

Godrej Industries Ltd.
Regd. Office: Godrej One,
Pirojshanagar,
Eastern Express Highway,
Vikhroli (E), Mumbai 400079. India.
Tel.: 91-22-2518 8010/8020/8030
Fax: 91-22-2518 8068/8063/8074
Website: www.godrejindustries.com

CIN: L24241MH1988PLC097781

Date: July 19, 2019

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400 001

National Stock Exchange of India Limited

Exchange Plaza, Bandra Kurla Complex,
Bandra (East),
Mumbai – 400 051

Ref: BSE Scrip Code No.500164

Ref: GODREJIND

Subject: Notice of 31st (Thirty First) Annual General Meeting and Annual Report for the Financial Year 2018-19 of Godrej Industries Limited

Dear Sir(s),

Pursuant to Regulation 30 and 34 read with Para A of Part A of Schedule III to the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulation, 2015, please find enclosed herewith the Notice of 31st (Thirty First) Annual General Meeting (“AGM”) of the Company scheduled to be held on Tuesday, August 13, 2019 at the Auditorium, “Godrej One”, Pirojshanagar, Eastern Express Highway, Vikhorli (East), Mumbai- 400079, Maharashtra at 4.00 p.m. (IST) alongwith the Annual Report of the Company for the Financial Year 2018-19.

The Annual Report for the Financial Year 2018-19 alongwith the Notice of the AGM, Attendance Slip and Proxy Form is also made available on the website of the Company, viz., www.godrejindustries.com.

Kindly take the above on your record.

Thanking you,

Yours sincerely,

For Godrej Industries Limited

Tejal Jariwala
Company Secretary & Compliance Officer
(FCS 9817)

Encl: As above





ANNUAL
REPORT

2019

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BOARD OF **DIRECTORS**



Adi Godrej
Chairman



Nadir Godrej
Managing Director

Tanya Dubash
Executive Director &
Chief Brand Officer



Jamshyd Godrej



Vijay Crishna



Nitin Nabar
Executive Director &
President (Chemicals)

Mathew Eipe



Ganapati Yadav





Amit Choudhury



Saleem Ahmadullah

Kersi Dastur



Keki Elavia



Kavas Petigara



Aspy Cooper

Rashmi Joshi



Corporate Information

AUDITORS	:	BSR & Co. LLP, Chartered Accountants
BOARD COMMITTEES		
Audit Committee	:	Mr. Kersi Dastur (Chairman) Mr. Saleem Ahmadullah Mr. Kavas Petigara Mr. Amit Choudhury
Nomination & Remuneration Committee	:	Mr. Saleem Ahmadullah (Chairman) Mr. Amit Choudhury Mr. Kavas Petigara
Stakeholders Relationship Committee	:	Mr. Adi Godrej (Chairman) Mr. Nadir Godrej Ms. Tanya Dubash Mr. Nitin Nabar
Corporate Social Responsibility Committee	:	Mr. Nadir Godrej (Chairman) Ms. Tanya Dubash Mr. Kavas Petigara Mr. Amit Choudhury
Risk Management Committee	:	Mr. Nadir Godrej (Chairman) Ms. Tanya Dubash Mr. Nitin Nabar
Management Committee	:	Mr. Adi Godrej (Chairman) Mr. Nadir Godrej Mr. Aspy Cooper Ms. Tanya Dubash Mr. Nitin Nabar
CHIEF FINANCIAL OFFICER	:	Mr. Clement Pinto
COMPANY SECRETARY & COMPLIANCE OFFICER	:	Ms. Nilufer Shekhawat (upto October 31, 2018) Ms. Tejal Jariwala (w.e.f. November 12, 2018)
REGISTERED OFFICE	:	Godrej One, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai 400 079. Phone: 022-2518 8010, 2518 8020, 2518 8030 Fax: 022-2518 8066 Website: www.godrejindustries.com CIN No.: L24241MH1988PLC097781

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

FACTORIES

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

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

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

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

BANKERS

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

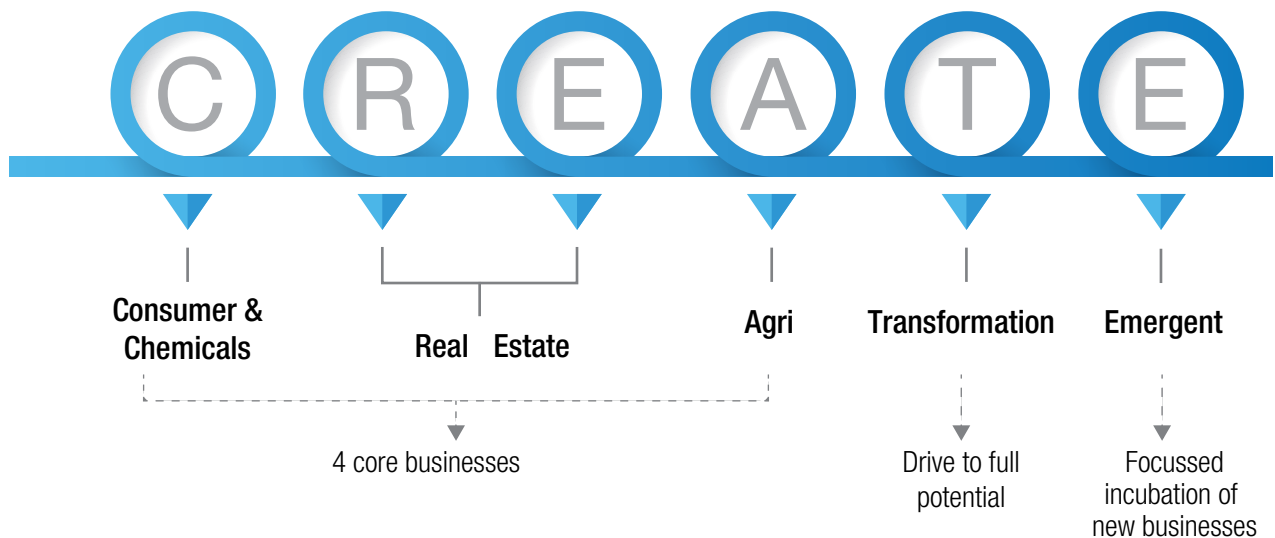


CHAIRMAN'S STATEMENT

Dear Shareholders,

I am delighted to share with you the events and developments of your Company during the course of the Financial Year (FY) 2018-19. The overall performance of your Company has witnessed a healthy growth in profits with consolidated Net Profit increasing by 75%. We continued to do well in most of our core businesses.

The year gone by is representative of the value Godrej Industries continues to create for all its stakeholders. As a conglomerate with diverse business interest, growth at consolidated level is pursued through competitively growing your Company's core businesses, building an environment to achieve transformation while also nurturing and investing in emergent businesses of the future. This approach of your Company's business strategy is captured in the approach called CREATE which stands for:



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

C – Consumer and Chemicals

Consumer (GCPL)

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

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

I am confident that with our clear strategic focus, differentiated product portfolio, superior execution and top-notch team, we will continue to deliver industry-leading results in the future.

Chemicals

Our Chemicals business has delivered a strong fiscal with operating profit increasing by 47% over the previous year.

The chemicals business continued its strong focus on cost control and operational efficiencies.

I am happy to share that our Valia (Gujarat) factory was awarded the 'Energy Efficient Unit' by the Confederation of Indian Industry (CII) for a fourth time in a row. Our Valia factory was also awarded

‘GreenCo Gold’ under the Green Company Rating System of CII. I am also happy to share with you that our Ambarnath (Maharashtra) factory is amongst the first in India to receive the ISO certification for safety management.

R E – Real Estate (GPL)

FY19 has been the best ever year for business development in the history of Godrej Properties Limited (GPL) in terms of area added under development. GPL recorded another strong performance in the fiscal year 2018-19.

GPL’s total income for FY19 increased by 57% and stood at ₹ 3,236 crore, EBITDA increased by 111% to ₹ 597 crore, and net profit increased by 191% to ₹ 253 crore.

I am happy to share that GPL was ranked 4th in Asia & 8th globally by GRESB (Global Real Estate Sustainability Benchmark) - an industry-driven organization which assesses Environmental, Social and Governance (ESG) performance of real estate assets globally.

The real estate sector in India holds huge potential and given our national presence, strong brand and large number of new projects, we believe, we are well-positioned to fully capitalize on this opportunity.

A – Agri Business (GAVL)

Financial Year 2018-19 was a tough year for the agriculture sector. However, Godrej Agrovet Limited (GAVL) has been able to grow revenues and maintain profitability levels. For the Financial Year 2018-19, consolidated total income (excluding non-recurring income) grew by 12.6%.

In the animal feed segment, volume growth was strong at 14.2% for the year. Crop protection segment's performance continues to remain healthy with a revenue growth of 12% for FY19. In the Vegetable Oil segment, GAVL benefitted from increase in prices of crude palm oil. Vegetable Oil's segment revenues for the Financial Year 2018-19 grew by 16%. In the dairy segment, the focus remains on strengthening the Jersey brand and increasing the share of value added products.

In the Financial Year 2018-19, GAVL increased its stake to 51% in Godrej Tyson Foods Limited (GTFL). The business focused on increasing the product portfolio in the ‘Yummiez’ product range and on growing the live bird business.

Currently, the Indian agricultural value chain offers immense business opportunities to enhance productivity as practices are largely unorganized. However, GAVL is well placed to capitalize on these opportunities given its presence across unpenetrated & unorganized segments of the agri value chain and its strong focus on research & development.

T – Transformation

As a Group, your Company believes in inclusive growth that aims at enhancing the competitiveness of the businesses while simultaneously advancing the economic and social conditions of the communities

in which it operates. This focus is implemented Group wide through the 'Godrej Good and Green' initiative.

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

E – Emergent Businesses

Over the many years, your Company has incubated new businesses and grown them successfully.

We believe that we can positively impact and help in building the 'Food Security in the Country'. We through Godrej Maxximilk (subsidiary of Godrej Agrovat Limited) are engaged in in-vitro production of high-quality cows that aid dairy farmers produce top-quality milk, which helps in increasing their yield by a significant proportion.

Natures Basket Limited, the gourmet food retailing business has a presence across three cities and has 35 operating stores. The brand continues to win awards in forums like Food & Grocery forum, Franchise India Retail Award for Omni Channel performance, TRRAIN awards for Customer service etc.

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

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

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

Yours sincerely,

Adi Godrej

Chairman, Godrej Industries Ltd.



Financial Highlights

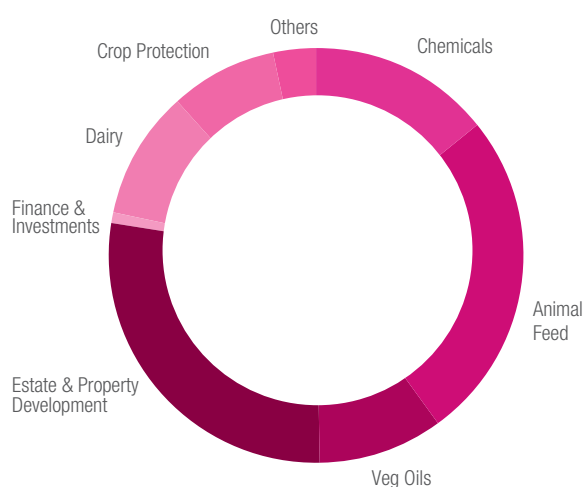


₹ Crore

FINANCIAL HIGHLIGHTS - CONSOLIDATED	2018-19	2017-18
Total Income ⁺	11,712	9,697
Profit before Finance Costs, Depreciation and Amortisation and Tax & including Share of Profit of Associates ⁺	1,775	1,185
Depreciation and Amortisation expense	173	175
Finance Costs	516	413
Tax	222	113
Non-Controlling Interest	274	146
Net Profit (Attributable to Owners of the Company)	590	338

⁺ Including other income and exceptional items

Total Income 2018-19



Break-up of Total Income*

	₹ Crore
Chemicals	1,666
Animal Feed	3,046
Veg Oils	1,124
Estate & Property Development	3,255
Finance & Investments	105
Dairy	1,161
Crop Protection	988
Others	367
Total	11,712

* net of intersegment revenue

NOTICE TO
SHAREHOLDERS

Notice to Shareholders



NOTICE is hereby given that the 31st (THIRTY FIRST) Annual General Meeting of the Members of GODREJ INDUSTRIES LIMITED will be held on Tuesday, August 13, 2019 at 4.00 p.m. (IST) at the Auditorium, "Godrej One", Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai – 400079, Maharashtra to transact the following business:

Ordinary Business:

1. Adoption of Financial Statements for the Financial Year ended March 31, 2019

To consider and adopt the Audited Financial Statements (including Standalone and Consolidated Financial Statements) of the Company for the Financial Year ended March 31, 2019 and the Board's Report and Statutory Auditor's Report thereon.

2. Declaration of Final Dividend on Equity Shares for the Financial Year 2018-19

To declare Final Dividend @ ₹1.15 (Rupee One Paise Fifteen Only) per Equity Share for the Financial Year 2018-19.

3. Appointment of Mr. Jamshyd Godrej as a Director, liable to retire by rotation, who has offered himself for re-appointment

To consider and if thought fit, to pass, the following as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to provisions of Section 152 and other applicable provisions of the Companies Act, 2013, the approval of the Members of the Company, be and is hereby accorded to the re-appointment of Mr. Jamshyd Godrej (DIN: 00076250) as a "Director", to the extent that he is required to retire by rotation."

4. Appointment of Ms. Tanya Dubash as a Director, liable to retire by rotation, who has offered herself for re-appointment

To consider and if thought fit, to pass, the following as an ORDINARY RESOLUTION:

Special Business:

5. Approval for waiver of excess managerial remuneration paid to Ms. Tanya Dubash, Whole Time Director of the Company

To consider, and if thought fit, to pass, the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT upon recommendation of the Nomination and Remuneration Committee and of the Board of Directors of the Company and pursuant to the provisions of Section 197 of the Companies Act, 2013 (the "Act") read with Schedule V to the Act, and other applicable provisions, if any, of the Act and the Rules framed thereunder (including any statutory amendment(s), modification(s) or re-enactment(s) thereof), the Articles of Association of the Company, and without requiring approval of the Central Government, the approval of the Members be and is hereby accorded for the waiver of excess managerial remuneration paid to Ms. Tanya Dubash, Whole Time Director, designated as "Executive Director & Chief Brand Officer" (DIN: 00026028) of the Company for the Financial Year 2018-19, which was in excess of maximum remuneration permissible under the Act.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors or Nomination and Remuneration Committee be and is hereby authorized to finalize, settle and execute such document(s) / deed(s) / writing(s) / paper(s) / agreement(s) as may be required, to settle any question, difficulty or doubt that may arise in respect of the aforesaid payment of remuneration, to delegate all or any of the above powers to any Committee of the Board of Directors or any Director(s) / Official(s) of the Company and generally to do all acts, deeds, matters and things that may be deemed

necessary, proper, expedient or incidental, in its absolute discretion for the purpose of giving effect to this resolution.”

