan*	0.00	0.00
	<u>0.17</u>	<u>0.17</u>
	<u>0.17</u>	<u>0.17</u>

*Amount less than ₹ 0.01 crore

Note

Details of Loans as per Section 186 (4) of Companies Act, 2013.

Particulars	Amount ₹ in Crore			
	As at March 31, 2018		As at March 31, 2017	
	Maximum Balance During the Year	Amount Outstanding	Maximum Balance During the Year	Amount Outstanding
1 Investments by the loanee in the shares of parent company and subsidiary company (without considering the ESOP Trust Loan Liability)				
GIL ESOP Trust	-	-	24.61	-
2 Loans to Employees	0.17	0.17	0.18	0.17
3 Inter Corporate Deposit				
Tricom India Limited	5.77	5.77	5.77	5.77

Note 14 : Current Financial Assets - Others

Particulars	Amount ₹ in Crore	
	As at March 31, 2018	As at March 31, 2017
1 Other Receivables	23.09	15.66
2 Fair Value of Derivative Contracts	0.01	0.12
3 Forward Cover Contracts Receivable	0.90	2.26
4 Interest Accrued on Loans and Deposits	0.02	6.90
5 Export Benefits Receivables	13.20	10.34
	<u>37.22</u>	<u>35.28</u>

Notes to Standalone Financial Statements

Note 15 : Other Current Assets

Particulars	Amount ₹ in Crore	
	As at March 31, 2018	As at March 31, 2017
1 Deposits		
(a) Deposits with Statutory Authorities	36.63	14.88
(b) Other Deposits	2.47	1.98
	39.10	16.86
2 Other Advances		
(a) Advance to Suppliers		
Considered Good	12.38	1.12
Considered Doubtful	0.74	0.65
Provision for Doubtful Advances	(0.74)	(0.65)
	12.38	1.12
(b) Employee Advance	0.02	0.08
(c) Prepaid and other advances	17.89	16.62
3 Export Benefits Receivables	9.90	5.10
	79.29	39.78

Notes to Standalone Financial Statements

Note 16 : Equity

Particulars	As at March 31, 2018		Amount ₹ in Crore As at March 31, 2017	
	Nos.	Amount	Nos.	Amount
1 Authorised Share Capital				
(a) Equity shares of ₹ 1 each	800,000,000	80.00	800,000,000	80.00
(b) Unclassified Shares of ₹ 10 each	100,000,000	100.00	100,000,000	100.00
		<u>180.00</u>		<u>180.00</u>
2 Issued, Subscribed and Paid up Share Capital				
Equity Shares of ₹ 1 each fully paid up	336,272,731	33.63	336,139,786	33.61
Par Value of Equity Share is ₹ 1 each				
Par Value of Unclassified Share is ₹ 10 each				
3 Reconciliation of number of Shares				
Equity Shares				
Number of Shares outstanding at the beginning of the year	336,139,786	33.61	335,988,807	33.60
Issued during the year	132,945	0.02	150,979	0.01
Number of Shares outstanding at the end of the year	<u>336,272,731</u>	<u>33.63</u>	<u>336,139,786</u>	<u>33.61</u>
4 Rights, Preferences and Restrictions attached to Shares				
Equity Shares : The Company has one class of equity shares. Each equity share entitles the holder to one vote. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholding.				
5 Share holding Information				
(a) Equity Shares held by Holding Company:				
Vora Soaps Limited	193,904,681	19.39	193,904,681	19.39
(b) Shareholders holding more than 5% of Equity Shares in the Company:				
Vora Soaps Limited - 57.66% (previous year 57.69%)	193,904,681	19.39	193,904,681	19.39
6 Equity Shares Reserved for Issue Under Employee Stock Grant (₹ 1 each)				
Employee Stock Grant for which vesting date shall be such date as may be decided by the Compensation Committee (*)				
(a) Employee Stock Grant vesting on 31/05/17	-	-	148,998	0.01
(b) Employee Stock Grant vesting on 30/11/17	-	-	1,513	0.00
(c) Employee Stock Grant vesting on 31/03/18	2,075	0.00	2,075	0.00
(d) Employee Stock Grant vesting on 31/05/18	109,052	0.01	97,223	0.01
(e) Employee Stock Grant vesting on 30/09/18	807	0.00	807	0.00
(f) Employee Stock Grant vesting on 30/11/18	3,454	0.00	-	-
(g) Employee Stock Grant vesting on 31/05/19	72,234	0.01	47,985	0.00
(h) Employee Stock Grant vesting on 31/05/20	31,758	0.00	-	-
The exercise period in respect of the stock grants mentioned above is one month.				
7 During the period of five years immediately preceding the date as at which the Balance Sheet is prepared :				
Pursuant to the Scheme of Amalgamation of Wadala Commodities Limited (WCL) with the Company :				
(i) 2,00,243 equity shares allotted as fully paid up to the Equity Shareholders of WCL and 10 equity shares allotted as fully paid up to the Preference Shareholders of WCL, without payment being received in cash.				
(ii) 67,627 equity shares have been allotted as fully paid up bonus shares to the non-promoter shareholders of the Company.				
8 There are no calls unpaid.				
9 There are no forfeited shares.				

(*) Amount less than ₹ 0.01 Crore.

Note

In the FY 2014-15, the Hon'ble Bombay High Court and High Court of Madhya Pradesh, Indore Bench, approved a Scheme of Amalgamation ("Scheme") of Wadala Commodities Limited (WCL) with the Company effective from April 1, 2014, being the appointed date. The Effective Date was November 21, 2014, being the date of filing the approval of the Respective High Courts with the ROC. Accordingly, the Company had issued 200,243 equity shares of the Company in lieu of the equity shares in WCL and 10 equity shares of the Company in lieu of the preference shares in WCL held by the shareholders of the erstwhile WCL and also issued 67,504 bonus equity shares of the Company to the non-promoter shareholders of the Company.

In current year, the Company has issued Nil (Previous year 38) bonus equity shares of the Company to the non-promoter shareholders on exercise of ESGS options.

Notes to Standalone Financial Statements

Note 17 : Other Equity

A Summary of Other Equity Balances

Particulars	Amount ₹ in Crore	
	As at March 31, 2018	As at March 31, 2017
1 Capital Redemption Reserve	31.46	31.46
2 Securities Premium Account	943.70	939.21
3 Capital Reserve	9.88	9.88
4 Employee Stock Grants Reserve	6.20	6.70
5 General Reserve	52.70	52.70
6 Retained Earnings	722.99	541.87
	1,766.93	1,581.82

Refer Statement of Changes in Equity for detailed movement in Equity balance

B Nature and purpose of reserve

- 1 Capital Redemption Reserve : The Company recognised Capital Redemption Reserve on buyback of equity shares from its retained earnings.
- 2 Securities Premium Account : The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium reserve.
- 3 Capital Reserve : During amalgamation, the excess of net assets taken, over the cost of consideration paid is treated as capital reserve.
- 4 Employee Stock Grants Outstanding : The fair value of the equity-settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to Employee Stock Options Outstanding Account.
- 5 General Reserve : The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.
- 6 Retained Earnings : Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Notes to Standalone Financial Statements

Note 18 : Non Current Financial Liabilities - Borrowings

Particulars	Amount ₹ in Crore	
	As at March 31, 2018	As at March 31, 2017
Unsecured Borrowings		
Term Loans		
(i) From Banks (Refer Note 1 below)	372.15	918.61
(ii) From Other Parties (Refer Note 2 below)	33.34	66.67
	405.49	985.28

Notes:

1 Unsecured Loans from Banks

Particulars	Amount ₹ in Crore	
	As at March 31, 2018	As at March 31, 2017
Loan carries interest rate at Base Rate for an original term upto 36 months and repayable starting September 2018 to March 2019.	-	100.00
Loan carries interest at Base Rate/ 1 year MCLR for an original term upto 36 months and repayable starting December 2018 to June 2019.	25.00	50.00
Loan carries interest at 3 Months MCLR for an original term upto 36 months and repayable starting March 2019 to September 2019.	50.00	100.00
Loan carries interest at Fixed rate of 8.50% p.a for an original term upto 60 months and repayable starting June 2018 to March 2022.	93.75	125.00
Loan carries interest at 1 year MCLR for an original term upto 60 months and repayable starting June 2018 to March 2022.	67.50	90.00
Loan carries interest at 1 year MCLR for an original term upto 60 months and repayable starting July 2018 to April 2022.	28.44	-
Loan carries interest at 6 Months MCLR + 1.50 % p.a. for an original term upto 36 months and repayable starting June 2018 to March 2019.	-	100.00
Loan carries interest at 3 year MCLR + 0.05% p.a. for an original term upto 36 months and repayable starting November 2018 to August 2019.	25.00	50.00
Loan carries interest at SBI Base Rate + 0.35% p.a. for an original term upto 36 months and repayable starting July 2017 to April 2018.	-	25.00
Loan carries interest at LIBOR + 2.05% p.a. for an original term upto 60 months and repayable by August 2018.	-	32.44
Loan carries interest at LIBOR + 2.40% p.a., fixed under IRS at 4.28% p.a for an original term upto 60 months and repayable by July 2019.	41.18	122.93
Loan carries interest at LIBOR + 2.35% p.a., fixed under IRS at 4.25% p.a for an original term upto 60 months and repayable by July 2019.	27.61	82.43
Loan carries interest at LIBOR + 2.45% p.a., fixed under IRS at 4.39% p.a for an original term upto 60 months and repayable by July 2019.	13.67	40.83