6. Approval for waiver of excess managerial remuneration paid to Mr. Nitin Nabar, Whole Time Director of the Company

To consider, and if thought fit, to pass, the following resolution as a SPECIAL RESOLUTION:

“RESOLVED THAT upon recommendation of the Nomination and Remuneration Committee and of the Board of Directors of the Company and pursuant to the provisions of Section 197 of the Companies Act, 2013 (the “Act”) read with Schedule V to the Act, and other applicable provisions, if any, of the Act and the Rules framed thereunder (including any statutory amendment(s), modification(s) or re-enactment(s) thereof), the Articles of Association of the Company, and without requiring approval of the Central Government, the approval of the Members be and is hereby accorded for the waiver of excess managerial remuneration paid to Mr. Nitin Nabar, Whole Time Director, designated as “Executive Director & President (Chemicals)” (DIN: 06521655) of the Company for the Financial Year 2018-19, which was in excess of maximum remuneration permissible under the Act.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors or Nomination and Remuneration Committee be and is hereby authorized to finalize, settle and execute such document(s) / deed(s) / writing(s) / paper(s) / agreement(s) as may be required, to settle any question, difficulty or doubt that may arise in respect of the aforesaid payment of remuneration, to delegate all or any of the above powers to any Committee of the Board of Directors or any Director(s) / Official(s) of the Company and generally to do all acts, deeds, matters and things that may be deemed necessary, proper, expedient or incidental, in its absolute discretion for the purpose of giving effect to this resolution.”

7. Approval for appointment of Ms. Rashmi Joshi as an Independent Director of the Company

To consider and if thought fit, to pass, the following as an ORDINARY RESOLUTION:-

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and 161 read with Schedule IV, and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory amendment(s), modification(s) or re-enactment(s) thereof), consent of the Members be and is hereby accorded to appointment of Ms. Rashmi Joshi (DIN: 06641898) as an “Independent Director” of the Company, not liable to retire by rotation, for a term of 5 (Five) years with effect from March 15, 2019 upto March 14, 2024.”

8. Approval for appointment of Dr. Ganapati Yadav as an Independent Director of the Company

To consider and if thought fit, to pass, the following as an ORDINARY RESOLUTION:-

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and 161 read with Schedule IV, and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory amendment(s), modification(s) or re-enactment(s) thereof), consent of the Members be and is hereby accorded to appointment of Dr. Ganapati Yadav (DIN: 02235661) as an “Independent Director” of the Company, not liable to retire by rotation, for a term of 5 (Five) years with effect from May 13, 2019 upto May 12, 2024.”

9. Approval for appointment of Mr. Mathew Eipe as an Independent Director of the Company

To consider and if thought fit, to pass, the following as an ORDINARY RESOLUTION:-

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and 161 read with Schedule IV, and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory

amendment(s), modification(s) or re-enactment(s) thereof), consent of the Members be and is hereby accorded to appointment of Mr. Mathew Eipe (DIN: 00027780) as an "Independent Director" of the Company, not liable to retire by rotation, for a term of 5 (Five) years with effect from May 13, 2019 upto May 12, 2024."

10. Approval for re-appointment of Mr. Keki Elavia as an Independent Director of the Company

To consider and if thought fit, to pass, the following as a SPECIAL RESOLUTION:-

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder read with Schedule IV to the Companies Act, 2013 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory amendment(s), modification(s) or re-enactment(s) thereof), consent of the Members be and is hereby accorded to re-appointment of Mr. Keki Elavia (DIN: 00003940) as an "Independent Director" of the Company, not liable to retire by rotation, for his second term starting from August 9, 2019 upto March 31, 2021."

11. Approval for re-appointment of Mr. Kavas Petigara as an Independent Director of the Company

To consider and if thought fit, to pass, the following as a SPECIAL RESOLUTION:-

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder read with Schedule IV to the Companies Act, 2013 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory amendment(s), modification(s) or re-enactment(s) thereof), consent of the Members be and is hereby accorded to re-appointment of Mr. Kavas Petigara (DIN: 00066162) as an "Independent Director" of the Company, not liable to retire by rotation, for his second term starting from August 9, 2019 upto July 8, 2023."

12. Ratification of Remuneration of M/s. R. Nanabhoy & Co., Cost Accountants appointed as the "Cost Auditors" of the Company

To consider and if thought fit, to pass, the following as an ORDINARY RESOLUTION:-

"RESOLVED THAT pursuant to Section 148 and all applicable provisions of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory amendment(s), modification(s) or re-enactment(s) thereof), the remuneration payable to M/s. R. Nanabhoy & Co., Cost Accountants, Mumbai (Firm Registration No.: 000010), appointed as the Cost Auditors of the Company, to conduct an audit of the cost records of the Company for the Financial Year ending on March 31, 2020, at ₹ 3,04,000/- (Rupees Three Lakh Four Thousand Only) plus Goods and Service Tax and reimbursement of out-of-pocket expenses, be and is hereby approved and ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company and / or the Chief Financial Officer and / or the Company Secretary and Compliance Officer be and are hereby severally authorized to take all such steps, as may be necessary, proper or expedient, to give effect to this resolution and to do all such acts, deeds, matters and things as may be incidental thereto."

Date and Place: May 13, 2019, Mumbai

By Order of the Board of Directors
of Godrej Industries Limited

Tejal Jariwala
Company Secretary & Compliance Officer
(FCS 9817)

Registered Office:

Godrej One, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai 400 079, Maharashtra
Tel.: +91 22 2518 8010;
Fax: +91 22 2518 8066;
Website: www.godrejindustries.com;
Email: investor@godrejinds.com;
CIN: L24241MH1988PLC097781

NOTES:

1. The Company's Statutory Auditors, M/s. BSR & Co. LLP, Chartered Accountants, (Registration number 101248W/W-100022), were appointed for a period of 5 (Five) consecutive years at the 29th (Twenty Ninth) Annual General Meeting ("AGM") of the Members held on August 11, 2017 at a remuneration as decided by the Board of Directors of the Company.

Their appointment was subject to ratification by the Members at every subsequent AGM held after the AGM held on August 11, 2017. Pursuant to the amendments made to Section 139 of the Companies Act, 2013 ("the Act") by the Companies (Amendment) Act, 2017, effective from May 7, 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors was withdrawn from the statute. In view of the same, the Members of the Company at the 30th (Thirtieth) AGM held on August 13, 2018 had approved ratification of appointment of M/s. BSR & Co. LLP as the Statutory Auditors of the Company for the remaining period, i.e. from the conclusion of 30th (Thirtieth) AGM held on August 13, 2018 upto the conclusion of the 34th (Thirty Fourth) AGM. Therefore, the approval of the Members for continuance of their appointment at this AGM is not being sought. The Statutory Auditors had given a confirmation to the effect that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as Statutory Auditors.

2. The Explanatory Statement pursuant to Section 102 of the Act in respect of business as set out in the Notice is annexed hereto.
3. Brief resume of Directors / persons proposed to be appointed / re-appointed, as stipulated under Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standards issued by The Institute of Company Secretaries of India is provided after the explanatory statement to this Notice.
4. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote on poll

on his / her behalf and the proxy need not be a Member of the Company. Proxies in order to be effective must be received at the Registered Office of the Company, duly completed and signed, not later than 48 (Forty Eight) hours before the commencement of the Meeting. A proxy so appointed shall not have any right to speak at the Meeting. A person can act as a proxy on behalf of not more than 50 (Fifty) Members holding in the aggregate, not more than 10% (Ten Percent) of the total Share Capital of the Company.

Members holding more than 10% (Ten Percent) of the total share capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited Companies, Societies, etc., must be supported by an appropriate resolution / authority, as applicable.

5. A route map giving directions to reach the venue of the AGM is provided.
6. The Company's Registrar and Share Transfer Agents for its Share Registry Work are Computech Sharecap Limited, having their office at 147, Mahatma Gandhi Road, 3rd Floor, Opp. Jehangir Art Gallery, Fort, Mumbai – 400001, Maharashtra.
7. Relevant documents referred to in the accompanying Notice are available for inspection at the Registered Office of the Company during office hours on all days except Saturdays, Sundays and public holidays, up to the date of the AGM.
8. Corporate Members intending to send their Authorised Representatives to attend the AGM, pursuant to Section 113 of the Act, are requested to send to the Company, a certified copy of the Board Resolution authorising their Representative to attend and vote on their behalf at the Meeting.
9. Pursuant to Sections 101 and 136 of the Act, read with Rules framed thereunder and pursuant to the Circulars issued by the Ministry of Corporate Affairs (MCA) regarding Green Initiative, the Annual Report alongwith the Notice of the AGM,

inter alia, indicating the process and manner of remote e-voting along with Attendance Slip and Proxy Form, would be sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Computech Sharecap Limited / Depository Participant and who have not opted to receive the same in physical form.

For Members who have not registered their email addresses and / or have opted to receive the documents in physical form, physical copies of the Notice of the AGM would be sent by the permitted mode.

Members are requested to support Green Initiative by registering / updating their email addresses, with their Depository Participant (in case of Shares held in dematerialised form) or with Computech Sharecap Limited, our Registrar and Share Transfer Agents (in case of Shares held in physical form).

10. A copy of the Notice will also be available on the website of the Company, viz. www.godrejindustries.com. Members are entitled to receive such communication in physical form, upon making a request to the Company for the same. For any communication, the Members may send a request to the Company's email id, viz. investor@godrejinds.com.
11. Members / Proxies / Authorised Representatives are requested to bring the Attendance Slip enclosed herewith, duly filled in, for attending the AGM.
12. The Ministry of Corporate Affairs has notified provisions relating to unpaid / unclaimed dividend under Sections 124 and 125 of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016. As per these Rules, dividends which are not encashed / claimed by the Members for a period of 7 (Seven) consecutive years shall be transferred to the Investor Education and Protection Fund (IEPF) Authority. The IEPF Rules mandate the companies to transfer the shares of Members whose dividends remain unpaid / unclaimed for a period of 7 (Seven) consecutive years to the demat account of IEPF Authority. Hence, the Company urges all the Members to encash / claim their respective dividend during

the prescribed period. The details of the unpaid / unclaimed amounts lying with the Company as on August 13, 2018 (date of last AGM) are available on the website of the Company. The Members whose dividend/ shares are transferred to the IEPF Authority can now claim their shares from the Authority by following the Refund Procedure as detailed on the website of IEPF Authority www.iepf.gov.in.

During the year, the Company transferred unclaimed dividend of ₹ 6,84,338/- (Rupees Six Lakh Eighty Four Thousand Three Hundred Thirty Eight Only) and no shares were required to be transferred to IEPF.

Dividend for the Financial Year ended	Date of Dividend Declaration	Due Date for Transfer
31.03.2012	11.08.2012	16.09.2019
31.03.2013	10.08.2013	15.09.2020
31.03.2014	09.08.2014	16.09.2021
31.03.2015	11.08.2015	17.09.2022
31.03.2016*	08.03.2016*	14.04.2023
31.03.2017	11.08.2017	17.09.2024
31.03.2018	13.08.2018	19.09.2025

**Interim Dividend*

13. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form, who have not updated their PAN with the Company are therefore requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Registrar and Share Transfer Agents of the Company or directly to the Company.

Vide SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment through Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, any request for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialized form

with the depositories. Therefore, Members are requested to dematerialize the Equity Shares of the Company held by them, promptly.

14. Members are requested to send in their queries at least a week in advance to the Company Secretary at the Registered Office of the Company to facilitate clarifications during the Meeting.
15. During the period beginning 24 (Twenty Four) hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the Meeting, a Member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than 3 (Three) days' of notice in writing is given to the Company.
16. The Register of Members and Share Transfer Books will remain closed from Tuesday, August 6, 2019 to Tuesday, August 13, 2019 (both days inclusive) for the purposes of determining the names of Members eligible for payment of Final Dividend, if declared at the AGM.

17. Procedure for Remote E-voting

E-voting: In compliance with the provisions of Section 108 of the Act read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, the Company is pleased to provide to the Members the facility to exercise their vote for business to be transacted in this notice of AGM by electronic means through e-voting facility provided by Central Depository Services (India) Limited ("CDSL"). Members who are holding shares in physical or dematerialized form as on Tuesday, August 6, 2019 may exercise their vote by electronic means.

The instructions for Members voting electronically are as under:

- (i) The voting period begins on Friday, August 9, 2019 at 9.00 a.m. (IST) and ends on Monday, August 12, 2019 at 5.00 p.m. (IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the

cut-off date, i.e., Tuesday, August 6, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) The Members should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user then follow the steps given below.

For Members holding shares in Demat / Physical Form

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

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form

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

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN: **Godrej Industries Limited**, on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a Demat account holder has forgotten the login password then Enter the User ID

and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- (xviii) Members can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store, respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the registration form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com. Members may also contact Mr. Mehboob Lakhani, Asst. Manager, CDSL on Ph: 1800225533.

18. General instructions / information for Members for voting on the Resolutions:

- a) Voting at AGM: The Members who have not casted their vote through Remote E-voting can exercise their voting rights at the AGM. The Company will make necessary arrangements in this regard at the AGM Venue. The Chairman of the Company will order a poll on his own motion for all businesses specified in the accompanying Notice.

Members who have already cast their votes by Remote E-voting are eligible to attend the Meeting, however these Members are not entitled to cast their vote again at the Meeting. A Member can opt for only a single mode of voting, i.e., through Remote E-voting or voting at the AGM. In case a Member casts votes by both the modes then voting done through Remote E-voting facility shall prevail and voting at the AGM shall not be considered.

- b) The voting rights of the Members shall be in proportion to their share in the Paid-Up Equity Share Capital of the Company as on the cut-off date, i.e., Tuesday, August 6, 2019. Members are eligible to cast their vote either through Remote E-voting or at the AGM only if they are holding Shares as on that date. A person who is not a Member as on the cut-off date is requested to treat this Notice for information purposes only.
- c) The poll process shall be conducted and scrutinized and a Report thereon will be prepared in accordance with Section 109 of the Act read with the Companies (Management and Administration) Rules, 2014.
- d) Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and is holding shares as of the cut-off date, i.e., Tuesday, August 6, 2019 may follow the

instructions for voting on the resolutions as mentioned in point no.17 of the Notice of AGM.

- e) Mr. Kalidas Vanjpe, Practicing Company Secretary, (Membership no. FCS 7132) or failing him Ms. Bhavana Shewakramani (Membership No. FCS 8636) of M/s. A. N. Ramani & Co., Company Secretaries have been appointed as the Scrutinizers to scrutinize the Remote E-voting process as well as the voting by way of poll, to be conducted at the AGM, in a fair and transparent manner.
- f) The Scrutinizer, after scrutinizing the votes cast at the Meeting and through Remote E-voting will not later than 48 (Forty Eight) hours of conclusion of the Meeting, make the Scrutinizer's Report and submit the same to the Chairman or a person duly authorised by the Chairman who shall counter sign and declare the Results of the voting.

The Results declared along with the consolidated Scrutinizer's Report shall be placed on the website of the Company, viz., www.godrejindustries.com immediately after the Results are declared and will simultaneously be communicated to CDSL, viz., www.evotingindia.com and the Stock Exchanges, viz., BSE Limited and the National Stock Exchange of India Limited, where the Equity Shares of the Company are listed.

19. The Resolutions shall be deemed to be passed on the date of the Meeting, i.e. on Tuesday, August 13, 2019, subject to receipt of the requisite number of votes in favour of the Resolutions.

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

The following Explanatory Statement sets out all the material facts relating to the Special

business mentioned under Item No.5 to 12 of the accompanying Notice dated May 13, 2019.

Item Nos.5 and 6:

The managerial remuneration paid to Ms. Tanya Dubash, designated as “Executive Director & Chief Brand Officer” of the Company and Mr. Nitin Nabar, Whole Time Director designated as “Executive Director & President (Chemicals)” of the Company (“said Directors”) during the Financial Year 2018-19 exceeded the limit specified under Section 197 of the Companies Act, 2013 (“the Act”).

The Company had made applications to Central Government in the Financial Year 2017-18 seeking its approval for waiver of excess remuneration paid / to be paid to the said Directors for the Financial Years 2016-17, 2017-18 and 2018-19. The said applications were abated by the Central Government on November 1, 2018 pursuant to notification of the new provisions which now requires the Company to seek approval of the Members for waiver of the excess remuneration paid to the Directors.

Therefore, the Members are requested to grant their approval for waiver of excess managerial remuneration paid to the said Directors during the Financial Year 2018-19.

Ms. Tanya Dubash and Mr. Nitin Nabar may be deemed to be interested in the resolutions as mentioned at Item Nos. 5 and 6, respectively. Ms. Tanya Dubash is the daughter of Mr. Adi Godrej, accordingly, Mr. Adi Godrej may be deemed to be interested in the resolution. None of the other Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the said Special Resolutions.

The Board of Directors recommend the Special Resolutions set forth in Item Nos. 5 and 6 for approval of the Members.

The following additional information as per item (iv) of third proviso of Section II of Part II of

Schedule V to the Companies Act, 2013 is given below:

I. General Information:

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

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

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

4. Financial Performance based on given indicators:

₹ crore

Particulars	FY 2018-19	FY 2017-18
Total Income	1,941.99	2,287.40
Expenditure other than Interest and Depreciation	1,738.90	1,749.51
Profit before Interest, Depreciation and Tax	203.09	537.89
Interest (net)	239.59	212.43
Profit Before Depreciation and Tax	(36.50)	325.46
Depreciation	54.30	68.58
Profit Before Tax and Exceptional Items	(90.80)	256.88
Provision for Current Tax	0	13.60
Provision for Deferred Tax	(0.07)	1.77
Net Profit	(90.73)	241.51

5. Foreign Investments and Collaborations, if any: The Company has not made any Foreign Investments and neither entered into any collaborations during the last Financial Year.

II. Information about the Appointees:

1. Background Details:

(a) **Ms. Tanya Dubash:** Ms. Tanya Dubash

serves as the Executive Director and Chief Brand Officer of Godrej Industries Ltd., and is responsible for the Godrej Group's brand and communications function, including guiding the Godrej Masterbrand. Ms. Tanya Dubash is a Director on the Board of Godrej Consumer Products Limited and Godrej Agrovet Limited. She also serves on the boards of Britannia, AIESEC and India@75.

Ms. Tanya Dubash was a member on the Board of the Bharatiya Mahila Bank between November 2013 and May 2015. She was a trustee of Brown University between 2012 and 2018 and continues to be member of the Brown India Advisory Council and on the Watson Institute Board of Overseers.

Ms. Tanya Dubash was recognized by the World Economic Forum as a Young Global Leader in 2007. She is AB cum laudé, Economics & Political Science, Brown University, USA, and an alumna of the Harvard Business School.

- (b) **Mr. Nitin Nabar:** Mr. Nitin Nabar is currently the Executive Director & President (Chemicals) of Godrej Industries Limited. Mr. Nitin Nabar is also a member of the Godrej Management Committee, the apex decision-making body of the Godrej Group. Mr. Nitin Nabar joined the Group in June 1985 as a Trainee, after completing his B.Sc (Tech) degree from ICT. He is also a Management Graduate with specialisation in Marketing from Welingkar Institute of Management Development and Research, Mumbai. In his 33 years at Godrej, Mr. Nitin Nabar has held leadership roles across the sales, marketing, commodities, imports and exports, supply chain management and purchase functions.

2. Past remuneration:

During the Financial Year ended March 31, 2018, ₹ 6,67,57,930/- and ₹ 3,50,11,307/- was paid as remuneration to Ms. Tanya Dubash and Mr. Nitin Nabar, respectively.

3. Recognition and Awards:

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

Mr. Nitin Nabar has been recently recognised by ICT with the UAA-ICT Distinguished Alumnus (Professional) Award 2018.). He is a Committee Member in CHEMEXCIL (an export promotion council for the chemicals industry).

4. Job profile Suitability:

Ms. Tanya Dubash: She is on the board of several Godrej Group companies including Godrej Consumer Products Limited and Godrej Agrovet Limited. As an Executive Director & Chief Brand Officer, she is charged with the responsibility of enhancing the value of the Godrej Brand and evolving the Group to a more Brand driven organization. She heads the Strategic Marketing Group (SMG) that guides the Godrej Masterbrand and portfolio strategy, and chairs a Marketing Council comprising of Group Marketing Heads. She also heads Corporate Communications and Media for the Group. She is a Trustee of the Brown University and a member of the Brown - India Advisory Council.

Mr. Nitin Nabar: He was instrumental in building up the Chemicals business globally, during his tenure as the head of sales and marketing. Today, this business, which Mr. Nitin Nabar now heads, ranks among India's leading manufacturer of oleo-chemicals and surfactants, and its products are exported to over 80 countries in North and South America, Asia, Europe, Australia and Africa. He is passionate about driving the Group's commitment to sustainable business growth, built on the concept of shared values. Under his leadership, the Chemicals business introduced several sustainability initiatives, which have been recognised in external forums. Some of these include CII, FICCI, ICC acknowledgements of Environmental Best Practices and Energy Efficiency initiatives.

5. Remuneration:

The approval of the Members is being sought for waiver of excess managerial remuneration paid to Ms. Tanya Dubash and Mr. Nitin Nabar, Whole Time Directors as follows:-

(A) Ms. Tanya Dubash

Amount in ₹

Particulars	F.Y. 2018-19
Ceiling on managerial remuneration as per Companies Act, 2013	1,20,00,000
Amount actually paid as Remuneration	6,11,29,712
Excess Remuneration	4,91,29,712

(B) Mr. Nitin Nabar

Amount in ₹

Particulars	F.Y. 2018-19
Ceiling on managerial remuneration as per Companies Act, 2013	1,20,00,000
Amount actually paid as Remuneration	4,24,27,014
Excess Remuneration	3,04,27,014

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

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

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

Besides the remuneration paid to Ms. Tanya Dubash and Mr. Nitin Nabar, they do not have any other pecuniary relationship with

the Company or relationships with any other managerial personnel and Directors except that Ms. Tanya Dubash is the daughter of Mr. Adi Godrej.

III. Other Information:

Reasons of loss or inadequate profits:	Godrej Industries Limited (GIL) has interest in various businesses directly and through its subsidiaries and associates. GIL including its subsidiaries and associates has presence in oleochemicals, property development, oil palm plantation, animal feeds and agroproducts, poultry, personal care and household care, etc. While GIL's investments in Group Companies are strategic investments, GIL does encash some of the value created from time to time by sale of such investments resulting in profits on sale of investments. This profit is to be necessarily excluded from the calculations for determining the net profits under Section 198 of the Companies Act, 2013 in order to ascertain the limit for overall maximum managerial remuneration. If GIL was allowed to consider such profits (e.g. profit on sale of investments), the Company may be well within its limit.
Steps taken or proposed to be taken for improvement:	
Expected increase in productivity and profits in measurable terms:	

Item No. 7

The Nomination and Remuneration Committee and the Board of Directors through Circular Resolutions passed dated March 12, 2019 and March 13, 2019 respectively, had recommended appointment of Ms. Rashmi Joshi as the Non-Executive Independent Director of the Company, subject to the approval of the Members, for a term of 5 (Five) consecutive years effective from March 15, 2019 upto March 14, 2024.

The Company has received the consent from Ms. Rashmi Joshi and also her declaration confirming that she is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and meets the criteria of independence as prescribed under

Section 149(6) of the Companies Act, 2013 as well as Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Ms. Rashmi Joshi is independent of the management of the Company and in the opinion of the Board of Directors of the Company, she fulfils the conditions specified in the Companies Act, 2013 and the Rules framed thereunder for appointment as an Independent Director of the Company.

A copy of the draft letter of appointment in respect of Independent Director setting out the terms and conditions would be available for inspection without any fee to the Members at the Registered Office of the Company upto the date of AGM during all days between 10.00 a.m. (IST) to 4.00 p.m. (IST), excluding Saturdays, Sundays and Public Holidays.

The brief profile of Ms. Rashmi Joshi, along with her other details, are provided elsewhere in this Notice. The Board is of the opinion that Ms. Rashmi Joshi's strong financial background and vast experience of over 25 years in Finance function of FMCG, Consumer Durable and Pharma companies would be valuable to the Company's performance and growth.

Brief profile of Ms. Rashmi Joshi is as under:

With over 25 years of experience in Finance function of FMCG, Consumer Durable and Pharma companies, Ms. Rashmi Joshi is currently the Chief Financial Officer and Whole time Director of Castrol India Limited – India's leading lubricant company, with a market cap of over ₹ 15,000 Crore. Castrol India is part of BP plc – one of the leading energy companies in the world. Ms. Rashmi Joshi is the first woman Executive Director on the Board of Castrol India Limited and is also a member of the India Country Leadership Team as well as Global Lubricants Finance Leadership Team. Prior to the current role, she was based in Singapore for 4 years as Castrol's Asia & Pacific Planning & Performance Manager. In that role she was responsible for leading the

financial planning and performance management process for the Lubricants business in the Asia & Pacific region consisting of 17 countries. She also led finance teams for a cluster of 5 countries covering Middle East, Saudi Arabia, Pakistan, Korea and Taiwan. The role took her to various parts of the world and was very enriching in terms of multicultural experience it offered. While in Singapore she also served as a Non- Executive Director on the Board of Castrol Philippines. Ms. Rashmi Joshi is a qualified Chartered Accountant and Company Secretary. Ms. Rashmi Joshi's work has been recognized through a number of awards and more recently she was awarded **FE CFO of the year 2018** in large enterprises category by Express Group of publications. She was also awarded the title of '**Best Woman CFO**' in April 2016 at Yes Bank BW Business World CFO awards.

This Explanatory Statement may also be regarded as a disclosure under Regulation 36(3) of the Listing Regulations. Detailed disclosure in terms of Regulation 36(3) of the Listing Regulations is given elsewhere in this Notice.

Other than Ms. Rashmi Joshi and her relatives, none of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the proposed Resolution as set out in Item No. 7 of this Notice.

The Board recommends the Ordinary Resolution as set out at Item No. 7 of the Notice for approval by the Members.

Item nos. 8 and 9

The Nomination and Remuneration Committee and the Board of Directors at its Meeting held on May 13, 2019 have recommended appointment of Dr. Ganapati Yadav and Mr. Mathew Eipe as the Non-Executive Independent Directors of the Company, subject to the approval of the Members, for a term of 5 (Five) consecutive years effective from May 13, 2019 upto May 12, 2024.

The Company has received the consents from Dr. Ganapati Yadav and Mr. Mathew Eipe and also

their declarations confirming that they are not disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013 and meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 as well as Regulation 16(1)(b) of the Listing Regulations.

Dr. Ganapati Yadav and Mr. Mathew Eipe are independent of the management of the Company and in the opinion of the Board of Directors of the Company, they fulfil the conditions specified in the Companies Act, 2013 and the Rules framed thereunder for appointment as the Independent Directors of the Company.

A copy of the draft letter of appointment in respect of Independent Directors setting out the terms and conditions would be available for inspection without any fee to the Members upto the date of AGM at the Registered Office of the Company during all days between 10.00 a.m. (IST) to 4.00 p.m. (IST), excluding Saturdays, Sundays and Public Holidays.

The brief profile of Dr. Ganapati Yadav and Mr. Mathew Eipe, along with their other details, are provided elsewhere in this Notice. The Board is of the view that given the vast experience, expertise and research devoted to the Chemical Engineering field by Dr. Ganapati Yadav and Mr. Mathew Eipe, association with the Company would be in the best interest for the Company's growth and development.

Brief profile of Dr. Ganapati Yadav is as under:

Dr. Ganapati Yadav is the Founding Vice Chancellor and R. T. Mody Distinguished Professor, and Tata Chemicals Darbari Seth Distinguished Professor of Innovation and Leadership of the Institute of Chemical Technology (ICT), Mumbai. He is J. C. Bose National Fellow, Conjoint Professor University of New Castle, Australia and University of Saskatchewan, Canada. He was conferred Padma Shri by the President of India in 2016 for his outstanding contributions to Science and Engineering. He has won over 125 national and international honours, awards, fellowships, editorships, etc. He has completed B. Chem.

Eng. Ph.D. (Tech.), D.Sc. (Hon. Causa, DYPK), FTWAS, FNA, FASc, FNASc, FNAE, FRSC (UK), FISTE, FIChemE (UK), FIChE, FICS. He is a member of Maharashtra Innovation Council. He is Chairman, Waste Management Expert Committee, DST-Govt of India, and serves on Boards of two companies as Independent Director. Recently he was a member of review of functioning of Central Insecticide Board and Registration Committee of Ministry of Agriculture and Farmers Welfare, Review Committee of IISER Pune, Member of Selection Committee of Directors of IIT, MHRD, etc.

Brief profile of Mr. Mathew Eipe is as under:

Mr. Mathew Eipe joined Godrej Soaps Limited as a management trainee in 1977 after completing his graduate Chemical Engineering studies at IIT Mumbai, and his post graduate studies in Business Management at IIM Calcutta. In 1994, he was appointed as Sr. Vice President Marketing in the Chemicals Division of Godrej Soaps Limited from 1995 to 2000. He led the successful turnaround and integration of GGIC (Gujarat Godrej Innovative Chemicals) with Godrej Soaps Limited. In 2001, after the demerger of Godrej Soaps Limited he was appointed as Executive Director and President (Chemicals) at Godrej Industries Limited and headed the Chemicals business till his retirement in 2013. During 2010 to 2013, he led the team that successfully relocated the Chemicals factory from Vikhroli to a world class manufacturing facility at Ambernath near Mumbai. He served on the Board of Godrej Industries Limited from 2001 till his retirement in 2013. He was a member of the Group Management Committee from 1994 till 2013.