2 Unsecured Loans from Others

Particulars	Amount ₹ in Crore	
	As at March 31, 2018	As at March 31, 2017
Loan carries interest at SBI Base Rate + 0.35% p.a. for an original term upto 60 months and repayable by March 2020.	16.67	33.33
Loan carries interest at SBI Base Rate + 0.35% p.a. for an original term upto 60 months and repayable by March 2020.	16.67	33.34

3 The Company does not have any default as on the Balance Sheet date in repayment of loan or interest.

Notes to Standalone Financial Statements

Note 19 : Non Current Provisions

Particulars	Amount ₹ in Crore	
	As at March 31, 2018	As at March 31, 2017
Provision for Employee Benefits		
(a) Defined Benefit Obligation	5.55	3.51
(b) Other Long Term Benefit	1.49	1.64
	7.04	5.15

Note 20 : Current Financial Liabilities - Borrowings

Particulars	Amount ₹ in Crore	
	As at March 31, 2018	As at March 31, 2017
1 Secured Borrowings		
(a) Loans Repayable on Demand		
(i) From Banks (Refer Note 1 below)	0.61	0.26
2 Unsecured Borrowings		
(a) Loans Repayable on Demand		
(i) From Banks (Refer Note 2 below)	57.14	62.15
(b) Short Term Loans		
(i) From Banks (Refer Note 2 below)	1,010.00	465.00
(c) Other Loans		
(i) Commercial Papers (Refer Note 3 below)	615.00	910.00
	1,682.75	1,437.41

Notes:

1 Working capital facilities sanctioned by banks under consortium arrangement are secured by hypothecation of stocks and book debts.

2 Unsecured Loans from Bank

Particulars

Particulars	Amount ₹ in Crore	
	As at March 31, 2018	As at March 31, 2017
Loan carries interest rate at 1 month MCLR repayable by April 2018	220.00	-
Loan carries interest rate at 1 month MCLR repayable by May 2018	260.00	-
Loan carries interest rate at 1 month MCLR repayable by June 2018	155.00	-
Loan carries interest rate at 3 months MCLR repayable by June 2018	160.00	-
Loan carries interest rate from 7.55% p.a. to 7.88% p.a. repayable by June 2018	150.00	-
Loan carries interest rate at 3 months MCLR + 0.25% p.a. repayable by June 2018	65.00	-
Loan carries interest rate at 1 months MCLR repayable by May 2017	-	90.00
Loan carries interest rate at 3 months MCLR repayable by May 2017	-	50.00
Loan carries interest rate at 1 month MCLR + 0.05% p.a. repayable by April 2017	-	30.00
Loan carries interest rate at 3 months MCLR + 0.10 % p.a. repayable by April 2017	-	75.00
Loan carries interest rate at 3 months MCLR repayable by June 2017	-	130.00
Loan carries interest rate at 1 month MCLR repayable by April 2017	-	90.00
Loan carries interest at Base Rate repayable within 6 months	57.14	62.15

3 Commercial Papers

Particulars

Particulars	Amount ₹ in Crore	
	As at March 31, 2018	As at March 31, 2017
Commercial Papers carries interest at 7.1% p.a. to 7.25% p.a. repayable during the period April to June 2018.	615.00	-
Commercial Papers carries interest at 6.30% p.a. to 6.70% p.a. repayable during the period April to June 2017.	-	910.00

4 The Company does not have any default as on the Balance Sheet date in repayment of loan or Interest.

Notes to Standalone Financial Statements

Note 21 : Current Financial Liabilities - Trade Payables

Particulars	Amount ₹ in Crore	
	As at March 31, 2018	As at March 31, 2017
1 Trade Payables		
(a) Outstanding dues of Micro and Small Enterprises (Refer Note 1 below)	8.86	4.53
(b) Others	279.96	307.44
2 Acceptances	63.39	-
	352.21	311.97

Note

- 1 Disclosure of outstanding dues of Micro and Small Enterprise under Trade Payables is based on the information available with the Company regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006. There is no undisputed amount overdue as on March 31, 2018, to Micro, Small and Medium Enterprises on account of principal or interest.

Note 22 : Current Financial Liabilities - Others

Particulars	Amount ₹ in Crore	
	As at March 31, 2018	As at March 31, 2017
1 Current Maturities of Long Term Debts Unsecured		
(a) Term Loan from Bank	582.85	405.50
(b) Term Loan from Others	33.33	33.33
	616.18	438.83
2 Interest Accrued but not Due on Borrowings	6.83	6.11
3 Unclaimed Dividends	0.33	0.35
4 Unclaimed Matured Deposits		
(a) Principal Amount	0.84	1.33
(b) Interest accrued Thereon	0.06	0.09
	0.90	1.42
5 Others		
(a) Sundry Creditors	50.53	40.15
(b) Deposits	7.17	6.07
(c) Derivative Contracts Payable	-	2.92
(d) Other Payables	0.08	0.19
	57.78	49.33
	682.02	496.04

Note

- 1 There are no amounts due for payments to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end.

Notes to Standalone Financial Statements

Note 23 : Other Current Liabilities

Particulars	Amount ₹ in Crore	
	As at March 31, 2018	As at March 31, 2017
Advances from Customers	5.02	6.86
Statutory Liabilities	29.23	13.49
Other Liabilities	1.06	0.82
	35.31	21.17

Note 24 : Current Provisions

Particulars	Amount ₹ in Crore	
	As at March 31, 2018	As at March 31, 2017
Provision for Employee Benefits		
(a) Defined Benefit Obligation	4.19	4.20
(b) Other Long Term Benefit	0.64	0.63
	4.83	4.83

Particulars	Amount ₹ in Crore	
	As at March 31, 2018	As at March 31, 2017

Note 25 : Contingent Liabilities

1 Claims against the Company not acknowledged as debts

(a) Excise duty / Service Tax demands relating to disputed classification, post manufacturing expenses, assessable values, etc. which the Company has contested and is in appeal at various levels.	10.65	11.33
(b) Customs Duty demands relating to lower charge, differential duty, classification, etc.	3.94	3.94
(c) Sales Tax demands relating to purchase tax on Branch Transfer / disallowance of high seas sales, etc. at various levels.	46.03	46.03
(d) Octroi demand relating to classification issue on import of Palm Stearine and interest thereon.	0.29	0.29
(e) Stamp duties claimed on certain properties which are under appeal by the Company.	1.82	1.82
(f) Income tax demands against which the Company has preferred appeals.	58.28	67.93
(g) Industrial relations matters under appeal.	0.47	2.57
(h) Others.	5.61	1.68

2 Surety Bonds

Surety Bonds given by the Company in respect of refund received from excise authority for exempted units of associate company - refer note 1 below.	26.88	26.88
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Notes

- Detail of Guarantee given covered under section 186 (4) of the Companies Act, 2013 :
The Corporate surety bond of ₹ 26.88 Crore (previous year ₹ 26.88 Crore) is in respect of refund received from excise authority for exempted units (North East) of Godrej Consumer Products Limited, an associate company.
- The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.
- It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

Notes to Standalone Financial Statements

Note 26 : Commitments

Particulars	Amount ₹ in Crore	
	As at March 31, 2018	As at March 31, 2017
1 Estimated amount of contracts remaining to be executed on capital account and not provided for, [Net of Advances amounting to ₹ 13.65 Crore (previous year - ₹ 3.26 Crore)]	12.25	7.75
2 Uncalled liability on partly paid shares / debentures (*)	0.00	0.00
3 Other Long Term Commitments Contracts for Purchase of Raw Material	75.43	65.39
* Amount less than ₹ 0.01 Crore		

Note 27 : Revenue From Operations

	Amount ₹ in Crore	
	Year ended March 31, 2018	Year ended March 31, 2017
1 Sale of Products (Refer Note 1 below)	1,751.97	1,526.62
2 Other Operating Revenues		
(a) Export Incentives	19.91	15.52
(b) Sale of Scrap	1.42	1.86
(c) Dividend Income (Refer Note 2 below)	198.74	46.94
(d) Rental Income	14.28	11.23
	1,986.32	1,602.17

Notes

- The Government of India introduced the Goods and Service Tax (GST) with effect from July 01, 2017, consequently revenue from operations for the period July 01, 2017 to March 31, 2018 is net of GST. However, revenue for the year ended March 31, 2017 is inclusive of Excise Duty and hence, total revenue from operations for the year ended March 31, 2018 and year ended March 31, 2017 are not comparable.
- Dividend Income has been disclosed under Revenue from Operations since Finance and Investments is an Operating Business Segment for the Company.

Note 28 : Other Income

Particulars	Amount ₹ in Crore	
	Year ended March 31, 2018	Year ended March 31, 2017
1 Interest Income	1.08	9.34
2 Gain on Foreign Exchange Translation	-	1.67
3 Profit on Sale of Property, Plant and Equipments (Net)	0.19	0.77
4 Profit on Sale of Current Investments	1.30	0.83
5 Write back of Provision for Doubtful Loan	-	5.70
6 Miscellaneous Income	30.86	28.57
	33.43	46.88

Notes to Standalone Financial Statements

Note 29 : Cost of Materials Consumed

Particulars	Amount ₹ in Crore	
	Year ended March 31, 2018	Year ended March 31, 2017
1 Raw Materials Consumed		
Inventory at the Commencement of the Year	107.93	126.58
Add : Purchases (Net)	1,247.05	1,051.36
	1,354.98	1,177.94
Less : Inventory at the Close of the Year	124.69	107.93
	1,230.29	1,070.01
2 Packing Materials Consumed		
Inventory at the Commencement of the Year	3.41	2.83
Add : Purchases (Net)	49.59	42.43
	53.00	45.26
Less : Inventory at the Close of the Year	4.35	3.41
	48.65	41.85
Total Material Consumed (1+2)	1,278.94	1,111.86

Note 30 : Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress

1 Inventory at the Commencement of the Year		
Finished Goods	78.66	54.50
Stock-in-Trade	7.84	0.90
Work-in-Progress	88.88	73.93
	175.38	129.33
2 Inventory at the end of the Year		
Finished Goods	72.26	78.66
Stock-in-Trade	0.02	7.84
Work-in-Progress	89.81	88.88
	162.09	175.38
Changes in Inventories (1-2)	13.29	(46.05)

Note 31 : Employee Benefits Expenses

1 Salaries and Wages	114.93	96.57
2 Contribution to Provident and Other Funds	7.80	6.83
3 Employee Share based payments	2.16	3.41
4 Staff Welfare Expense	8.66	9.44
	133.55	116.25

Note 32 : Finance Costs

1 Interest Expense	198.09	194.82
2 Exchange Differences regarded as an adjustment to Borrowing Costs	-	2.47
3 Other Borrowing Costs	14.34	10.57
	212.43	207.86

Notes to Standalone Financial Statements

Note 33 : Other Expenses

Particulars	Amount ₹ in Crore	
	Year ended March 31, 2018	Year ended March 31, 2017
1 Consumption of Stores and Spares	11.03	7.30
2 Power and Fuel	90.50	77.14
3 Processing Charges	5.88	4.16
4 Rent (Refer Note 1)	7.34	3.61
5 Rates and Taxes	5.55	6.07
6 Repairs and Maintenance		
(a) Machinery	13.51	9.98
(b) Buildings	9.58	8.93
(c) Other Assets	0.43	0.48
7 Insurance	1.75	1.59
8 Freight	43.38	27.50
9 Commission	4.82	4.43
10 Advertisement and Publicity	1.80	1.71
11 Selling and Distribution Expenses	13.37	8.53
12 Provision for Doubtful Debts and Advances	0.08	1.75
13 Loss on Foreign Exchange Translation	2.39	-
14 Research Expense	1.16	1.18
15 Legal and Professional fees	20.53	14.96
16 Auditor's Remuneration (Refer Note 2)	0.77	1.06
17 Miscellaneous Expenses	54.02	50.91
	287.89	231.29

Notes :

- Rental expenses amounting to ₹ 9.13 Crore (previous year ₹ 9.12 Crore) are netted off with rental income in respect of certain premises in the same building.
- Auditor's Remuneration

Particulars	Amount ₹ in Crore	
	Year ended March 31, 2018	Year ended March 31, 2017
(a) Audit Fees	0.74	0.72
(b) Tax Audit Fees	-	0.10
(c) Taxation Matters	-	0.19
(d) Certification and Other Services	0.03	0.04
(e) Reimbursement of Expenses	-	0.01
	0.77	1.06

Note 34 : Exceptional Item

Particulars	Amount ₹ in Crore	
	Year ended March 31, 2018	Year ended March 31, 2017
Profit on sale of Non-Current Investments	267.38	-
	267.38	-

Notes to Standalone Financial Statements

Note 35 : Earnings Per Share

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
1 Calculation of weighted average number of equity shares - Basic		
(a) Number of equity shares at the beginning of the year (in units)	336,139,786	335,988,807
(b) Number of equity shares issued during the year (in units)	132,945	150,979
(c) Number of equity shares outstanding at the end of the year (in units)	336,272,731	336,139,786
(d) Weighted average number of equity shares outstanding during the year (in units)	336,244,991	336,032,962
2 Calculation of weighted average number of equity shares - Diluted		
(a) Number of potential equity shares at the beginning of the year (in units)	336,482,336	336,321,903
(b) Number of potential equity shares at the end of the year (in units)	336,272,731	336,482,336
(c) Weighted average number of potential equity shares outstanding during the year (in units)	336,484,969	336,404,105
3 Profit / (Loss) for the Year (Amount ₹ in Crore)	241.40	(145.24)
(a) Basic Earnings Per Share of ₹ 1 each	7.18	(4.32)
(b) Diluted Earnings Per Share of ₹ 1 each	7.17	(4.32)

Note 36 : Income Tax Expense

1 Tax Expense recognised in the Statement of Profit and Loss

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
	Amount ₹ in Crore	
Current Income Tax	4.32	-
Deferred Income Tax Liability / (Asset), net		
Origination and reversal of temporary differences	19.68	28.56
Recognition of previously unrecognised tax losses	(17.91)	(28.67)
Deferred Tax Expense	1.77	(0.11)
Tax Liability of earlier years	9.16	-
Tax Expense For the Year	15.25	(0.11)
2 Amounts recognised in Other Comprehensive Income		
Items that will not be reclassified to Profit or Loss		
Remeasurements of defined benefit liability (asset)	(0.28)	(1.92)
Income Tax	-	-
	(0.28)	(1.92)

Notes to Standalone Financial Statements

Note 36 : Income Tax Expense (Contd.)

3 Reconciliation of effective tax rate

Particulars	Amount ₹ in Crore	
	Year ended March 31, 2018	Year ended March 31, 2017
Profit / (Loss) Before Tax	256.65	(145.35)
Tax using the Company's statutory tax rate	88.82	(50.30)
Tax effect of		
Income not subject to tax	(77.74)	(18.74)
Amounts which are not deductible for taxable income	0.70	1.44
Previously unrecognised tax losses and unabsorbed depreciation now recouped to reduce deferred tax expense	(17.91)	(28.67)
Deferred tax assets not recognised because realisation is not probable	6.13	96.27
Additional tax paid on book profits	4.32	-
Current Tax pertaining to prior years	9.16	-
Others	1.77	(0.11)
	15.25	(0.11)

The applicable statutory tax rate for the years ended March 31, 2018 and March 31, 2017 is 34.61%. The Company pays income taxes under MAT. The Company has not recognised Deferred tax assets on unused tax losses, unused tax credits and deductible temporary differences as there is no reasonable certainty of availing the same in future years against normal taxes.

4 Movement in deferred tax balances

Amount ₹ in Crore

Particulars	Net balance April 1, 2017	Recognised in Statement of Profit and Loss	Net balance March 31, 2018	Deferred tax asset March 31, 2018	Deferred tax liability March 31, 2018
Deferred tax asset					
Property, Plant and Equipment	(130.71)	20.92	(109.79)	-	(109.79)
Indexation benefit on land and shares	2.65	(1.78)	0.87	0.87	
Employee benefits	2.31	(0.55)	1.76	1.76	
Provision for Doubtful Debts / Advances	6.27	0.04	6.31	6.31	
Unabsorbed Depreciation	111.37	(18.72)	92.65	92.65	
Other provisions	10.76	(1.69)	9.07	9.07	
Net tax assets	2.65	(1.77)	0.87	110.66	(109.79)

Amount ₹ in Crore

Particulars	Net balance April 1, 2016	Recognised in Statement of Profit and Loss	Net balance March 31, 2017	Deferred tax asset March 31, 2017	Deferred tax liability March 31, 2017
Deferred tax asset					
Property, Plant and Equipment	(114.80)	(15.91)	(130.71)	-	(130.71)
Indexation benefit on land and shares	2.53	0.12	2.65	2.65	
Employee benefits	2.38	(0.07)	2.31	2.31	
Provision for Doubtful Debts / Advances	6.66	(0.38)	6.28	6.28	
Unabsorbed Depreciation	96.17	15.20	111.37	111.37	
Other provisions	9.59	1.16	10.75	10.75	
Tax assets (Liabilities)	2.53	0.11	2.65	133.36	(130.71)
Set off tax					
Net tax assets	2.53	0.11	2.65	133.36	(130.71)

Notes to Standalone Financial Statements

Note 36 : Income Tax Expense (Contd.)

4 Movement in deferred tax balances (Contd.)

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant Management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Details of unused tax losses and unused tax credit is given in note 5 & 6 below.

As the Company does not have any intention to dispose off investments in unlisted subsidiaries and associates in the foreseeable future, deferred tax asset on indexation benefit in relation to such investments has not been recognised.

During the year, the Company has not accounted for tax credits in respect of Minimum Alternative Tax (MAT credit) of ₹ 4.32 Crore (previous year ₹ Nil). The Company is not reasonably certain of availing the said MAT credit in future years against the normal tax expected to be paid in those years and accordingly has not recognised a deferred tax asset for the same.