This Explanatory Statement may also be regarded as a disclosure under Regulation 36(3) of the Listing Regulations. Detailed disclosure in terms of Regulation 36(3) of the Listing Regulations is given elsewhere in this Notice.

Other than Dr. Ganapati Yadav and Mr. Mathew Eipe and their relatives, none of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the proposed Resolution as set

out in Item Nos.8 and 9 of this Notice.

The Board recommends the Ordinary Resolutions as set out at Item Nos. 8 and 9 of the Notice for approval by the Members.

Item nos. 10 and 11

Mr. Keki Elavia and Mr. Kavas Petigara were appointed as the Independent Directors of the Company for a term of 5 (Five) years starting from the conclusion of the 26th (Twenty Sixth) Annual General Meeting held on August 9, 2014 upto August 8, 2019.

The Nomination and Remuneration Committee and the Board of Directors at their Meetings held on May 13, 2019, had recommended re-appointment of Mr. Keki Elavia as the Non-Executive Independent Director of the Company, subject to the approval of the Members, for a second term starting from August 9, 2019 upto March 31, 2021.

Further, the Nomination and Remuneration Committee and the Board of Directors at their Meetings held on May 13, 2019, had also recommended re-appointment of Mr. Kavas Petigara as the Non-Executive Independent Director of the Company, subject to the approval of the Members, for a second term starting from August 9, 2019 upto July 8, 2023.

The Company has received the consents from aforementioned directors and also their declaration confirming that they are not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 as well as Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board, based on their performance evaluation and as per the recommendation of the Nomination and Remuneration Committee, considers that, given their background and expertise in their relevant fields and invaluable contribution made by the Directors during their tenure, continued

association of Mr. Keki Elavia and Mr. Kavas Petigara would be beneficial to the Company and it is desirable to continue to avail their services as Independent Directors.

Mr. Keki Elavia and Mr. Kavas Petigara are independent of the management of the Company and in the opinion of the Board of Directors of the Company, they fulfil the conditions specified in the Companies Act, 2013 and the Rules framed thereunder for appointment as the Independent Directors of the Company.

A copy of the draft letter of appointment in respect of Independent Directors setting out the terms and conditions would be available for inspection without any fee to the Members upto the date of AGM at the Registered Office of the Company during all days between 10.00 a.m. (IST) to 4.00 p.m. (IST), excluding Saturdays, Sundays and Public Holidays.

Brief profile of Mr. Keki Elavia is as under:

Mr. Keki Elavia is a Chartered Accountant in Public Practice. He serves as a Director on the Board of various listed and unlisted companies. He is a member of India UK Accountancy Task Force, constituted by the Ministry of Commerce, Government of India. He is also a trustee of educational and medical trusts. The Reserve Bank of India appointed Mr. Keki Elavia as a member of the Indian Advisory Committee of the Hong Kong and Shanghai Banking Corporation Limited, where he was the Chairman of its Audit and Corporate Governance Committee.

Brief profile of Mr. Kavas Petigara is as under:

Mr. Kavas Petigara is the Founder-Partner of Scitech Corporation, which manufactures a range of Industrial, Institutional and Household Chemical Specialties and Surface-finishing Compounds for the Metal-finishing industry. He has Bachelor's, Masters and Ch.E. degrees in Chemical Engineering from the Massachusetts Institute of Technology, USA and has extensive experience, spanning more than 4 decades, in chemical and allied industries in India and abroad. He is an Independent Director on the

Boards of Godrej Industries Limited, Godrej & Boyce Mfg. Co. Limited, Godrej Agrovet Limited and Creamline Dairy Products Limited.

This Explanatory Statement may also be regarded as a disclosure under Regulation 36(3) of the Listing Regulations. Detailed disclosure in terms of Regulation 36(3) of the Listing Regulations is given elsewhere in this Notice.

Other than Mr. Keki Elavia and Mr. Kavas Petigara and their relatives, none of the other Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the proposed Resolutions as set out in Item Nos. 10 and 11 of this Notice.

The Board recommends the Special Resolutions as set out at Item Nos. 10 and 11 of the Notice for approval by the Members.

Item No.12

The Board of Directors of the Company, based on recommendations of the Audit Committee, has appointed M/s. R. Nanabhoy & Co., Cost Accountants, Mumbai, as the "Cost Auditors" of the Company for the Financial Year 2019-20, pursuant to Section 148 and other applicable provisions of the Act, the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014, at its Meeting held on May 13, 2019.

Pursuant to Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration of ₹ 3,04,000/- (Rupees Three Lakh Four Thousand Only) per annum, exclusive of applicable tax(es) and reimbursement of out- of pocket expenses, if any, payable to the Cost Auditors, as recommended by the Audit Committee and approved by the Board of Directors, shall require subsequent ratification by the Members.

Based on the certification received from the Cost Auditors, it may be noted that:-

- (a) the Cost Auditors do not suffer from any disqualifications as specified under Section 141(3) of the Act;
- (b) their appointment is in accordance with the

- limits specified in Section 141(3)(g) of the Act;
- (c) none of their Partners is in the whole-time employment of any Company; and
- (d) they are an independent firm of Cost Accountants holding valid certificate of practice and are at arm's length relationship with the Company, pursuant to Section 144 of the Act.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the proposed Resolution set out in Item No. 12.

The Board recommends the Ordinary Resolution set forth in Item No. 12 for approval of the Members.

Date and Place: May 13, 2019, Mumbai

By Order of the Board of Directors
of Godrej Industries Limited

Tejal Jariwala
Company Secretary & Compliance Officer
(FCS 9817)

Registered Office:

Godrej One, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai 400 079, Maharashtra
Tel.: +91 22 2518 8010;
Fax: +91 22 2518 8066;
Website: www.godrejindustries.com;
Email: investor@godrejinds.com;
CIN: L24241MH1988PLC097781

Brief Resume of Directors/persons seeking appointment/ re-appointment at this Annual General Meeting in pursuance of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements), 2015 and Secretarial Standards issued by the Institute of Company Secretaries of India (Details as on March 31, 2019)

Name of the Directors	Mr. Jamshyd Godrej	Ms. Tanya Dubash	Mr. Nitin Nabar	Ms. Rashmi Joshi
Age	70	50	55	52
Nationality	Indian	Indian	Indian	Indian
Date of appointment	07/03/1988	01/08/1996	01/05/2013	15/03/2019
Qualification	B.E. Mechanical, Illinois Institute of Technology, USA	AB, Economics & Political Science, Brown University, USA., Advanced Management Program, Harvard Business School	B.Sc (Tech) University of Mumbai and Management Graduate, Welingkar Institute of Management Development and Research, Mumbai	B. Com, Chartered Accountant and Company Secretary
Nature of expertise in specific functional area	Engineering and Management	Marketing	Sales, Marketing, Commodities, Exports, Imports and Purchase	Finance function of FMCG, Consumer Durable and Pharma companies
Directorships held in other companies (excluding Foreign Companies and Section 8 Companies)	<u>Listed Companies:</u> - Godrej Agrovet Limited - Godrej Consumer Products Limited - Godrej Properties Limited <u>Public Companies:</u> - Godrej & Boyce Manufacturing Company Limited <u>Private Companies:</u> - Illinois Institute of Technology (India) Private Limited - Godrej UEP Private Limited	<u>Listed Companies:</u> - Godrej Agrovet Limited - Godrej Consumer Products Limited - Britannia Industries Limited <u>Public Companies:</u> - Ensemble Holdings & Finance Limited - Natures Basket Limited - Godrej Seeds & Genetics Limited <u>Private Companies:</u> - Godrej Holdings Private Limited - Innovia Multiventures Private Limited	<u>Public Companies:</u> - Ensemble Holdings & Finance Limited	<u>Listed Companies:</u> - Castrol India Limited <u>Public Companies:</u> - Thirware Solutions Limited

Name of the Directors	Mr. Jamshyd Godrej	Ms. Tanya Dubash	Mr. Nitin Nabar	Ms. Rashmi Joshi
Chairmanships/ Memberships of Committees held in Committees of other companies	<u>Godrej & Boyce Manufacturing Company Limited:</u> Member of Corporate Social Responsibility Committee <u>Godrej Consumer Products Limited:</u> Member of Stakeholders Relationship Committee	<u>Godrej Consumer Products Limited:</u> Member of Corporate Social Responsibility Committee <u>Natures Basket Limited:</u> Chairperson of Audit Committee; Member of Nomination & Remuneration Committee <u>Godrej Seeds and Genetics Limited:</u> Chairperson of Corporate Social Responsibility Committee	None	<u>Castrol India Limited:</u> Member of Stakeholders Relationship Committee and Corporate Social Responsibility Committee <u>Thirdware Solutions Limited:</u> Chairperson of Audit Committee; Member of Nomination & Remuneration Committee and Corporate Social Responsibility Committee
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company <i>inter-se</i>	None	Daughter of Mr. A. B. Godrej, Chairman	None	None
No. of Equity Shares held by Director:				
By Self:	1,90,838	7,41,755	31,933	Nil
As a beneficial owner of:	91,60,215 (as Trustee of JNG Family Trust) 99,99,783 (as Trustee of Raika Lineage Trust) 9,97,085 (as Trustee of Raika Godrej Family Trust) 1,00,00,733 (as Trustee of Navroze Lineage Trust)	94,14,449 (as Trustee of TAD Family Trust) 1,15,07,016 (as Trustee of ABG Family Trust)	Nil	Nil
Number of Meetings of the Board attended during the Financial Year 2018-19	3	5	5	Not Applicable

Name of the Directors	Dr. Ganapati Yadav	Mr. Mathew Eipe	Mr. Keki Elavia	Mr. Kavas Petigara
Age	66	66	73	70
Nationality	Indian	Indian	Indian	Indian
Date of appointment	13/05/2019	13/05/2019	28/05/2013	30/01/2002
Qualification	B. Chem. Eng. Ph.D. (Tech). D.Sc (Hon. Causa, DYPK), FTWAS, FNA, FASc, FNASc, FNAE, FRSC (UK), FISTE, FICHEM (UK), FIICHE, FICS	B.Tech. in Chemical Engineering, IIT, Mumbai, Post Graduate Diploma in Management (PGDM), IIM, Calcutta	Chartered Accountant	B.S., M.S., Ch.E., MIT – USA
Nature of expertise in specific functional area	Chemical Engineering, Energy Engineering, Biotechnology, Nanotechnology, Green technology, etc.	Marketing and Business Management in Chemicals Business.	Finance, Accounts, Company Law, Banking and Corporate Governance	Chemicals
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company <i>inter-se</i>	None	None	None	None
Directorships held in other companies (excluding Foreign Companies and Section 8 Companies)	Listed Companies: - Aarti Industries Limited Private Companies: - Clean Science and Technology Private Limited	Public Companies: - Unitherm Engineers Limited	Listed Companies: - Goa Carbon Limited - Dai-ichi Karkaria Limited - Grindwell Norton Limited - The Bombay Dyeing and Manufacturing Company Limited - Britannia Industries Limited Public Companies: - Godrej & Boyce Manufacturing Company Limited - Tata Asset Management Limited - Go Airlines (India) Limited - Sterling and Wilson Solar Limited Private Companies: - Wonder Space Properties Private Limited - Wonder City Buildcon Private Limited - Phoenix Arc Private Limited	Listed Companies: - Godrej Agrovet Limited Public Companies: - Godrej & Boyce Manufacturing Company Limited - Creamline Dairy Products Limited

Name of the Directors	Dr. Ganapati Yadav	Mr. Mathew Eipe	Mr. Keki Elavia	Mr. Kavas Petigara
Chairmanships/ Memberships of Committees held in Committees of other companies	Nil	Nil	<u>Goa Carbon Limited:</u> Chairman of Nomination & Remuneration Committee; Member of Audit Committee, Corporate Governance Committee, Project Committee, Resource Raising Committee <u>Dai-ichi Karkaria Limited:</u> Chairman of CSR Committee Member of Audit Committee and Nomination & Remuneration Committee <u>Grindwell Norton Limited:</u> Chairman of Audit Committee, CSR Committee and Nomination & Remuneration Committee <u>The Bombay Dyeing and Manufacturing Company Limited:</u> Chairman of Audit Committee; Member of Risk Management Committee <u>Britannia Industries Limited:</u> Chairman of Audit Committee; Member of Risk Management Committee <u>Godrej & Boyce Manufacturing Company Limited:</u> Chairman of Audit Committee; Member of Nomination & Remuneration Committee, CSR Committee and Stakeholders' Committee <u>Tata Asset Management Limited:</u> Member of Audit Committee, Nomination & Remuneration Committee and CSR Committee <u>Go Airlines (India) Limited:</u> Chairman of Audit Committee <u>Sterling and Wilson Solar Limited:</u> Chairman of Nomination & Remuneration Committee, CSR Committee; Member of Audit Committee <u>Wonder City Buildcon Private Limited:</u> Member of CSR Committee <u>Phoenix ARC Private Limited:</u> Member of Share Allotment Committee and Audit Committee	<u>Godrej Agrovet Limited:</u> Chairman of Audit Committee <u>Godrej & Boyce Manufacturing Company Limited:</u> Chairman of Stakeholders' Relationship Committee; Member of Audit Committee and Nomination & Compensation Committee
No. of Equity Shares held by Director:				
By Self:	Nil	82,434	Nil	Nil
As a beneficial owner of:	Nil	Nil	Nil	Nil
Number of Meetings of the Board attended during the Financial Year 2018-19	Not Applicable	Not Applicable	5	5

BOARD'S **REPORT**

Board's Report



To the Members,

Your Company's Directors have pleasure in presenting the Board's Report along with the Audited Financial Statements for the Financial Year ended March 31, 2019.

Review of Operations

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

	(₹ Crore) Year Ended March 31	(₹ Crore) Year Ended March 31
Particulars	2019	2018
Revenue from Operations	2,143.99	1,986.32
Exceptional Items	(243.79)	267.38
Other Income	41.79	33.70
Total Income	1,941.99	2,287.40
Total Expenditure other than Finance Costs and Depreciation and Amortisation	1,738.90	1,749.51
Profit before Finance Costs, Depreciation and Amortisation and Tax	203.09	537.89
Depreciation and Amortisation Expense	54.30	68.58
Profit before Finance Costs and Tax	148.79	469.31
Finance Costs (net)	239.59	212.43
(Loss) / Profit before Tax	(90.80)	256.88
Provision for Current Tax	-	13.60
Provision for Deferred Tax	(0.07)	1.77
Net (Loss) / Profit	(90.73)	241.51
Other comprehensive income net of Tax	(0.60)	(0.28)
Surplus brought forward	723.10	541.87
Profit after Tax available for appropriation	631.77	783.10
Appropriation		
Dividend on Equity Shares	58.87	58.85
Tax on Distributed Profit	1.78	1.15
Transfer to General Reserve	-	-
Surplus Carried Forward	571.12	723.10

Share Capital

The Paid-up Equity Share Capital as on March 31, 2019 was ₹ 33,63,84,367/- (Rupees Thirty Three Crore Sixty Three Lakh Eighty Four Thousand Three Hundred Sixty Seven Only) divided into 33,63,84,367 (Thirty Three Crore Sixty Three Lakh Eighty Four Thousand Three Hundred Sixty Seven) Equity Shares of Face Value of ₹ 1/- (Rupee One Only) each. During the Financial Year under review, your Company has allotted 1,11,636 (One Lakh Eleven Thousand Six Hundred and Thirty Six) Equity Shares of Face Value of ₹ 1/- (Rupee One Only) each pursuant to exercise of Options by the employees under Godrej Industries Limited- Employee Stock Grant Scheme, 2011 (ESGS 2011).