5 Tax losses carried forward

Amount ₹ in Crore

Particulars	As at	As at
	March 31, 2018	March 31, 2017
Expiry date		
31/3/2020	30.19	30.19
31/3/2021	22.34	22.34
31/3/2023	93.27	93.27
31/3/2024	110.09	110.09
31/3/2025	133.22	133.22
31/3/2026	139.33	-
	528.44	389.11
Unabsorbed Depreciation never expires	434.21	295.22

6 Tax credit carried forward

Expiry date		
31/3/2020	10.92	10.92
31/3/2021	7.48	7.48
31/3/2022	19.04	19.04
31/3/2023	16.87	16.87
31/3/2026	3.90	3.90
31/3/2027	6.01	3.90
31/3/2028	4.94	-
	68.54	64.22

Notes to Standalone Financial Statements

Note 37 : Leases

Operating Leases Granted by the Company

The Company has entered into Lease and Licence agreements in respect of its commercial and residential premises. The non-cancelable portion of the leases range between 3 months to 60 months and are renewable by mutual consent on mutually acceptable terms. Lease and Licence arrangements are similar in substance to operating leases. The Company has also granted lease for freehold land. The aggregate future minimum lease receipts are as under :

Particulars	Amount ₹ in Crore	
	Year ended March 31, 2018	Year ended March 31, 2017
Lease Income Recognised in the Statement of Profit and Loss	8.96	5.01
Future Lease Income		
- Within one year	9.28	5.77
- Later than one year and not later than five years	21.33	5.48
- Later than five years	-	-

Lease Taken by the Company

The Company's significant leasing arrangements are in respect of operating lease for land, office premises, residential premises, machinery and storage tanks. The aggregate lease rentals paid by the Company are charged to the Statement of Profit and Loss.

Particulars	Amount ₹ in Crore	
	Year ended March 31, 2018	Year ended March 31, 2017
Lease Payment recognised in the Statement of Profit and Loss	7.34	3.61
Future Lease Commitments		
- Within one year	6.98	4.53
- Later than one year and not later than five years	19.23	7.67
- Later than five years	1.31	2.56

Note 38 : Employee Benefits

1 Defined Contribution Plan

Provident Fund :

The contributions to the Provident Fund and Family Pension Fund of certain employees are made to a Government administered Provident Fund and there are no further obligations beyond making such contribution.

2 Defined Benefit Plan

Gratuity :

The Company participates in the Employees' Group Gratuity-cum-Life Assurance Scheme of ICICI Prudential Life Insurance Co. Ltd, HDFC Standard Life Insurance Co. Ltd. and SBI Life Insurance Co. Ltd., a funded defined benefit plan for qualifying employees. Gratuity is payable to all eligible employees on death or on separation / termination in terms of the provisions of the Payment of Gratuity (Amendment) Act, 1997, or as per the Company's scheme whichever is more beneficial to the employees.

The liability for the Defined Benefit Plan is provided on the basis of a valuation, using the Projected Unit Credit Method, as at the Balance Sheet date, carried out by an independent actuary.

Notes to Standalone Financial Statements

Note 38 : Employee Benefits (Contd.)

Provident Fund :

The Company manages the Provident Fund plan through a Provident Fund Trust for a majority of its employees which is permitted under The Employees' Provident Fund and Miscellaneous Provisions Act, 1952. The plan envisages contribution by the employer and employees and guarantees interest at the rate notified by the Provident Fund authority. The contribution by employer and employee, together with interest, are payable at the time of separation from service or retirement, whichever is earlier.

The Company has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. These administered rates are determined annually predominantly considering the social rather than economic factors and the actual return earned by the Company has been higher in the past years. The actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the below provided assumptions there is no shortfall as at March 31, 2018.

Particulars	Amount ₹ in Crore
Plan assets at period end, at fair value	110.40
Provident Fund Corpus	107.58

Valuation assumptions under Deterministic Approach:

Weighted Average Yield	8.61%
Weighted Average YTM	8.86%
Guaranteed Rate of Interest	8.55%

Pension :

The Company has Pension plan for eligible employees. The liability for the Defined Benefit Plan is provided on the basis of a valuation, using the Projected Unit Credit Method, as at the Balance Sheet date, carried out by an independent actuary.

3 Basis Used to Determine Expected Rate of Return on Assets :

The expected return on plan assets of 7.78% p.a. has been considered based on the current investment pattern in Government securities.

4 Amounts Recognised as Expense :

i) Defined Contribution Plan

Employer's Contribution to Provident Fund amounting to ₹ 2.96 Crore (previous year ₹ 2.55 Crore) has been included in Note 32 Employee Benefits Expenses

ii) Defined Benefit Plan

Gratuity cost amounting to ₹ 1.69 Crore (previous year ₹ 1.60 Crore) has been included in Note 32 Employee Benefits Expenses.

Employer's Contribution to Provident Fund amounting to ₹ 2.04 Crore (previous year ₹ 2.04 Crore) has been included in Note 32 Employee Benefits Expenses.

Pension cost amounting to ₹ 0.10 Crore (previous year ₹ 0.14 Crore) has been included in Note 32 Employee Benefits Expenses.

Notes to Standalone Financial Statements

Note 38 : Employee Benefits (Contd.)

5 The amounts recognised in the Company's financial statements as at the year end are as under :

Particulars	Amount ₹ in Crore			
	Gratuity		Pension	
	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
1 Change in Present Value of Obligation				
Present value of the obligation at the beginning of the year	36.69	36.95	0.53	0.46
Current Service Cost	1.44	1.33	-	-
Interest Cost	2.71	2.91	-	-
Contribution by Plan Participants				
Actuarial (Gain) / Loss on Obligation due to change in financial assumptions	(0.68)	2.45	0.10	0.21
Actuarial (Gain) / Loss on Obligation due to experience	0.93	(0.08)	-	-
Benefits Paid	(6.02)	(6.87)	(0.10)	(0.14)
Present value of the obligation at the end of the year	35.07	36.69	0.53	0.53
2 Change in Plan Assets				
Fair value of Plan Assets at the beginning of the year	33.33	33.55	-	-
Expected return on Plan Assets	2.46	2.64	-	-
Actuarial (Gain) / Loss on Plan Assets	0.04	(0.45)	-	-
Contributions by the Employer	-	3.41	-	-
Benefits Paid	(6.02)	(6.72)	-	-
Fair value of Plan Assets at the end of the year	29.73	33.33	-	-
3 Amounts Recognised in the Balance Sheet :				
Present value of Obligation at the end of the year	35.07	36.69	-	-
Fair value of Plan Assets at the end of the year	29.73	33.33	-	-
Net Obligation at the end of the year	5.34	3.36	-	-
4 Amounts Recognised in the statement of Profit and Loss :				
Current Service Cost	1.44	1.33	-	-
Interest cost on Obligation	2.71	2.91	-	-
Expected return on Plan Assets	(2.46)	(2.64)	-	-
Net Cost Included in Personnel Expenses	1.69	1.60	-	-
5 Amounts Recognised in Other Comprehensive Income (OCI):				
Actuarial (Gain) / Loss on Obligation For the Year	0.24	2.37	-	-
Return on Plan Assets, Excluding Interest Income	0.04	(0.45)	-	-
Net (Income) / Expense For the Period Recognised in OCI	0.28	1.92	-	-
6 Actual Return on Plan Assets	2.42	3.09	-	-
7 Estimated Contribution to be made in Next Financial Year	3.38	3.40	-	-
8 Actuarial Assumptions				
i) Discount Rate	7.78% p.a.	7.39% p.a.	7.78% p.a.	7.39% p.a.
ii) Expected Rate of Return on Plan Assets	7.39% p.a.	7.39% p.a.	-	-
iii) Salary Escalation Rate	6.00% p.a.	6.00% p.a.	-	-
iv) Employee Turnover	1.00% p.a.	1.00% p.a.	1.00% p.a.	1.00% p.a.
v) Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Notes to Standalone Financial Statements

Note 38 : Employee Benefits (Contd.)

6 Sensitivity Benefits

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	Amount ₹ in Crore			
	Year ended March 31, 2018		Year ended March 31, 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(1.62)	1.82	(1.68)	1.89
Future salary growth (1% movement)	1.83	(1.66)	1.90	(1.72)
Rate of employee turnover (1% movement)	0.19	(0.21)	0.14	(0.16)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting year.

7 Expected future benefit payments of Gratuity

Particulars	Amount ₹ in Crore	
	Year ended March 31, 2018	Year ended March 31, 2017
March 31, 2018	-	9.28
March 31, 2019	8.79	3.02
March 31, 2020	2.97	4.28
March 31, 2021	3.60	3.51
March 31, 2022	3.64	3.52
March 31, 2023	2.64	-
Thereafter	13.50	12.55
8 Details of Plan Assets		
ICICI Prudential Life Insurance	3.51	4.32
HDFC Standard Life Insurance	7.45	6.97
SBI Life Insurance	18.77	22.04
Total	29.73	33.33

Note 39 : Employee Stock Benefit Plans

1 Employee Stock Option Plans

In December 2005, the Company had instituted an Employee Stock Option Plan I (GIL ESOP I) as approved by the Board of Directors and the Shareholders, for the allotment of 15,00,000 options, increased to 90,00,000 options on split of shares convertible into 90,00,000 equity shares of ₹ 1 each to eligible employees of participating companies. The maximum number of options that may be granted per employee per year shall not exceed 600,000 options.

In July 2009, the Company had instituted an Employee Stock Option Plan II (GIL ESOP II) as approved by the Board of Directors and the Shareholders, for the allotment of 90,00,000 options convertible into 90,00,000 shares of ₹ 1 each to eligible employees of participating companies. The maximum number of options that may be granted per employee per year shall not exceed 1,000,000 options.

The Plans are administered by an independent ESOP Trust created with IL&FS Trust Co. Ltd. which purchased from the market shares equivalent to the number of options granted by the Compensation Committee. Pursuant to SEBI notification dated January 17, 2013, no further securities of the Company will be purchased from the open market. The particulars of the plans and movements during the year are as under :

Notes to Standalone Financial Statements

Note 39 : Employee Stock Benefit Plans (Contd.)

ESOP I

Particulars

	Year ended March 31, 2018		Year ended March 31, 2017	
	No. of Options	Wt. average exercise price ₹ (*)	No. of Options	Wt. average exercise price ₹ (*)
Options Outstanding at the Beginning of the Year	204,250	406.52	2,049,500	420.63
Options Exercised During the Year	158,250	405.75	1,645,000	420.84
Options Forfeited / Expired During the Year	46,000	409.16	200,250	423.73
Options Outstanding at the Year End	-	-	204,250	406.52

ESOP II

	Year ended March 31, 2018		Year ended March 31, 2017	
	No. of Options	Wt. average exercise price ₹ (*)	No. of Options	Wt. average exercise price ₹ (*)
Options Outstanding at the Beginning of the Year	-	-	230,500	377.99
Options Exercised During the Year	-	-	230,500	377.99
Options Outstanding at the Year End	-	-	-	-

(*) The weighted average exercise price stated above is the price of the equity shares on the grant date increased by the interest cost to the ESOP Trust at the prevailing rates upto March 31, 2012.

The total excess shares at the year end are Nil (Previous year 66,250).

The weighted average balance life of ESOP I options outstanding as on March 31, 2018 is Nil years.

The Options granted shall vest after three / five years from the date of grant of option, provided the employee continues to be in employment and the option is exercisable within two / four years after vesting.

2 Employee Stock Grant Scheme

- The Company had set up the Employees Stock Grant Scheme 2011 (ESGS) pursuant to the approval by the Shareholders at their Meeting held on January 17, 2011.
- The ESGS Scheme is effective from April 1, 2011, (the "Effective Date") and shall continue to be in force until (i) its termination by the Board or (ii) the date on which all of the shares to be vested under Employee Stock Grant Scheme 2011 have been vested in the Eligible Employees and all restrictions on such Stock Grants awarded under the terms of ESGS Scheme, if any, have lapsed, whichever is earlier.
- The Scheme applies to the Eligible Employees who are in whole time employment of the Company or its Subsidiary Companies. The entitlement of each employee would be decided by the Compensation Committee of the respective Company based on the employee's performance, level, grade, etc.
- The total number of Stock Grants to be awarded under the ESGS Scheme are restricted to 25,00,000 (Twenty-five Lac) fully paid up equity shares of the Company. Not more than 5,00,000 (Five Lac) fully paid up equity shares or 1% of the issued equity share capital at the time of awarding the Stock Grant, whichever is lower, can be awarded to any one employee in any one year.

Notes to Standalone Financial Statements

Note 39 : Employee Stock Benefit Plans (Contd.)

- (e) The Stock Grants shall vest in the Eligible Employees pursuant to the ESGS Scheme in the proportion of 1/3rd at the end of each year from the date on which the Stock Grants are awarded for a period of three consecutive years, or as may be determined by Compensation Committee, subject to the condition that the Eligible Employee continues to be in employment of the Company or the Subsidiary company as the case may be.
- (f) The Eligible Employee shall exercise her / his right to acquire the shares vested in her / him all at one time within 1 month from the date on which the shares vested in her / him or such other period as may be determined by the Compensation Committee.
- (g) The Exercise Price of the shares has been fixed at ₹ 1 per share. The fair value of the employee share options has been measured using the Black-Scholes Option Pricing Model and charged to the Statement of Profit and Loss. The value of the options is treated as a part of employee compensation in the financial statements and is amortised over the vesting period.

Following table lists the average inputs to the model used for the plan for the year ended March 31, 2018:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017	Description of the Inputs used
Dividend yield %	0.30%	0.50%	Dividend yield of the options is based on recent dividend activity.
Expected volatility %	30%-32%	33%-34%	Expected volatility of the option is based on historical volatility, during a period equivalent to the option life, of the observed market prices of the Company's publicly traded equity shares.
Risk free Interest rate %	6.54% to 6.80%	7.88% to 7.94%	Risk-free interest rates are based on the government securities yield in effect at the time of the grant.
Expected life of share options	1 to 3 years	1 to 3 years	
Weighted Average Market price on date of granting the options	578	347.05	

- (h) The Status of the above plan is as under:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017	Weighted average Exercise Price (₹)	Weighted average Share Price (₹)
Options Outstanding at the Beginning of the Year	298,601	333,096	1.00	
Options Granted	103,828	160,395		
Options Vested	134,866	148,319		
Options Exercised	132,945	150,941		339.51
Options Lapsed / Forfeited	50,104	43,949		
Total Options Outstanding at the end of the year	219,380	298,601		

- (i) The weighted average exercise price of the options outstanding as on March 31, 2018 is ₹ 1 (previous year ₹ 1 per share) and the weighted average remaining contractual life of the options outstanding as on March 31, 2018 is 0.79 years (previous year 0.83 years).

Notes to Standalone Financial Statements

Note 40: Related Party Information

a) Names of related parties and description of relationship

Parties where control exists

- 1 Vora Soaps Ltd. (Holding Co.)
- 2 Godrej Agrovet Limited - Subsidiary Co.
 - 2.1 Godvet Agrochem Limited
 - 2.2 Astec LifeSciences Limited (including its following wholly owned subsidiaries)
 - 2.2.1 Behram Chemicals Private Limited
 - 2.2.2 Astec Europe Sprl
 - 2.2.3 Comercializadora Agricola Agroastrachem Cia Ltda
 - 2.3 Creamline Dairy Products Limited
 - 2.3.1 Nagavalli Milkline Private Limited

Joint Venture

- 2.4 Godrej Tyson Foods Limited
- 2.5 ACI Godrej Agrovet Private Limited, Bangladesh
- 2.6 Omnivore India Capital Trust

Associates

- 2.7 Alrahba International Trading LLC
 - 2.8 Godrej Maxximilk Private Limited
- 3 Godrej Properties Limited - Subsidiary Co.
 - 3.1 Godrej Project Development Private Limited
 - 3.2 Godrej Buildcon Private Limited
 - 3.3 Godrej Garden City Properties Private Limited
 - 3.4 Godrej Green Homes Limited (up to March 12, 2018)
 - 3.5 Godrej Home Developers Private Limited
 - 3.6 Godrej Hill Side Properties Private Limited
 - 3.7 Godrej Land Developers LLP
 - 3.8 Godrej Developers & Properties LLP (up to October 29, 2017)
 - 3.9 Godrej Highrises Realty LLP
 - 3.10 Godrej Prakriti Facilities Private Limited
 - 3.11 Godrej Project Developers & Properties LLP
 - 3.12 Godrej Highrises Properties Private Limited
 - 3.13 Godrej Genesis Facilities Management Private Limited
 - 3.14 Prakritiplaza Facilities Management Private Limited
 - 3.15 City Star Infraprojects Limited
 - 3.16 Godrej Residency Private Limited
 - 3.17 Godrej Skyview LLP
 - 3.18 Godrej Green Properties LLP
 - 3.19 Godrej Projects (Pune) LLP
 - 3.20 Godrej Projects (Soma) LLP
 - 3.21 Godrej Projects North LLP (Formerly known Godrej Projects (Bluejay) LLP)
 - 3.22 Godrej Athenmark LLP
 - 3.23 Godrej Vestamark LLP
 - 3.24 Godrej Irismark LLP (up to January 23, 2018)
 - 3.25 Godrej Avamark LLP
 - 3.26 Godrej Properties Worldwide Inc, USA
 - 3.27 Godrej Investment Advisors Private Limited (up to June 21, 2017)
 - 3.28 Godrej Fund Management Pte Limited (up to June 21, 2017)

Notes to Standalone Financial Statements

Note 40: Related Party Information (Contd.)