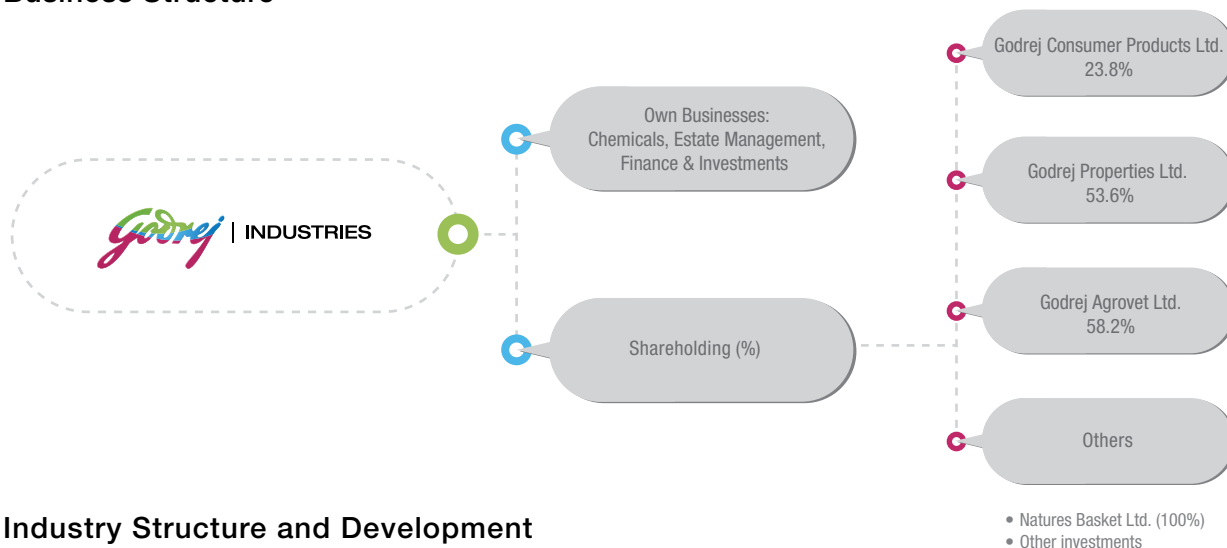
Dividend

The Board of Directors of your Company recommend a Final Dividend for the Financial Year 2018-19 at the rate of ₹1.15 (Rupee One Paise Fifteen Only) per Equity Share of Face Value of ₹ 1/- (Rupee One Only) each, subject to approval of the Members at the ensuing 31st (Thirty First) Annual General Meeting.

The Dividend will be paid to the Members whose names appear in the Register of Members of the Company as on Tuesday, August 6, 2019 and in respect of shares held in dematerialised form, it will be paid to Members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited, as the beneficial owners as on that date.

In terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Dividend Distribution Policy of the Company is appended as '**Annexure A**' to this Report and the same is also made available on the website of the Company. The same can be accessed on <http://www.godrejindustries.com/listing-compliance.aspx>

Business Structure



Industry Structure and Development

As per The World Economic Outlook (WEO) update, global growth is now estimated to be at 3.6 percent in 2018 due to slowdown in the second half of 2018. This has led to downward revisions for several economies. The global economy is projected to grow at 3.3 percent in 2019 and 3.6 percent in 2020.

Growth in advanced economies is projected to slow from an estimated 2.2 percent in 2018 to 1.8 percent in 2019 and 1.7 percent in 2020. For the emerging markets and developing economy group, growth is expected to tick down to 4.4 percent in 2019 (from 4.5 percent in 2018), before improving to 4.8 percent in 2020.

The IMF estimates India's economic growth at 7.1% in FY19, 7.3% in FY20 and 7.5% in FY21. According to the IMF's database, India's contribution to world growth has risen from 7.6% during 2000-2008 to 14.5% in 2018.

The Indian economy decelerated at a faster pace than anticipated in Q3 FY19 to 6.6%—the lowest in five quarters. The Central Statistics Office (CSO) also revised downward its full-year growth forecast for the current fiscal year to 7% from 7.2% estimated earlier. However, most international agencies project India's growth to bounce back in the next fiscal year. According to rating agency Moody's, Indian economy is expected to grow at 7.3 per cent in fiscal year 2018-19.

With the Indian economy projected to slow down further in the fourth quarter of FY19, the central bank's focus has shifted from inflationary concerns to sustaining the growth momentum. RBI effected two back-to-back rate cuts of 25 basis points each to boost growth. Of the high-frequency indicators of industry, growth in the manufacturing component of the index of industrial production slowed to 1.3% in January 2019. Growth of eight core industries remained sluggish at 2.1% in February 2019. Overall investment demand, as reflected by gross fixed capital formation, showed an improvement due to continuing government capital expenditure in roadways and affordable housing.

Financial Year 2018-19 was a tough year for the agriculture sector. Overall monsoon was lower than normal being 9% lower than long period average (LPA – measured for the trailing 10 year period) and the rainfall distribution was erratic and patchy. Nearly 38% of the districts of the country reported deficient rainfall and states of Gujarat, Maharashtra, West Bengal, Jharkhand, were the worst hit.

Agriculture sector has also been focus of the Government as multiple measures were announced in interim budget with a purpose of boosting farmer income. Budget aimed at bringing stability to farm incomes and provide relief to small farmers. Under major Agriculture and rural schemes an amount of around ₹ 1.2 trillion has been allocated and an additional ₹ 1.6 trillion has been allocated for agriculture and animal husbandry sector. Increase in allocation over last year is mainly due to the allocation made for Income support scheme amounting to ₹ 75,000 crore. These schemes and measures if implemented well, can bring lot of benefits to farmers and agriculture economy in the long run.

Demand for home & personal care looks robust and is driven by domestic consumption. Surfactants and specialty chemicals which is used by this segment is growing at healthy rate. Commodity fatty acid demand is majorly driven by automobile industry which is showing signs of slowdown for the last three to six months. However specialty fatty acid demands looks good and is growing. Glycerin demand looks healthy and its growth is driven by domestic consumption.

Real estate is a key sector of the Indian economy, contributing 6-7 per cent of India's GDP. In addition, the sector employs a 52 million workforce and is expected to generate over 15 million jobs over the next five years. According to the survey conducted by KPMG in association with National Real Estate Development Council (NAREDCO) and Asia Pacific Real Estate Association (APREA), the Indian real estate sector is estimated to grow to USD 650 billion by 2025 and surpass USD 850 billion by 2028 to touch USD 1 trillion by 2030, becoming the third largest globally. Regulatory reforms, steady demand generated through rapid

urbanization, rising household income and the emergence of affordable housing and nuclear housing are expected to be key drivers of growth for the real estate sector.

Central Budget announcements indicate the government's changing stand towards investment demand in real estate. Steps taken to increase flexibility on deployment of capital gains from property, increasing tax exemption period for unsold inventory and exemption from notional rent tax on second property are focused towards improving real estate investment demand. For affordable housing, the government has extended the time limit for availing tax deduction by one year.

In March 2019, GST council approved lower GST rates for real estate developers subject to certain terms and conditions. Affordable houses being constructed in ongoing projects under the existing central and state housing schemes presently eligible for concessional rate of 8% GST will be taxed at 1% GST. 5% GST will also be applicable on commercial apartments such as shops, offices etc. in a residential real estate project in which the carpet area of commercial apartments is not more than 15% of total carpet area of all apartments.

With NBFCs restraining their lending to cash strapped developers, there exists a huge opportunity for organized developers with strong balance sheets and execution track record to take over the projects of smaller developers at attractive valuations. The ongoing shake up in real estate sector is a pre-cursor to a transparent business environment driven by reforms such as RERA which is improving transparency and raising consumer activism on account of poor delivery by stressed developers. According to a CLSA report, the exit of weaker players will benefit will help organized developers to double their market share to 20% by FY24.

The Management Discussion and Analysis Report on the operations of the Company, as required under the Listing Regulations is appended as '**Annexure B**' to this Report.

Subsidiary and Associate Companies

Godrej Agrovet Limited (GAVL)

Financial Year 2018-19 was a tough year for the agriculture sector. Overall monsoon was lower than normal, being 9% lower than the long period average rainfall (LPA – measured for the trailing 10 year period) and the rainfall distribution was erratic and patchy. Further, as per the latest estimates, agriculture and allied activities are estimated to have grown at a lower rate of 2.9% in 2018-19 as compared to 5% in the previous year.

Despite a difficult environment, Godrej Agrovet Limited, has been able to grow revenues and maintain profitability levels. For the Financial Year 2018-19, consolidated total income (excluding non-recurring income) grew by 12.6%. Revenue growth was supported by animal feed, vegetable oil and crop protection businesses. Profit before tax excluding non-recurring and exceptional items was ₹ 361 crore. The profitability was impacted by high raw material prices, mainly in the animal feed segment.

Animal Feeds:

For the Financial Year 2018-19, the animal feed segment achieved overall volume growth of around 14.2% largely anchored by volume growth in the layer feed segment. After arresting broiler feed volume de-growth in the previous year, this segment was successful in growing in double digits. Volume growth



and better price realisation in the second half of the year in the animal feed segment, led to a revenue growth of 18.3%. However, segment margins were adversely impacted by sharp increase in the prices of key raw materials such as maize, soybean, rice bran extraction, fish meal etc. The animal feed segment is focused on optimizing capital employed. Godrej Agrovet Limited's joint venture with Advanced Chemical Industries Limited (ACI), Bangladesh, named ACI Godrej Agrovet Private Limited was adversely impacted by lower demand for feed and higher raw material prices in Bangladesh.

Crop Protection Business:

Financial Year 2018-19 was a relatively difficult year for the domestic crop protection business. The business posted revenue growth of 7.5% and profit growth of 12.4%. The business introduced products across categories with the objective of increasing the product offering.

Oil Palm:

In the vegetable oil segment, GAVL benefitted from increase in prices of crude palm oil which helped in increasing the revenues by 16%. The profitability was adversely impacted due to higher procurement prices being paid for Fresh Fruit Bunches (FFB) to the farmers to avoid spillover to the neighbouring state. New palm oil mill which was being set up in Chintampally, Andhra Pradesh, has become operational in the third quarter of current year and is expected to improve oil extraction ratio in the medium-term.

Astec LifeSciences Limited (Astec) & its Subsidiaries:

GAVL's subsidiary, Astec LifeSciences Limited, maintained its strong performance for the Financial Year 2018-19 as total income and profit before tax excluding exceptional items grew by 16.7% and 8.4%, respectively. Astec has successfully

commissioned the backward integration plant in December 2018 which will help reduce its dependence on import of raw materials.

Creamline Dairy Products Limited (CDPL) & its Subsidiary:

In the dairy segment, GAVL's subsidiary – Creamline Dairy Products Limited launched new products in the Financial Year 2018-19 with the purpose of increasing product offering. New product launches included products like thick milk shakes in different flavours, premium range of ice-creams and yogurts in different flavours. All the new products have received encouraging response from consumers. While revenues were flat at ₹ 1161 crore in the Financial Year 2018-19, operating profitability improved by 21.5% in the current fiscal.

Joint Ventures (JVs) & Associates of GAVL:

Godrej Tyson Foods Limited:

In the Joint Venture Godrej Tyson Foods Ltd (GTFL), GAVL has increased its stake to 51% in March 2019. Tyson India Holdings Limited, a subsidiary of Tyson Foods Inc., U.S.A, currently holds 49% stake in GTFL. During the year, the business focussed on increasing the product portfolio in the 'Yummiez' product range and on growing the live bird business. As a result, GTFL's total income grew by 12.6% for the Financial Year 2018-19. However, operating margins were impacted by sharp increase in raw material prices compared to the previous year.

Godrej Maxximilk Private Limited:

GAVL has also increased its stake in Godrej Maxximilk Private Limited by acquiring an additional 2.16% of the Paid-up Equity Share Capital in March 2019. GAVL now holds 52.06% in Godrej Maxximilk Private Limited. Godrej Maxximilk Private Limited is engaged in in-vitro production of high-quality cows that aid dairy farmers in producing top-quality milk, thereby increasing their yield by a significant proportion.

Godrej Properties Limited (GPL)

Financial Highlights: For FY19, GPL's total income increased by 57% and stood at ₹ 3,236 crore, EBITDA increased by 111% to ₹ 597 crore, and net profit increased by 191% to ₹ 253 crore.

Sales Highlights: After posting the best ever sales performance in FY19, GPL started FY19 on a subdued note with bookings of ₹ 1,627 crore in H1 FY19. However H2 FY19 witnessed a complete turnaround in sales performance with bookings of ₹ 3,689 crore. This included the best ever quarterly residential sales performance in Q4 FY19 where the company sold real estate worth ₹ 2,161 crore. The total value of bookings in FY19 stood at ₹ 5,316 crore, which represents a YoY increase of 5%. GPL sold more than 1.1 million sq. ft. with a booking value of over ₹ 900 crore in each of the four focus markets viz. Mumbai, NCR, Bangalore and Pune. As a result, GPL is likely to emerge as the largest publicly listed developer in India by sales value in FY19. Given our exciting launch pipeline, the company remains confident of maintaining momentum in the sales performance in the year ahead.

Continued success in business development:

FY19 has also been the best ever year for business development in the history of GPL in terms of area added under development. GPL added 11 new projects with saleable area of 31 million sq. ft. This includes a portfolio deal of 25 million sq. ft. in the Pune market which has been GPL's largest ever deal and will dramatically enhance its presence in the Pune market. The availability of funds through private placement and low gearing ratio of 0.87 also give GPL an outstanding opportunity to disproportionately scale their project portfolio in FY20 and further build on the business development momentum.

Capital Raising: GPL raised ₹ 1,000 crore through a preferential allotment in June 2018. The company allotted 1,27,65,000 equity shares of ₹ 5 each to Gamnat Pte. Ltd., a GIC managed investment firm for ₹ 783.50/- per share. Post issue, Gamnat holds 5.57% equity stake in GPL.



This is a clear demonstration of the company's ability to successfully raise capital in tough macro-economic conditions for the real estate sector. The company has used the proceeds to fund exciting growth opportunities across India's leading real estate markets.

Global recognition for sustainability initiatives:

GPL was ranked 4th in Asia & 8th globally by GRESB (Global Real Estate Sustainability Benchmark) - An industry-driven organization which assesses Environmental, Social and Governance (ESG) performance of real estate assets globally. GRESB is committed to rigorous and independent evaluation of the sustainability performance of real assets across the globe. GRESB data is used by more than 200 institutional investors, listed property companies and fund managers and is backed by all leading international real estate associations and industry bodies. It provides investors the tools to benchmark their investments against each other based on property type, country and regional peer groups. GRESB is widely recognized as the global standard for portfolio-level ESG reporting and

benchmarking in the real asset sector.

Outlook: After a year of disruptions, the Indian economy is consolidating the gains from recent reforms. Never in the history of Indian real estate have so many significant events taken place within such a short period of time. While the initial days of the new regulatory environment saw Indian real estate going through a phase of transition, we now see an opportunity for disproportionate growth. The sales performance has strengthened significantly in H2 FY19. The company expects to further scale the sales momentum in FY20, given the exciting launch pipeline across the country which has been significantly enhanced by new project additions. Given the liquidity situation in the sector, which has become even more apparent in light of the NBFC crisis, the visibility on business development is the strongest ever witnessed and the company hopes to have numerous positive portfolio enhancement announcements in the coming Financial Year. GPL believe the company's national presence, strong brand, and robust project portfolio leave them well placed to capitalize on this opportunity.



Natures Basket Limited (NBL)

Natures Basket Limited recorded a revenue of ₹365 Cr for the Financial Year 2018-19, with a sales growth of 20% over the previous year. The brand continues to win awards in forums like Food & Grocery forum, Franchise India Retail Award for Omni Chanel performance, TRRAIN awards for Customer service etc.

NBL's overall customer base increased by over 18% in the current year and also the frequency of the most loyal customers increased by over 4%. Overall revenue from loyal customers contribute nearly 80% of overall revenue. We have seen 72% positive response in our customer surveys in the past Nine months. The online business clocked a sale of ₹ 17.4 Cr in FY 19. It contributed to 6% of the overall sales. NBL continues to improve its website and App experience through regular updates and improvements.

Godrej Consumer Products Limited (GCPL)

Godrej Consumer Products (GCPL), an associate of your Company, has continued to grow ahead of the overall FMCG sector, as well as the home and personal care categories that it participates in, despite a challenging macroeconomic environment. On a consolidated basis, GCPL reported total sales of ₹ 10,221 crore during fiscal year 2018-19 as compared to ₹ 9,866 crore in the previous year. Its net profit for fiscal year 2018-19 grew by 43% at ₹ 2,342 crore as compared to ₹ 1,634 crore in fiscal year 2017-18.

GCPL is a leading emerging markets company. As part of the over 122-year young Godrej Group, GCPL is fortunate to have a proud legacy built on the strong values of trust, integrity and respect for others. At the same time, we are growing fast and have exciting, ambitious aspirations.

Today, our Group enjoys the patronage of 1.15 billion consumers globally, across different businesses. In line with our 3 by 3 approach to international expansion at Godrej Consumer Products, we are building a presence in 3 emerging



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

But for us, it is very important that besides our strong financial performance and innovative, much-loved products, we remain a good company. GCPL is also bringing together our passion and purpose to make a difference through our 'Good & Green' approach to create a more inclusive and greener India.

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

Other Subsidiaries

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

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

The year 2018-19 was marked by substantial increase in production of vegetable oils, led by palm oil. As stocks built up, prices came under severe pressure from September 2018 onwards and that pressure only lifted marginally towards January 2019. Despite larger production and consumption of palm bio diesel, prices were soft for most of the year. This helped margins at processors and consumers of vegetable oil but hit margins of producers and traders. Despite these adverse factors, both GINL and GITI held their own and improved profits marginally. GINL & GITI also continued to enjoy a high reputation in the industry for their market research and their frequent Market Outlook releases.

Ensemble Holdings & Finance Limited (EHFL), a wholly owned subsidiary of your Company, is a Non-Banking Finance Company. The total income of EHFL for FY19 was ₹ 2.22 crore as compared to ₹ 0.62 crore in the previous year

Financial Position

The Net Debt Position at the end of the Financial Year stands at ₹ 2,679 crore as compared to ₹ 2,629 crore for the previous year. The Net debt equity ratio is 1.64 as compared to 1.47 in the previous year. Your Company continues to hold the topmost rating of [ICRA] A1+ from ICRA for its commercial paper program (₹ 1000 crore) (previous year ₹ 1000 crore). ICRA has reaffirmed an [ICRA] A1+ rating for its short term debt instruments/other banking facilities (₹ 800 crore)

(previous year ₹ 800 crore). This rating of ICRA represents highest-credit quality carrying lowest-credit risk. ICRA also reaffirmed [ICRA]AA rating with stable outlook for long-term debt, working capital and other banking facilities (₹ 1340 crore) (previous year ₹ 1340 crore). In addition to the ICRA's rating for commercial paper programme, CRISIL has also assigned a rating of "CRISIL A1+" to the commercial paper programme of ₹ 1000 crore. Instruments with these ratings are considered to have very strong degree of safety regarding timely payment of financial obligations.

Report on Performance and Financial Position of Subsidiary Companies:

Report on Performance and Financial Position of each of the Subsidiaries, Associates, Joint Venture companies in Form AOC-1, forms a part of the consolidated Financial Statements.

Loans, Guarantees & Investments

As required to be reported pursuant to the provisions of Section 186 and Section 134(3)(g) of the Companies Act, 2013, the particulars of loans, guarantees or investments by the Company under the aforesaid provisions during the Financial Year 2018-19 have been provided in the Notes to the Standalone Financial Statements.

Related Party Transactions

In compliance with the Listing Regulations, the Company has a policy on Materiality of Related Party Transactions and dealing with Related Party Transactions (RPT Policy). The RPT Policy can be accessed on the website of the Company, viz. <http://www.godrejindustries.com/listing-compliance.aspx>.

All Related Party Transactions entered into by your Company during the Financial Year 2018-19 were on an arm's length basis and were in the ordinary course of business. There were no

materially significant Related Party Transactions entered into by the Company with Promoters, Directors, Key Managerial Personnel or other related parties which may have a potential conflict with the interest of the Company. Requisite prior approval of the Audit Committee of the Board of Directors was obtained for Related Party Transactions. Therefore, disclosure of Related Party Transactions in Form AOC-2 as per the provisions of Section 134(3)(h) and Section 188 of the Companies Act, 2013 read with the Rule 8(2) of the Companies (Accounts) Rules, 2014 is not applicable. Attention of Members is also drawn to the disclosure of transactions with related parties set out in Note No. 40 of Standalone Financial Statements, forming part of the Annual Report. None of the Directors had any pecuniary relationships or transactions vis-à-vis the Company. Further, the Company has not entered into any transactions with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the Company during the Financial Year 2018-19.

Manufacturing Facilities

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

Ambernath factory recently certified by all new ISO standard in 2018-19 i.e. ISO 9001:2015 (QMS), ISO 14001:2015 (EMS) & ISO 45001:2018 (OHSMS). We are first in India and few across globe for getting certified by ISO 45001:2018 (Safety Standard). Recently Ambernath factory is awarded first prize in "Industrial Safety & Health" organized by Directorate of Safety and Health, Government of Maharashtra. Ambernath factory also won Godrej Group 2019 Safety award.

The Valia factory is ISO - 9001:2015, ISO 14001:2015 and ISO 18001:2007 certified. Majority of the finished products are Kosher certified and some are also REACH registered to meet the EU regulation. We are also a member

of RSPO (Roundtable for Sustainable Palm Oil). We are already GMP + B2 certified for Palmitic acid and this year we also got HALAL certification for it. The factory has FDA, FSSAI certification for Glycerin and USP NF certification for fatty alcohol. We are also planning for FDA certification for Sodium Lauryl Sulfate (SLS) Powder which will help us to label our product as per IP/BP/USP. In new product domain, we have started commercial production for Bio God (biosurfactant), Ethyl Hexyl Palmitate and Tridecyl Salicylate.

Vegoils Division (Wadala), is state of art vegetable oil refining facility in Mumbai for manufacturing edible oils and Vanaspati. It is 100 TPD continuous refinery to process vegetable oils like Sunflower oil, Groundnut oil and Vanaspati. Factory is ISO 22000-2005 certified and also possess Kosher and Halal certificate. This Factory also produces and sells Pharmaceutical grade refined Groundnut oil (Arachis oil) to Pharmaceuticals Company for their application. This Factory produces and packs variety of edible oils (Sesame oil, Sunflower oil, Groundnut oil, Ricebran oil, Palmolein oil and Vanaspati) in various pack sizes.

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

Research and Development (R&D)

During the year under consideration, R&D has continued its quest for the innovation in existing processes/product ranges and also came up with many new concept ingredients majority of which are derived from Oleo sources mainly and have applications in Home, Personal care, Animal Nutrition and Agricultural fields. Some of them are under field trials at external laboratories and research labs. Fatty acids blends for the Fuel lubricity and Polymer applications were designed and further optimized so as to expand the market and applications areas for the fatty acids business.

Parallel to all the above projects, R&D continues its efforts in developing improved and customized specialty surfactants, biosurfactants and home & personal care ingredients and their blends, through inhouse and external consultation routes. The list of new specialty ingredients being developed are scouted and obtained through interactions of our R&D with various customers, R&Ds and their requirements and suggestions. Our current emphasis for the new development is “Go Green” and accordingly we are focusing more and more on the totally biodegradable ingredients/Blends replacing the chemicals ingredients.

Human Resource Development and Industrial Relations

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

Your Company emphasizes on the safety & engagement of people working in its premises. Structured safety meetings & recognition events were held through the year. The total number of persons employed in your Company as on March 31, 2019 were 1,123.

Business Responsibility Report

The Business Responsibility Report highlighting your Company's sustainability initiatives is appended as ‘**Annexure C**’. This Report describes the initiatives taken by the Company from an environment, social and governance perspective.

Employee Stock Grant Scheme 2011 (ESGS)

The details of the grants allotted under Godrej Industries Limited - Employee Stock Grant Scheme, 2011 (ESGS 2011), as also the disclosures in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, have been uploaded on the website of the Company at www.gorejindustries.com.

The Nomination and Remuneration Committee of the Board of Directors administers and monitors the ESGS 2011. The Board of Directors confirm that the ESGS 2011 has been implemented in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the resolution passed by the Members. The Board further confirms that there have been no changes in the ESGS 2011 Scheme during the Financial Year 2018-19. The Certificate, obtained from M/s. BSR & Co. LLP, Statutory Auditors in this regard, shall be kept open for inspection by the Members at the ensuing 31st (Thirty First) Annual General Meeting.

Fixed Deposits

The details of deposits covered under Chapter V of the Companies Act, 2013, i.e., deposits within the meaning of Rule 2(1)(c) of the Companies (Acceptance of Deposits) Rules, 2014 during the Financial Year 2018-19 are as follows:

Sr. No.	Particulars	Details (₹ crore)
(i)	Deposits accepted during the Year	Nil
(ii)	Deposits remained unpaid or unclaimed during the Year: Matured Deposits with the Company	0.48
(iii)	Whether there has been any default in repayment of deposits or payment of interest thereon during the Year and if so, number of such cases and total amount involved: a. At the beginning of the Year: b. Maximum during the Year: c. At the end of the Year:	Nil Nil Nil
(iv)	Details of deposits which are not in compliance with the requirements of Schedule V of the Companies Act	Nil

Your Company is currently not accepting public deposits and has not accepted any deposits from its Directors during Financial Year 2018-19.

Directors

(a) Re-appointment of Whole Time Directors

Upon recommendation of the Nomination and Remuneration Committee of the Board of Directors and as approved by the Board of Directors at their Meetings held on May 23, 2018, Ms. Tanya Dubash (DIN: 00026028) and Mr. Nitin Nabar (DIN: 06521655) were re-appointed as the Whole Time Directors of your Company for a period of 3 (Three) years starting from April 1, 2019 upto March 31, 2022, on the terms and conditions which were approved by the Members at the 30th (Thirtieth) Annual General Meeting (AGM) held on August 13, 2018.

(b) Appointment of Independent Directors

Upon recommendation of the Nomination and Remuneration Committee and as approved by the Board of Directors through Circular Resolution passed dated March 12, 2019 and March 13, 2019 respectively, Ms. Rashmi Joshi (DIN: 06641898) was appointed as the “Additional (Non-Executive Independent) Director” on the Board of Directors of your Company for a term of 5 (Five) years starting from March 15, 2019 upto March 14, 2024, which is subject to approval of the Members at the ensuing 31st (Thirty First) AGM.

Further, upon recommendation of the Nomination and Remuneration Committee and as approved by the Board of Directors at their Meetings held on May 13, 2019, Mr. Mathew Eipe (DIN: 00027780) and Dr. Ganapati Yadav (DIN: 02235661) were appointed as the “Additional (Non-Executive Independent) Directors” on the Board of Directors of your Company for a term of 5 (Five) years starting from May 13, 2019 upto May 12, 2024, which is subject to approval of the Members at the ensuing 31st (Thirty First) AGM.

Further, upon recommendation of the Nomination and Remuneration Committee and as approved by the Board of Directors at their Meetings held on May 13, 2019, Mr. Keki Elavia (DIN: 00003940) was re-appointed as the “Non-Executive Independent Director” on the Board of Directors of your Company for his second term starting from August 9, 2019 upto March 31, 2021 and Mr. Kavas Petigara (DIN: 00066162) was re-appointed as the “Non-Executive Independent Director” on the Board of Directors of your Company for his second term starting from August 9, 2019 upto July 8, 2023, both are subject to approval of the Members at the ensuing 31st (Thirty First) AGM.

(c) Directors liable to retire by rotation

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 and the Company's Articles of Association, Mr. Jamshyd Godrej (DIN: 00076250) and Ms. Tanya Dubash (DIN: 00026028), Directors of the Company are liable to retire by rotation at the ensuing 31st (Thirty First) AGM, and being eligible, have offered themselves for re-appointment.

(d) Resolutions to be passed at the ensuing AGM

Appropriate resolutions for appointment / re-appointment of Ms. Rashmi Joshi, Mr. Mathew Eipe, Dr. Ganapati Yadav, Mr. Keki Elavia, Mr. Kavas Petigara as the “Non-Executive Independent Directors” and for re-appointment of Mr. Jamshyd Godrej and Ms. Tanya Dubash as the Directors of the Company liable to retire by rotation, are being moved at the ensuing 31st (Thirty First) AGM, which the Board recommends for your approval.