Joint Venture

- 3.29 Godrej Property Developers LLP
- 3.30 Godrej Realty Private Limited
- 3.31 Mosiac Landmarks LLP
- 3.32 Godrej Landmark Redevelopers Private Limited
- 3.33 Godrej Redevelopers (Mumbai) Private Limited
- 3.34 Dream World Landmarks LLP
- 3.35 Wonder Space Properties Private Limited
- 3.36 Wonder City Buildcon Private Limited
- 3.37 Godrej Green Homes Limited (w.e.f. March 13, 2018)
- 3.38 Oxford Realty LLP
- 3.39 Godrej SSPDL Green Acres LLP
- 3.40 Caroa Properties LLP
- 3.41 M S Ramaiah Ventures LLP
- 3.42 Oasis Landmarks LLP
- 3.43 Godrej Constructions Projects LLP
- 3.44 Godrej Housing Projects LLP
- 3.45 Amitis Developers LLP
- 3.46 Godrej Home Constructions Private Limited
- 3.47 Godrej Developers & Properties LLP (w.e.f. October 30, 2017)
- 3.48 Godrej Greenview Housing Private Limited
- 3.49 Wonder Projects Development Private Limited
- 3.50 A R Landcraft LLP
- 3.51 Prakhhyat Dwellings LLP
- 3.52 Pearlite Real Properties Private Limited
- 3.53 Godrej Real View Developers Private Limited
- 3.54 Bavdhan Realty @ Pune 21 LLP
- 3.55 Godrej Skyline Developers Private Limited
- 3.56 Godrej Highview LLP
- 3.57 Godrej Projects North Star LLP (*formerly known as Godrej Projects (Century) LLP*)
- 3.58 Godrej Irismark LLP (w.e.f. January 24, 2018)
- 3.59 Sai Srushti Onehub Projects LLP (w.e.f. January 31, 2018)

- 4 Natures Basket Limited - Subsidiary Co.
- 5 Godrej International Limited - Subsidiary Co.
- 6 Godrej International Trading & Investments Pte Limited - Subsidiary Co
- 7 Ensemble Holdings & Finance Limited - Subsidiary Co.
- 8 Godrej One Premises Management Private Limited - Subsidiary Co.
- 9 Godrej Industries Limited Employee Stock Option Trust - Subsidiary Co.

Associates

- 10 Godrej Consumer Products Limited and its stepdown subsidiaries
 - 10.1 Godrej Global Mideast FZE, Sharjah
 - 10.2 PT Megasari Makmur, Indonesia
 - 10.3 Strength of Nature LLC, USA
 - 10.4 Godrej Household Products Bangladesh Private Limited, Bangladesh
 - 10.5 Godrej Household Products Bangladesh Private Limited, Sri Lanka
 - 10.6 Bhabhani Blunt Hairdressing Private Limited

Notes to Standalone Financial Statements

Note 40: Related Party Information (Contd.)

11 Companies under common ownership

- 11.1 Godrej & Boyce Manufacturing Company Limited (Holding Co. up to March 29, 2017)
- 11.2 Godrej Seeds & Genetics Limited
- 11.3 Godrej Infotech Limited
 - 11.3.1 Godrej Infotech Americas Inc. (a wholly-owned subsidiary incorporated in North Carolina, USA)
 - 11.3.2 Godrej Infotech (Singapore) Pte. Limited (a wholly-owned subsidiary incorporated in Singapore)
 - 11.3.3 LVD Godrej Infotech NV (incorporated in Belgium)
- 11.4 India Circus Retail Private Limited
- 11.5 Godrej South Africa Pty Limited
- 11.6 Laboratoria Cuenca S.A.
- 11.7 Tahir Properties Limited

12 Key Management Personnel

- 12.1 Mr. A. B. Godrej - Chairman
- 12.2 Mr. N. B. Godrej - Managing Director
- 12.3 Ms. T. A. Dubash - Executive Director & Chief Brand Officer
- 12.4 Mr. N. S. Nabar - Executive Director & President (Chemicals)
- 12.5 Mr. C. G. Pinto - Chief Financial Officer
- 12.6 Ms. Nilufer Shekhawat - Company Secretary

13 Independent Non-Executive Directors

- 13.1 Mr. J.N. Godrej
- 13.2 Mr. V.M. Crishna
- 13.3 Mr. K.K. Dastur
- 13.4 Mr. K.M. Elavia
- 13.5 Mr. K.N. Petigara
- 13.6 Mr. S.A. Ahmadullah
- 13.7 Mr. A.B. Choudhury
- 13.8 Mr. A.D. Cooper

14 Relatives of Key Management Personnel

- 14.1 Ms. N. A. Godrej - Daughter of Mr. A. B. Godrej
- 14.2 Mr. P. A. Godrej - Son of Mr. A. B. Godrej
- 14.3 Ms. R. N. Godrej - Wife of Mr. N. B. Godrej
- 14.4 Mr. B. N. Godrej - Son of Mr. N. B. Godrej
- 14.5 Mr. S. N. Godrej - Son of Mr. N. B. Godrej
- 14.6 Mr. H. N. Godrej - Son of Mr. N. B. Godrej
- 14.7 Mr. A. D. Dubash - Husband of Ms. Tanya Dubash
- 14.8 Master A. A. Dubash - Son of Ms. Tanya Dubash
- 14.9 Master A. A. Dubash - Son of Ms. Tanya Dubash
- 14.10 Ms. N. N. Nabar - Wife of Mr. N. S. Nabar

15 Enterprises over which key management

- personnel exercise significant influence
- 15.1 Anamudi Real Estates LLP
- 15.2 Godrej Investments P. Ltd.
- 15.3 Godrej Tyson Foods Ltd.

16 Enterprises over which relative of key management

- personnel exercise significant influence
- 16.1 Shata Trading & Finance P. Ltd.
- 16.2 Shilawati Trading & Finance P. Ltd.

17 Post Employment Benefit Trust where reporting entity exercises significant influence

- 17.1 Godrej Industries Employees Provident Fund
- 17.2 Godrej Industries Ltd Group Gratuity Trust

Notes to Standalone Financial Statements

Note 40: Related Party Information

b) Transactions with Related Parties

Amount ₹ in Crore

Nature of Transaction	Holding Company	Subsidiary Companies	Fellow Subsidiaries	Associate/Joint Venture Companies	Companies under common ownership	Key Management Personnel	Relative of Key Management Personnel	Enterprises over which Key Management Personnel exercise significant influence	Enterprises over which Relative of Key Management Personnel exercise significant influence	Post Employment Benefit Trust	Total
Sale of Goods *	-	3.78	-	36.08	5.76	-	-	0.00	-	-	45.62
Previous Year	0.56	1.40	3.73	28.69	-	-	-	-	-	-	34.38
Purchase of goods	-	-	-	16.00	-	-	-	-	-	-	16.00
Previous Year	-	-	-	9.12	-	-	-	-	-	-	9.12
Purchase of Property, Plant and Equipments	-	7.52	-	-	0.78	-	-	-	-	-	8.30
Previous Year	3.28	2.37	-	-	-	-	-	-	-	-	5.65
Net Guarantee given	-	-	-	-	-	-	-	-	-	-	-
Previous Year	-	-	-	2.00	-	-	-	-	-	-	2.00
Commission / Royalty received	-	-	-	0.20	-	-	-	-	-	-	0.20
Previous Year*	-	0.00	-	0.19	-	-	-	-	-	-	0.19
Licence fees / Service charges / Storage Income	-	5.71	-	7.60	-	-	-	0.02	-	-	13.33
Previous Year*	0.00	4.58	-	4.66	-	-	-	0.01	-	-	9.25
Other Income	-	0.64	-	0.54	-	-	-	0.05	-	-	1.23
Previous Year*	0.00	0.50	-	0.66	-	-	-	0.03	-	-	1.19
Recovery of establishment & Other Expenses	0.06	17.52	-	32.00	4.67	-	-	3.60	-	-	57.85
Previous Year	1.62	18.92	0.15	42.07	-	-	-	3.38	-	-	66.14
Rent, Establishment & other exps paid	-	9.88	-	10.07	4.60	-	0.86	0.15	1.95	-	27.51
Previous Year	1.86	7.24	0.02	10.18	-	-	0.84	0.01	0.13	-	20.28
Interest received	-	-	-	-	-	-	-	-	-	-	-
Previous Year*	-	-	-	-	-	0.00	0.01	-	-	-	0.01
Dividend income	-	53.04	-	145.69	-	-	-	-	-	-	198.73
Previous Year	-	0.40	-	46.54	-	-	-	-	-	-	46.94
Dividend paid	33.93	-	-	-	-	0.84	3.64	-	-	-	38.41
Previous Year	-	-	-	-	-	-	-	-	-	-	-
Remuneration to Key Management Personnel	-	-	-	-	-	-	-	-	-	-	-
Short term employee benefit	-	-	-	-	-	15.52	-	-	-	-	15.52
Post employment benefit	-	-	-	-	-	0.65	-	-	-	-	0.65
Share based payment	-	-	-	-	-	0.76	-	-	-	-	0.76
Previous Year	-	-	-	-	-	-	-	-	-	-	-
Short term employee benefit	-	-	-	-	-	11.74	-	-	-	-	11.74
Post employment benefit	-	-	-	-	-	0.59	-	-	-	-	0.59
Share based payment	-	-	-	-	-	0.77	-	-	-	-	0.77
Remuneration	-	-	-	-	-	-	0.09	-	-	-	0.09
Previous Year	-	-	-	-	-	-	0.06	-	-	-	0.06
Purchase of Investments	-	62.00	-	-	-	-	-	-	-	-	62.00
Previous Year	200.73	90.00	-	-	-	-	-	-	-	-	290.73
Other Deposits accepted	-	0.38	-	1.51	-	-	-	-	-	-	1.89
Previous Year	0.01	0.19	-	-	-	-	-	-	-	-	0.20
Other Deposits refunded	-	-	-	0.25	-	-	-	-	-	-	0.25
Previous Year	0.01	0.41	-	0.07	-	0.08	0.43	-	-	-	1.00
Other Deposits - Advanced during the year	-	0.02	-	0.02	-	-	-	-	-	-	0.04
Previous Year	-	0.30	-	-	-	-	-	-	-	-	0.30
Other Deposits - Repayment received during the year	-	0.02	-	-	-	-	-	-	-	-	0.02
Previous Year	-	-	-	-	-	-	-	-	-	-	-
Contribution to Post-employment Benefit Plans	-	-	-	-	-	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-	-	-	-	5.45	5.45
Repayment of loan Received	-	-	-	-	-	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-	-	-	-	24.62	24.62
Provision for doubtful debts related to outstanding balances	-	-	-	-	-	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-	-	-	-	5.71	5.71
Directors Fees	-	-	-	-	-	0.47	-	-	-	-	0.47
Previous Year	-	-	-	-	-	0.42	-	-	-	-	0.42
Balance Outstanding as on March 31, 2018											
Receivables	-	8.25	0.00	5.42	2.73	-	-	0.04	-	-	16.44
Previous Year	-	2.30	-	5.58	0.97	-	-	0.04	-	-	8.89
Payables	-	-	-	0.03	-	-	-	-	-	-	0.03
Previous Year	-	0.52	-	0.02	-	-	-	1.50	-	-	2.04
Guarantees outstanding	-	-	-	26.88	-	-	-	-	-	-	26.88
Previous Year	-	-	-	26.88	-	-	-	-	-	-	26.88
Outstanding Loan Receivable	-	-	-	-	-	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-	-	-	-	-	-
Public Deposits Outstanding	-	-	-	-	-	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-	-	-	-	-	-