(e) Composition of Board of Directors

As on the date of this Board's Report, i.e., as on May 13, 2019, your Company's Board of Directors comprises of the following Directors:

Name of the Director	Director Identification Number (DIN)	Category
Mr. Adi Godrej	00065964	Chairman and Non-Executive Non-Independent Director
Mr. Jamshyd Godrej	00076250	Non-Executive Non-Independent Director
Mr. Nadir Godrej	00066195	Managing Director
Mr. Saleem Ahmadullah	00037137	Non-Executive Independent Director
Mr. Amit Choudhury	00557547	Non-Executive Independent Director
Mr. Aspy Cooper	00026134	Non-Executive Independent Director
Mr. Vijay Crishna	00066267	Non-Executive Non-Independent Director
Mr. Kersi Dastur	00050199	Non-Executive Independent Director
Mr. Mathew Eipe	00027780	Non-Executive Independent Director
Mr. Keki Elavia	00003940	Non-Executive Independent Director
Ms. Rashmi Joshi	06641898	Non-Executive Independent Director
Mr. Kavas Petigara	00066162	Non-Executive Independent Director
Ms. Tanya Dubash	00026028	Executive Director & Chief Brand Officer
Mr. Nitin Nabar	06521655	Executive Director & President Chemicals
Dr. Ganapati Yadav	02235661	Non-Executive Independent Director

(f) Declaration of Independence from Independent Directors

Your Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In terms of provisions of Section 134(3)(d) of the Companies Act, 2013, the Board of Directors of your Company have taken note of these declarations of independence received from all the Independent Directors after undertaking due assessment of the veracity of the same.

(g) Board Meetings

The Meetings of the Board of Directors are pre-scheduled and intimated to all the Directors in advance to order to help them plan their schedule. However, in case of special and urgent business needs, approval is taken either by convening meetings at a shorter notice with consent of the Directors or by passing resolutions through circulation.

The Board of Directors of your Company met 5 (Five) times during the Financial Year 2018-19 (i.e. on May 23, 2018, August 13, 2018, November 12, 2018, January 14, 2019 and February 13, 2019). The maximum gap between two Board Meetings did not exceed 120 (One Hundred and Twenty) days. The details of Board Meetings and the attendance record of the Directors are provided in the Report on Corporate Governance section of the Annual Report.

(h) Performance Evaluation of the Board of Directors, its individual members, and its Committees

In terms with the Policy for Evaluation of the Performance of the Board of Directors of the Company, we conducted a formal Board Effectiveness Review, as part of our efforts to evaluate the performance of our Board and identify areas that need improvement, in order to enhance the effectiveness of the Board, its Committees, and Individual Directors. This was in line with the requirements of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Corporate HR team of Godrej Industries Limited and Associate Companies (GILAC) worked directly with the Chairperson and the Nomination and Remuneration Committee of the Board to design and execute this process. It was later adopted by the Board. Each Board Member completed a confidential online questionnaire, sharing vital feedback on how the Board currently operates and how its effectiveness could be improved. The survey comprised of below sections and compiled feedback and suggestions on:

- Board Processes (including Board composition, strategic orientation and team dynamics);
- Individual Committees;
- Individual Board Members;
- the Chairman; and
- Declaration of independence from Independent Directors

The criteria for Board processes included Board composition, strategic orientation and team dynamics. Evaluation of each of the Board Committees covered whether they have well-defined objectives, the correct composition, and whether they achieved their objectives. The criteria for Individual Board Members included skills, experience, level of preparedness, attendance, extent of contribution to Board debates and discussion, and how each Director leveraged their expertise and networks to meaningfully contribute to the Company. The criteria for the Chairperson's evaluation included leadership style and conduct of Board Meetings.

The following reports were created as part of the evaluation:

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

Further, the performance evaluation criteria for Independent Directors included a check on their fulfilment of the independence criteria and their independence from the management.

The overall Board Feedback Report was facilitated by Mr. Adi Godrej, Chairman with Independent Directors. The Directors were not only vocal regarding the Board functioning effectively but also identified areas that showed scope for improvement. Feedback from the Committees and Individual Board Members was shared with the Chairman. Following his evaluation, a Chairman's Feedback Report was compiled.

(i) Nomination and Remuneration Policy:

The Company's Nomination and Remuneration Policy for Directors, Key Managerial Personnel, and other employees can be accessed on the Company's website at <http://www.godrejindustries.com/listing-compliance.aspx>. The Company's total rewards framework aims at holistically using elements such as fixed and variable compensation, long-term incentives, benefits and perquisites, and non-compensation elements (career development, work-life balance, and recognition). The Non-Executive Directors receive sitting fees in accordance with the provisions of the Companies Act, 2013.

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

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

The Company is committed to equality of opportunity in all aspects of its business and does not discriminate on the grounds of nationality, race, colour, religion, caste, gender, gender identity or expression, sexual orientation, disability, age or marital status.

The Company recognises merit and continuously seeks to enhance the effectiveness of its Board. The Company believes that for effective corporate governance, it is important that the Board has the appropriate balance of skills, experience and diversity of perspectives.

Board appointments will be made on merit basis and candidates will be considered against objective criteria with due regard for the benefits of diversity on the Board. The Board believes that such merit-based appointments will best enable the Company to serve its stakeholders.

The Board will review this Policy on a regular basis to ensure its effectiveness.

Talent Management and Succession Planning

Your Company has the talent management process in place with an objective of developing a robust talent pipeline for the organisation which includes the senior leadership team.

As part of our Talent Management Process called Total Talent Management, we identify critical positions and assess the succession coverage for them annually. During this process, we also review the supply of talent, identify high potential employees and plan talent actions to meet the organisation's talent objectives. We continue to deploy leadership development initiatives to build succession for key roles.

Total Rewards Philosophy

The policy of your Company on Director's appointment and remuneration of the Directors, Key Managerial Personnel and other employees including criteria for determining qualifications, positive attributes, independence of a director, is stated below:

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

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

Highlights

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

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

Total Compensation

The total compensation has three components:

1. 'Fixed Compensation' comprises of basic salary and retirement benefits, like provident fund and gratuity
2. 'Flexible Compensation' is a fixed pre-determined component of the compensation.
3. Variable Compensation (Performance Linked Variable Remuneration)' rewards one for delivering superior business results and individual performance. It is designed to provide a significant upside earning potential without cap for over achieving business results. It has a 'Collective' component, which is linked to the achievement of specified business results, measured by Economic Value Added or other related metrics, relative to the target set for a given Financial Year and an 'Individual' component, based on the performance, as measured by the performance management process.

Long Term Incentives (Employee Stock Grant Scheme)

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

(j) Familiarisation Programmes

Familiarisation programmes for the Independent Directors were conducted during the Financial Year 2018-19. Apart from this, there were quarterly business presentations by Mr. Clement Pinto, Chief Financial Officer of the Company. The details of familiarization programmes pursuant to Regulation 25(7) of the Listing Regulations is uploaded on the Company's website, viz. <http://www.godrejindustries.com/listing-compliance.aspx>

Key Managerial Personnel

Ms. Nilufer Shekhawat resigned from the position of the "Company Secretary" of your Company due to personal reasons with effect from October 31, 2018. Upon recommendation of the Nomination and Remuneration Committee and as approved by the Board of Directors at their Meetings held on November 12, 2018, Ms. Tejal Jariwala was appointed as the "Company Secretary & Compliance Officer" of your Company with effect from November 12, 2018.

Details of Directors / Key Managerial Personnel who were appointed or have resigned during the Financial Year 2018-19

- i. Ms. Tanya Dubash was re-appointed as the Whole Time Director with effect from April 1, 2019 upto March 31, 2022;
- ii. Mr. Nitin Nabar was re-appointed as the Whole Time Director with effect from April 1, 2019 upto March 31, 2022;
- iii. Ms. Nilufer Shekhawat had resigned from the position of Company Secretary with effect from October 31, 2018;
- iv. Ms. Tejal Jariwala was appointed as the Company Secretary & Compliance Officer with effect from November 12, 2018;
- v. Ms. Rashmi Joshi was appointed as the Additional Non-Executive Independent Director with effect from March 15, 2019.

Auditors and Auditors' Report

Statutory Auditors

M/s. BSR & Co. LLP, Chartered Accountants (Firm Registration Number: 101248W/W-100022) have been appointed as the Statutory Auditors of the Company at the 29th (Twenty Ninth) Annual General Meeting (AGM) of the Members held on August 11, 2017, pursuant to Sections 139 to 144 of the Companies Act, 2013 and Rules 3 to 6 of the Companies (Audit And Auditors) Rules, 2014, for a term of 5 (Five) years, to hold office from the conclusion of the 29th (Twenty Ninth) AGM, till the conclusion of the 34th (Thirty Fourth) AGM, on a remuneration as may be decided by the Board of Directors. Their appointment was subject to ratification by the Members at every subsequent AGM held after the AGM held on August 11, 2017. Pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017, effective from May 7, 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors was withdrawn from the statute. In view of the same, the Members of the Company at the 30th (Thirtieth) AGM held on August 13, 2018 had approved ratification of appointment of M/s. BSR & Co. LLP as the Statutory Auditors of the Company for the remaining period, i.e. from the conclusion of 30th (Thirtieth) AGM held on August 13, 2018 upto the conclusion of the 34th (Thirty Fourth) AGM. Therefore, the approval of the Members for continuance of their appointment at this AGM is not being sought. The Statutory Auditor's Report on the Financial Statements for the Financial Year ended on March 31, 2019 does not contain any qualification, reservation, adverse remark or disclaimer.

Cost Auditors

M/s. R. Nanabhoy & Co., Cost Accountants, Mumbai (Firm Registration No.: 000010) were appointed by the Board of Directors as the Cost Auditors of the Company for all the applicable products pursuant to the provisions of Section 148 of the Companies Act, 2013 and the Companies (Cost Records and

Audit) Rules, 2014, for the Financial Year 2018-19. They are required to submit the report within 180 (One Hundred and Eighty) days from the end of the accounting year.

Further, upon recommendation of the Audit Committee, the Board of Directors at their Meetings held on May 13, 2019 have approved re-appointment of M/s. R. Nanabhoy & Co., Cost Accountants, being eligible, as the Cost Auditors of the Company for the Financial Year 2019-20 at a remuneration of ₹ 3,04,000/- (Rupees Three Lakh Four Thousand Only) plus applicable taxes and out of pocket expenses, subject to ratification of the said remuneration by the Members at the ensuing 31st (Thirty First) Annual General Meeting pursuant to Section 148 of the Companies Act, 2013.

The Company has maintained the necessary accounts and records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 pertaining to Cost Audit.

Secretarial Auditors

Pursuant to provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company's Board of Directors had appointed M/s. A. N. Ramani & Co., Practicing Company Secretaries (Certificate of Practice No. 9577), to conduct Secretarial Audit of the Company for the Financial Year 2018-19.

The Secretarial Audit Report issued by M/s. A. N. Ramani & Co., Secretarial Auditors for the Financial Year ended March 31, 2019 is annexed herewith marked as '**Annexure D**' to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Vigil Mechanism / Whistle Blower Policy

Your Company is focused to ensure that integrity and ethics continue to be the bedrock of its corporate operations. It is committed to conducting its business in accordance with the highest standards of professionalism and ethical behavior.

Your Company has a vigil mechanism named Whistle Blower Policy to deal with instance of fraud and mismanagement, if any. This initiative was taken to encourage employees to report irregularities in operations, besides complying with the statutory requirements under Companies Act, 2013. All employees of the Company can avail this mechanism. If the whistle blower is not satisfied with the actions taken, necessary steps to escalate the same can be taken. Through the process, the mechanism considers and extends complete protection to the whistle blower and direct access to the Chairman of the Audit Committee in appropriate or exceptional cases.

Committees of Board of Directors

Audit Committee

Pursuant to the provisions of Section 177(8) of the Companies Act, 2013, Rule 6 of the Companies (Meetings of Board & its Powers) Rules, 2014 and Regulation 18 read with Part C of Schedule II of the Listing Regulations, your Company has constituted an Audit Committee of the Board of Directors.

The composition of the Audit Committee during the Financial Year 2018-19 was as under:

Name of the Member	Designation
Mr. Kersi Dastur	Chairman (Independent Director)
Mr. Saleem Ahmadullah	Member (Independent Director)
Mr. Kavas Petigara	Member (Independent Director)
Mr. Amit Choudhury	Member (Independent Director)

The Statutory Auditors, Internal Auditors and Chief Financial Officer attend the Audit Committee Meetings as invitees. The Company Secretary and Compliance Officer acts as Secretary to the Audit Committee. All observations and recommendations made by the Audit Committee to the Board of Directors, were duly noted and accepted by the Board.

There were 4 (Four) Meetings of the Audit Committee held during the Financial Year 2018-19 (i.e., May 23, 2018, August 13, 2018, November 12, 2018 and February 13, 2019).

Risk Management Committee

Pursuant to the provisions of Regulation 21 of Listing Regulations, your Company has constituted a Risk Management Committee of the Board of Directors.

The composition of the Risk Management Committee during the Financial Year 2018-19 was as under:

Name of the Member	Designation
Mr. Nadir Godrej	Chairman (Managing Director)
Ms. Tanya Dubash	Member (Executive Director & Chief Brand Officer)
Mr. Nitin Nabar	Member (Executive Director & President Chemicals)

There were 4 (Four) Meetings of the Risk Management Committee held during the Financial Year 2018-19 (i.e., May 10, 2018, July 9, 2018, November 1, 2018 and January 29, 2019).

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

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

Your Company is committed to creating and maintaining an atmosphere in which employees can

work together without fear of sexual harassment, exploitation or intimidation. The Board of Directors of your Company has constituted Internal Complaints Committees (ICCs) at Head Office as well as regional levels pursuant to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules framed thereunder.

The Company has formulated and circulated to all the employees, a policy on prevention of sexual harassment at workplace, which provides for a proper mechanism for redressal of complaints of sexual harassment. Since there were no complaints received by the ICCs during the calendar year 2018, the Committee filed a 'NIL' complaints report with the concerned authority(ies), in compliance with Section 22 of the aforementioned act.

Directors' Responsibility Statement

The Board of Directors have laid down Internal Financial Controls within the meaning of the explanation to Section 134(5)(e) ("IFC") of the Companies Act, 2013. The Board believes the Company has sound IFC commensurate with the nature and size of its business. Business is however dynamic. The Board is seized of the fact that IFC are not static and will evolve over time as the business, technology and possibly even fraud environment changes in response to competition, industry practices, legislation, regulation and current economic conditions. There might therefore be gaps in the IFC as Business evolves. Your Company has a process in place to continuously identify such gaps and implement newer and / or improved controls wherever the effect of such gaps might have a material effect on the Company's operations.

Pursuant to the provisions contained in sub-sections (3)(c) and (5) of Section 134 of the Companies Act, 2013, the Directors of your Company, based on the representation received from the Operating Management and after due enquiry confirm the following:

- In the preparation of the annual accounts for the Financial Year 2018-19, the applicable

accounting standards have been followed along with proper explanation relating to material departures, if any;

- b) The Directors have selected such accounting policies and applied consistently, and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year (i.e. March 31, 2019) and of the profit and loss of the Company for that period (i.e. the Financial Year 2018-19);
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company, for preventing and detecting fraud and other irregularities;
- d) The Directors have prepared the annual accounts for the Financial Year ended March 31, 2019 on a going concern basis;
- e) The Directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively; and
- f) The Directors have devised proper systems to ensure compliance of all laws applicable to the Company and such systems are adequate and operating effectively.