*Amount less than ₹ 0.01 Crore

Notes to Standalone Financial Statements

Note 41 : Fair Value Measurement

Refer Note 2 sub-note 9 & 10 for accounting policy on Financial Instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

1 Accounting classification and fair values

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are as follows.

As at March 31, 2018	Amount ₹ in Crore							
	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non-Current								
Investments								
Unquoted Equity Shares*	0.02	-	-	0.02	-	0.02	-	0.02
Loans								
Security Deposits	-	-	3.24	3.24	-	-	-	-
Loans to Employees	-	-	0.50	0.50	-	-	-	-
Other financial assets			10.52	10.52				
Current								
Current investments	-	-	-	-	-	-	-	-
Trade receivables	-	-	117.89	117.89	-	-	-	-
Cash and cash equivalents	-	-	60.07	60.07	-	-	-	-
Other bank balances	-	-	1.72	1.72	-	-	-	-
Loans								
Security Deposits	-	-	-	-	-	-	-	-
Others	-	-	0.17	0.17	-	-	-	-
Derivative asset	0.91	-	-	0.91	-	0.91	-	0.91
Other Current Financial Assets	-	-	36.31	36.31	-	-	-	-
	0.93	-	230.42	231.35	-	0.93	-	0.93
Financial liabilities								
Non-Current								
Borrowings	-	-	405.49	405.49	-	-	-	-
Current								
Borrowings	-	-	1,682.75	1,682.75	-	-	-	-
Trade and other payables	-	-	352.21	352.21	-	-	-	-
Derivative liabilities	-	-	-	-	-	-	-	-
Other financial liabilities	-	-	682.02	682.02	-	-	-	-
	-	-	3,122.47	3,122.47	-	-	-	-

Notes to Standalone Financial Statements

Note 41 : Fair Value Measurement (Contd.)

As at March 31, 2017	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
	Amount ₹ in Crore							
Financial assets								
Non-Current								
Investments								
Unquoted Equity Shares*	0.02	-	-	0.02	-	0.02	-	0.02
Loans								
Security Deposits	-	-	2.75	2.75	-	-	-	-
Loans to Employees	-	-	0.43	0.43	-	-	-	-
Other Financial Assets	-	-	16.18	16.18	-	-	-	-
Current								
Current investments	-	-	-	-	-	-	-	-
Trade receivables	-	-	121.71	121.71	-	-	-	-
Cash and cash equivalents	-	-	12.01	12.01	-	-	-	-
Other bank balances	-	-	3.06	3.06	-	-	-	-
Loans								
Security Deposits	-	-	-	-	-	-	-	-
Others	-	-	0.17	0.17	-	-	-	-
Derivative asset	2.38	-	-	2.38	-	2.38	-	2.38
Other Current Financial Assets	-	-	32.90	32.90	-	-	-	-
	2.40	-	189.21	191.61	-	2.40	-	2.40
Financial liabilities								
Non-Current								
Borrowings	-	-	985.28	985.28	-	-	-	-
Current								
Borrowings	-	-	1,437.41	1,437.41	-	-	-	-
Trade and other payables	-	-	311.97	311.97	-	-	-	-
Derivative liabilities	2.92	-	-	2.92	-	2.92	-	2.92
Other financial liabilities	-	-	493.12	493.12	-	-	-	-
	2.92	-	3,227.78	3,230.70	-	2.92	-	2.92

*The fair value in respect of the unquoted equity investments cannot be reliably estimated. The Company has currently measured them at net book value as per the latest audited financial statements available.

The Fair value of cash and cash equivalents, other bank balances, trade receivables, trade payables approximated their carrying value largely due to short term maturities of these instruments.

Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual creditworthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

Notes to Standalone Financial Statements

Note 41 : Fair Value Measurement (Contd.)

2 Measurement of fair values

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

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

Type	Valuation technique
Preference shares	The preference shares were converted into equity and listed in the near future and accordingly we have used the listing price as fair value on the date of reporting.
Fixed rates long term borrowings	The valuation model considers present value of expected payments discounted using an appropriate discounting rate.
Forward contracts	The fair value is determined using forward exchange rates at the reporting date.
Interest rate swaps	Present value of the estimated future cash flows based on observable yield curves.

Note 42 : Financial Risk Management

1 Financial Risk Management objectives and policies

The Company's business activities are exposed to a variety of financial risks, namely Credit risk, Liquidity risk, Currency risk, Interest risks and Commodity price risk. The Company's Senior Management has the overall responsibility for establishing and governing the Company's risk management framework. The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

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

2 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans and advances and bank balances.

Notes to Standalone Financial Statements

Note 42 : Financial Risk Management (Contd.)

The carrying amount of following financial assets represents the maximum credit exposure:

Trade receivables and loans and advances.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer and the geography in which it operates. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The Company has a policy under which each new customer is analysed individually for creditworthiness before offering credit period and delivery terms and conditions. The Company's export sales are backed by letters of credit and insured through Export Credit Guarantee Corporation. The Company bifurcates the Domestic Customers into Large Corporates, Distributors and others for Credit monitoring.

The Company maintains adequate security deposits for sales made to its distributors. For other trade receivables, the Company individually monitors the sanctioned credit limits as against the outstanding balances. Accordingly, the Company makes specific provisions against such trade receivables wherever required and monitors the same at periodic intervals.

The Company monitors each loans and advances given and makes any specific provision wherever required.

Based on prior experience and an assessment of the current economic environment, Management believes there is no credit risk provision required. Also Company does not have any significant concentration of credit risk.

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

Particulars	Amount ₹ in Crore	
	As at March 31, 2018	As at March 31, 2017
More than 6 Months	2.66	0.13
Others	115.23	121.58
	117.89	121.71

The movement in Provision for Doubtful Debts is as follows:

Particulars	Amount ₹ in Crore	
	Year ended March 31, 2018	Year ended March 31, 2017
Opening Provision for Doubtful Debts	2.89	1.14
Impairment loss recognised	0.08	1.75
Closing Provision for Doubtful Debts	2.97	2.89

Bank Balance

Bank accounts are maintained with banks having high credit ratings

Notes to Standalone Financial Statements

Note 42 : Financial Risk Management (Contd.)

3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position on the basis of expected cash flows. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents.

The Company has access to funds from debt markets through loan from banks, commercial papers, fixed deposits from public and other Debt instrument. The Company invests its surplus funds in bank fixed deposits and debt based mutual funds.

Maturity profile of financial liabilities

The following are the remaining contractual maturities of financial liabilities as at Balance Sheet Dates:

Amount ₹ in Crore

As at March 31, 2018	Contractual cash flows						
	Carrying amount	Total	Less than 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Non-Current Borrowings	405.49	468.45	15.76	15.67	297.77	139.25	-
Current Borrowings	1,682.75	1,695.14	1,695.14	-	-	-	-
Current maturities of long term borrowings	616.18	642.81	304.22	338.59	-	-	-
Trade and other payables	352.21	352.21	311.76	40.45	-	-	-
Other financial liabilities	65.84	65.84	65.84	-	-	-	-
Derivative financial liabilities							
Interest rate swaps	-	0.28	0.16	0.09	0.03	-	-
Forward exchange contracts used for hedging	-	-	-	-	-	-	-

Amount ₹ in Crore

As at March 31, 2017	Contractual cash flows						
	Carrying amount	Total	Less than 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Non-Current Borrowings	985.28	1,144.63	37.54	37.33	665.24	404.52	-
Current Borrowings	1,437.41	1,440.78	1,440.78	-	-	-	-
Current maturities of long term borrowings	438.83	454.26	200.68	253.58	-	-	-
Trade and other payables	311.97	311.97	302.29	9.68	-	-	-
Other financial liabilities	54.29	54.29	48.22	-	6.07	-	-
Derivative financial liabilities							
Interest rate swaps	-	3.08	1.07	0.87	1.03	0.11	-
Forward exchange contracts used for hedging	2.92	2.92	2.92	-	-	-	-

Notes to Standalone Financial Statements

Note 42 : Financial Risk Management (Contd.)

4 Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The Company's exposure to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of our investments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Currency risk

The Company is exposed to currency risk on account of its borrowings, Receivables for Exports and Payables for Imports in foreign currency. The functional currency of the Company is Indian Rupee. The Company manages currency exposures within prescribed limits, through use of forward exchange contracts. Foreign exchange transactions are covered with strict limits placed on the amount of uncovered exposure, if any, at any point in time.

Exposure to currency risk (Exposure in different currencies converted to functional currency)

The currency profile of financial assets and financial liabilities as at Balance Sheet dates are as below:

As at March 31, 2018	Amount ₹ in Crore	
	USD	EURO
Financial assets		
Current		
Trade Receivables	102.81	3.05
Less : Forward Contracts for Trade Receivables	(49.73)	-
	53.08	3.05
Financial liabilities		
Non-Current		
Borrowings	279.99	-
Less : Forward Contracts	(9.75)	-
Current		
Trade and other payables	623.68	20.12
Other financial liabilities	0.93	-
Less: Forward contracts for Trade Payables	-	(8.95)
	894.85	11.17

Notes to Standalone Financial Statements

Note 42 : Financial Risk Management (Contd.)

As at March 31, 2017

Financial assets**Current**

Trade Receivables

Less : Forward Contracts for Trade Receivables

Financial liabilities**Non-Current**

Borrowings

Current

Trade and other payables

Other financial liabilities

Less: Forward contracts for Trade Payables

	USD	EURO
Trade Receivables	88.01	1.51
Less : Forward Contracts for Trade Receivables	(34.24)	-
	53.77	1.51
Borrowings	490.37	-
Trade and other payables	128.08	45.04
Other financial liabilities	2.41	-
Less: Forward contracts for Trade Payables	(54.24)	(35.40)
	566.62	9.64

Uncovered Foreign Exchange Exposure on Long Term Borrowings as at balance sheet dates includes External Commercial Borrowings (ECB) and Foreign Currency Term Loan (FCTL) taken for Capital Expenditure except for ₹ 51.74 Crore as on March 31, 2016. Impact of fluctuation in Foreign Currency Rates on these borrowings relating to Capital Expenditure will be capitalised to Fixed Assets and would not impact the Statement of Profit and Loss.

The following significant exchange rates have been applied as at the Balance Sheet dates:

INR

Year-end spot rate

USD 1

EUR1

	March 31, 2018	March 31, 2017
USD 1	65.18	64.86
EUR1	80.82	69.30

Sensitivity analysis

A reasonably possible strengthening / (weakening) of the Indian Rupee against the foreign currencies at March 31 would have affected the measurement of financial instruments denominated in foreign currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars

	As at March 31, 2018		As at March 31, 2017	
	Profit or (loss) and Equity Strengthening	Profit or (loss) and Equity Weakening	Profit or (loss) and Equity Strengthening	Profit or (loss) and Equity Weakening
USD - 1% Movement	(8.42)	8.42	(5.13)	5.13
EUR - 4% Movement	(0.32)	0.32	-	-
EUR - 2% Movement	-	-	(0.16)	0.16
	(8.74)	8.74	(5.29)	5.29

Notes to Standalone Financial Statements

Note 42 : Financial Risk Management

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

The Management is responsible for the monitoring of the Company's interest rate position. Various variables are considered by the Management in structuring the Company's borrowings to achieve a reasonable, competitive, cost of funding.

Exposure to interest rate risk

Company's interest rate risk arises from borrowings. The interest rate profile of the Company's interest-bearing financial instruments as reported to the Management of the Company is as follows:

Particulars	Amount ₹ in Crore	
	As at March 31, 2018	As at March 31, 2017
Fixed rate borrowings	1,704.54	1,097.41
Variable rate borrowings	999.88	1,764.11
	2,704.42	2,861.52

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rate would have resulted in variation in the interest expense for the Company by the amounts indicated in the table below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the period.

Particulars	Amount ₹ in Crore	
	Profit or (loss) and Equity 100 bp increase	100 bp decrease
As at March 31, 2018		
Variable-rate instruments	(10.00)	10.00
Interest rate swaps	2.47	(2.47)
Cash flow sensitivity (net)	(7.53)	7.53
As at March 31, 2017		
Variable-rate instruments	(17.64)	17.64
Interest rate swaps	3.28	(3.28)
Cash flow sensitivity (net)	(14.36)	14.36

Notes to Standalone Financial Statements

Note 43 : Capital Management

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves . The primary objective of the Company's Capital Management is to maximise shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using Adjusted net debt to equity ratio. For this purpose, adjusted net debt is defined as total debt less cash and bank balances.

Particulars	Amount ₹ in Crore	
	As at March 31, 2018	As at March 31, 2017
Non-Current Borrowings	405.49	985.28
Current Borrowings	1,682.75	1,437.41
Current maturity of long term debt	616.18	438.83
Gross Debt	2,704.42	2,861.52
Less: Cash and Cash Equivalents	(60.07)	(12.01)
Less: Other Bank Balances	(1.72)	(3.06)
Less: Current Investments	-	-
Adjusted Net debt	2,642.63	2,846.45
Total Equity	1,800.56	1,615.43
Adjusted Net Debt to Equity ratio	1.47	1.76

Notes to Standalone Financial Statements

Note 44 : Master netting or similar agreements

The following table presents the recognised financial instruments that are offset, or subject to enforceable master netting arrangements and other similar agreements but not offset, as at Balance Sheet Dates:

Amount ₹ in Crore

As at March 31, 2018	Effects of offsetting on the balance sheet			Related amounts not offset		
	Gross Amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subject to master netting arrangements	Financial instrument collateral	Net amount
Financial assets						
Current						
Derivative asset	0.91	-	0.91	-	-	0.91
Total	0.91	-	0.91	-	-	0.91

Amount ₹ in Crore

As at March 31, 2017	Effects of offsetting on the balance sheet			Related amounts not offset		
	Gross Amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subject to master netting arrangements	Financial instrument collateral	Net amount
Financial assets						
Current						
Derivative asset	2.38	-	2.38	2.38	-	-
Total	2.38	-	2.38	2.38	-	-
Financial liabilities						
Current						
Derivative liabilities	2.92	-	2.92	(2.38)	-	0.54
Total	2.92	-	2.92	(2.38)	-	0.54

Offsetting arrangements

Derivatives

The Company enters into derivative contracts for hedging foreign exchange exposures. In general, under such agreements, the amounts owed by each counterparty on a single day in respect of all the transactions outstanding in the same currency are aggregated into a single net amount that is payable by one party to the other.

Note 45 : Dividend On Equity Shares

Amount ₹ in Crore

Particulars	Year ended	Year ended
	March 31, 2018	March 31, 2017
(a) Proposed Dividend * (₹ 1.75 per share (175%))	58.85	58.85
	58.85	58.85

(*) Proposed Dividend is subject to Shareholders' approval in the ensuing Annual General Meeting and has not been recognised as a liability as at Balance Sheet date.

As on March 31, 2018, the tax liability with respect to the dividends proposed is ₹ 12.10 Crores (March 31, 2017 : ₹ 11.98 Crore).

Notes to Standalone Financial Statements

Note 46 : Disclosure in respect of Specified Bank Notes Held and Transacted:

In accordance with the Notification No.- G.S.R 308(E) issued by the Ministry of Corporate Affairs dated March 30, 2017, the details of Specified Bank Notes(SBN) held and transacted during the period November 8, 2016 to December 30, 2016 is provided in the table below:

Particulars	Amount ₹ in Crore		Total
	Specified Bank Notes	Other Denomination Notes	
Closing cash in hand as on 08.11.2016	0.25	0.07	0.32
(+) Permitted receipts	-	0.56	0.56
(-) Permitted payments	-	(0.46)	(0.46)
(-) Amount deposited in Banks	(0.25)	-	(0.25)
Closing cash in hand as on 30.12.2016	-	0.17	0.17

Note 47

Managerial Remuneration paid for the current and previous year exceeded the permissible limit as prescribed under Schedule V of the Companies Act 2013 by ₹ 7.48 Crore and ₹ 4.54 crore respectively. The Company has applied for obtaining approval from Central Government of India for such excess remuneration paid.

Note 48

The Company has presented segment information in the consolidated financial statements which are presented in the same financial report. Accordingly, in terms of Ind AS 108 'Operating Segments', no disclosures related to segments are presented in this standalone financial statements.

Note 49

Corporate Social Responsibility contribution required to be made as per provisions of Section 135 of the Companies Act, 2013 is NIL for the current year and previous year.

Note 50

There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the balance sheet date.

Note 51

Figures for the previous year were audited by a firm of Chartered Accountants other than B S R & Co. LLP.

For and on behalf of the Board of Directors of

Godrej Industries Limited

CIN No.: L24241MH1988PLC097781

For BSR & Co. LLP

Chartered Accountants

Firm Regn. No.: 101248W / W-100022

Vijay Mathur

Partner

M.No.: 046476

Mumbai, May 23, 2018

A. B. Godrej

Chairman

DIN: 00065964

N. S. Nabar

Executive Director

& President (Chemicals)

DIN: 06521655

N. B. Godrej

Managing Director

DIN: 00066195

Clement Pinto

Chief Financial Officer

Nilufer Shekhawat

Company Secretary