Corporate Governance

As required by the existing Regulation 34(3) read with Schedule V of the Listing Regulations, a detailed report on Corporate Governance is included in the Annual Report.

M/s. A. N. Ramani, Practicing Company Secretaries have certified the Company's compliance of the requirements of Corporate Governance in terms of Regulation 34(3) read with Schedule V of the Listing Regulations and their compliance certificate is annexed to the Report on Corporate Governance.

Conservation of Energy, Technology absorption and Foreign Exchange Earnings and Outgo

The information in respect of matters pertaining to conservation of energy, technology absorption and

foreign exchange earnings and outgo, as required under Section 134(3)(m) of the Companies Act, 2013 and Rule 8(3) of the Companies (Accounts) Rules, 2014 is appended as '**Annexure E**' to this Report.

Annual Return

In compliance with provisions of Section 134(3)(a) of the Companies Act, 2013, the Annual Return as per Section 92(3) of the Companies Act, 2013 has been hosted on the website of the Company, viz. www.godrejindustries.com.

Managerial Remuneration and Remuneration Particulars of Employees

The remuneration paid to Directors and Key Managerial Personnel and the employees of the Company during the Financial Year 2018-19 was in accordance with the Nomination and Remuneration Policy of the Company.

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been appended as '**Annexure F**' to this Report.

The information required pursuant to Section 197 of the Act read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of your Company is available for inspection by the Members at Registered Office of the Company during all days except Saturdays, Sundays and public holidays from 10.00 a.m. to 4.00 p.m. on working days upto the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary, at the Registered Office of the Company, whereupon a copy would be sent.

Material changes and commitments since the Financial Year end

There have been no material changes and

commitments affecting the financial position of the Company which have occurred between the March 31, 2019 and the date of this Boards' Report (i.e. May 13, 2019).

Fraud Reporting

There have been no instances of frauds reported by the Auditors under Section 143(12) of the Companies Act, 2013 and the Rules framed thereunder, either to the Company or to the Central Government.

Corporate Restructuring

(a) Scheme of Amalgamation of Vora Soaps Limited, erstwhile Holding Company with Godrej Industries Limited ("the Company")

The Hon'ble National Company Law Tribunal, Mumbai Bench had sanctioned the Scheme of Amalgamation of Vora Soaps Limited (VSL) with the Company vide its Order dated December 14, 2018. The said Scheme was made effective on December 24, 2018 post filing of the Order with Registrar of Companies. Pursuant to the Scheme, 19,39,04,681 Equity Shares have been allotted to Shareholders of VSL on January 14, 2019, and accordingly, 19,39,04,681 Equity Shares held by VSL in the Company were cancelled. Pursuant to this, VSL stands amalgamated with your Company. Post allotment / cancellation of Equity Shares, the Promoter Shareholding in the Company now stands at 61.33%.

(b) Scheme of Arrangement (Demerger) entered into between Ensemble Holdings & Finance Limited, Wholly Owned Subsidiary and Godrej Industries Limited ("the Company")

The Board of Directors of your Company approved the Scheme of Arrangement (Demerger) between Ensemble Holdings & Finance Limited, Wholly Owned Subsidiary and the Company and their respective Shareholders ('Scheme') at their Meeting held on February 13, 2019. The Scheme is subject to the approval of the Hon'ble National Company Law Tribunal ('NCLT'), shareholders and/ or creditors and such other competent authority as may be directed by the Hon'ble NCLT. Accordingly, the Scheme has been filed with the Stock Exchanges and the company will proceed with other necessary formalities in this regard.

Policies of the Company

Listing Regulations have mandated the formulation of certain policies for all listed companies. As per provisions of Listing Regulations, certain Policies are hosted on the Company's website viz; www.godrejindustries.com.

The key policies that have been adopted by the Company pursuant to the provisions of the Companies Act, 2013 and the Rules framed thereunder, the Listing Regulations and other applicable laws are as follows:

Name of the Policy	Brief Particulars of the Policy
Risk Management Policy	The Company has in place, a Risk Management Policy which is framed by the Board of Directors of the Company. This Policy deals with identifying and assessing risks such as operational, strategic, financial, security, property, regulatory, reputational and other risks and the Company has in place an adequate Risk Management infrastructure capable of addressing these risks.
Corporate Social Responsibility Policy	The Corporate Social Responsibility (CSR) Committee has formulated and recommended to the Board and the Board has approved a Corporate Social Responsibility Policy (CSR Policy), which outlines the Company's strategy to bring about a positive impact on society through various CSR activities and programmes.
Policy for determining Material Subsidiaries	This Policy is used to determine the material subsidiaries and material non-listed Indian subsidiaries of the Company in order to comply with the requirements of Regulation 16(1)(c) and Regulation 24 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has the following Material Subsidiaries as on March 31, 2019: 1) Godrej Properties Limited (Listed Subsidiary) 2) Godrej Agrovet Limited (Listed Subsidiary)

Name of the Policy	Brief Particulars of the Policy
Nomination and Remuneration Policy	This Policy formulates the criteria for determining qualifications, competencies, positive attributes and independence of a Director (Executive / Non-Executive) and also the criteria for determining the remuneration of the Directors, Key Managerial Personnel and other Senior Management Employees.
Whistle Blower Policy / Vigil Mechanism	Your Company has a Vigil Mechanism / Whistle Blower Policy which provides adequate safeguards against victimization of persons who use Whistle Blower mechanism and make provision for direct access to the Chairman of the Audit Committee, in appropriate or exceptional cases.
Policy on Prevention of Sexual Harassment at Workplace	Your Company has in place, a Policy on Prevention of Sexual Harassment at Workplace, which provides for a proper mechanism for redressal of complaints of sexual harassment and thereby encourages employees to work together without fear of sexual harassment, exploitation or intimidation.
Policy on Materiality of Related Party Transaction and dealing with Related Party Transaction	This Policy regulates all transactions between the Company and its Related Parties.
Code of Conduct for the Board of Directors and Senior Management Personnel	Your Company has in place, a Code of Conduct for the Board of Directors and Senior Management Personnel which reflects the legal and ethical values to which your Company is strongly committed.
Code of Conduct for Insider Trading	This Policy sets up an appropriate mechanism to curb Insider Trading in accordance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
Policy on Criteria for determining Materiality of Events	This Policy applies to disclosures of material events affecting the Company. This Policy warrants disclosure to investors and has been framed in compliance with the requirements of Regulation 30 of the Listing Regulations.

Policy for Maintenance and Preservation of Documents	The purpose of this Policy is to specify the type of documents and time period for preservation thereof based on the classification mentioned under Regulation 9 of the Listing Regulations. This Policy covers all business records of the Company, including written, printed and recorded matter and electronic forms of records.
Archival Policy	This Policy is framed pursuant to the provisions of the Listing Regulations. As per this Policy, your Company is required to disclose on its website, all such events or information which have been disclosed to the Stock Exchanges where the securities of the Company are listed. Further, such disclosures shall be hosted on the website of the Company for a minimum period of 5 (five) years and thereafter as per Archival Policy of the Company.
Dividend Distribution Policy	This Policy is framed by the Board of Directors in terms of the Listing Regulations. The focus of the Company is to have a Policy on distribution of dividend so that the investor may know as to when and how much dividend they may expect.

Disclosures as per the Companies (Accounts) Rules, 2014

Change in nature of business, if any	None
Names of Companies which have become or have ceased to be its Subsidiaries, Joint Ventures or Associate Companies during the Financial Year 2018-19	None
Details of Significant and Material Orders passed by the Regulators or Courts or Tribunals, impacting the going concern status and the Company's operations in future	During the Financial Year 2018-19, there were no significant and material orders passed by the regulators or Courts or Tribunals which can adversely impact the going concern status of the Company and its operations in future

Secretarial Standards

Your Company is in compliance with the Secretarial Standards on Meetings of the Board of Directors (SS- 1) and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI).

Transfer to Investor Education and Protection Fund

In terms of the provisions of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, ₹ 6,84,338/- (Rupees Six Lakh Eighty Four Thousand Three Hundred Thirty Eight Only) unpaid / unclaimed dividends were transferred during the Financial Year 2018-19 to the Investor Education and Protection Fund (IEPF).

The Company has appointed a Nodal Officer under the provisions of IEPF, the details of which are available on the website of the Company. The same can be accessed on www.godrejindustries.com.

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on August 13, 2018 (date of last AGM) on the Company's website which can be accessed on www.godrejindustries.com and of the Ministry of Corporate Affairs website at www.iepf.gov.in.

Depository System

Your Company's Equity Shares are available for dematerialization through National Securities Depository Limited and Central Depository Services (India) Limited. As of March 31, 2019, 99.87% of the Equity Shares of your Company were held in demat form.

Listing

The Equity Shares of your Company are listed at the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). The applicable annual listing fees have been paid to the Stock Exchanges before the due dates.

The Equity Shares of your Company were not suspended from trading on BSE and NSE at any point of time during the Financial Year 2018-19.

Additional Information

The additional information required to be given under the Companies Act, 2013 and the Rules framed thereunder, has been laid out in the Notes attached to and forming part of the Accounts. The Notes to the Accounts referred to the Auditors' Report are self-explanatory and therefore do not call for any further explanation.

The Consolidated Financial Statements of your Company form a part of this Annual Report. Accordingly, this Annual Report of your Company does not contain the Financial Statements of its Subsidiaries. The Audited Annual Accounts and related information of the Company's Subsidiaries will be made available upon request. These documents will also be available for inspection during all days except Saturdays, Sundays and public holidays during business hours at the Company's Registered Office. The Subsidiary Companies' documents are also available on the Company's website, viz., www.godrejindustries.com.

Acknowledgement

Your Directors thank the Union Government, the Governments of Maharashtra and Gujarat as also all the Government Agencies, Banks, Financial Institutions, Shareholders, Customers, Fixed Deposit Holders, Vendors and other Business Associates, who, through their continued support and co-operation, have helped as partners in your Company's progress. Your Directors also express their warm appreciation to all the employees of the Company for their unstinted commitment and continued contribution to the growth of the Company.

For and on behalf of the Board of Directors of Godrej Industries Limited

Adi Godrej
Chairman
(DIN: 00065964)

Mumbai, May 13, 2019



Dividend Distribution Policy of Godrej Industries Limited

1. Background and applicability

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations") require the top 500 listed companies (by market capitalisation) to disclose a Dividend Distribution Policy in the annual report and on the corporate website.

The Board of Directors ("Board") of Godrej Industries Limited ("Company") has adopted this Dividend Distribution Policy to comply with these requirements.

Presently, the Authorised Capital of the Company is ₹ 180,00,00,000/- (Rupees one Hundred Eighty Crore) divided into 80,00,00,000 (Eighty Crore) Equity Shares of ₹ 1/- (Rupee One) each and 10,00,00,000 (Ten Crore) Unclassified Shares of ₹ 10/- each. At present, the issued and paid-up share capital of the Company comprises only equity shares. The policy is subject to review if and when the Company issues different classes of shares.

2. Dividend distribution philosophy

The Company is deeply committed in value creation for all its stakeholders. The focus will continue to be on long term value creation. Accordingly, the Board would continue to adopt a progressive and dynamic dividend policy, ensuring the immediate as well as long term needs of the business.

3. Dividend

Dividend represents the profit of the Company, which is distributed to shareholders in proportion to the amount paid-up on shares they hold. Dividend includes Interim Dividend.

4. Circumstances under which shareholders can expect Dividend

The Board will assess the Company's financial requirements, including present and future investment opportunities and other relevant factors (as mentioned elsewhere in this policy) and declare Dividend in any Financial Year.

The Dividend for any Financial Year shall normally be paid out of the Company profits for that year. This will be arrived at after providing for depreciation in accordance with the provisions of the Companies Act, 2013 (the Act). If circumstances require, the Board may also declare dividend out of accumulated profits of any previous Financial Year(s) in accordance with provisions of the Act and Regulations, as applicable.

5. Interim and Final Dividend

The Board may declare one or more Interim Dividends during the year. Additionally, the Board may recommend Final Dividend for the approval of the shareholders at the Annual General Meeting. The date of the Board meeting in which the Dividend proposal will be considered, will be provided to the stock exchanges, as required by Listing Regulations.

6. Financial parameters and other internal and external factors that would be considered for declaration of Dividend:

- Distributable surplus available as per the Act and Regulations
- The Company's liquidity position and future cash flow needs
- Track record of Dividends distributed by the Company
- Prevailing Taxation Policy or any amendments expected thereof, with respect to Dividend distribution
- Capital expenditure and Investment requirements
- Cost and availability of alternative sources of financing
- Stipulations/ Covenants of loan agreements
- Macroeconomic and business conditions in general
- Any other relevant factors that the Board may deem fit to consider before declaring Dividend

7. Utilisation of retained earnings

Subject to applicable regulations, the Company's retained earnings shall be applied for:

- Funding growth needs including working capital, capital expenditure, repayment of debt, etc.
- Payment of Dividend in future years
- Issue of Bonus shares/ Buyback etc.
- Any other permissible purpose

8. Modification of the Policy

The Board is authorised to change/amend this policy from time to time at its sole discretion and/or in pursuance of any amendments made in the Companies Act, 2013, the Regulations, etc.

9. Disclaimer

This document does not solicit investments in the Company's securities. Nor is it an assurance of guaranteed returns (in any form), for investments in the Company's equity shares.



MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The highlights of overall performance are as follows:

	₹ Crore	
Particulars	2018-19	2017-18
Revenue from Operations	2,143.99	1,986.32
Total Income	1,941.99	2,287.40
Total Income*	2,185.78	2,020.02
Profit / (Loss) Before Taxation*	152.99	(10.50)
Profit / (Loss) After Current Taxation*	152.99	(24.10)
Profit / (Loss) After Current & Deferred Taxation*	153.06	(25.87)
Profit / (Loss) After Current & Deferred Taxation	(90.73)	241.51
Earnings per Equity Share (₹) - Basic	(2.70)	7.18
Earnings per Equity Share (₹) - Diluted	(2.70)	7.18

Profitability ratios are as follows:		
PBDIT/Total Income*	20%	13%
PBIT/Total Income*	18%	10%
PBT/Total Income*	7%	(1%)
PAT/Total Income	(5%)	11%
Return on Net Worth	(5%)	14%

The Financial risk ratios are as follows:		
Net Debt / Equity	1.64	1.45
Debtors Turnover (Number of Days)	29.9	24.5
Inventory Turnover	61	61
Current Ratio	1.15	1.20
Interest Coverage	1.78	2.37
*Without Exceptional Item		

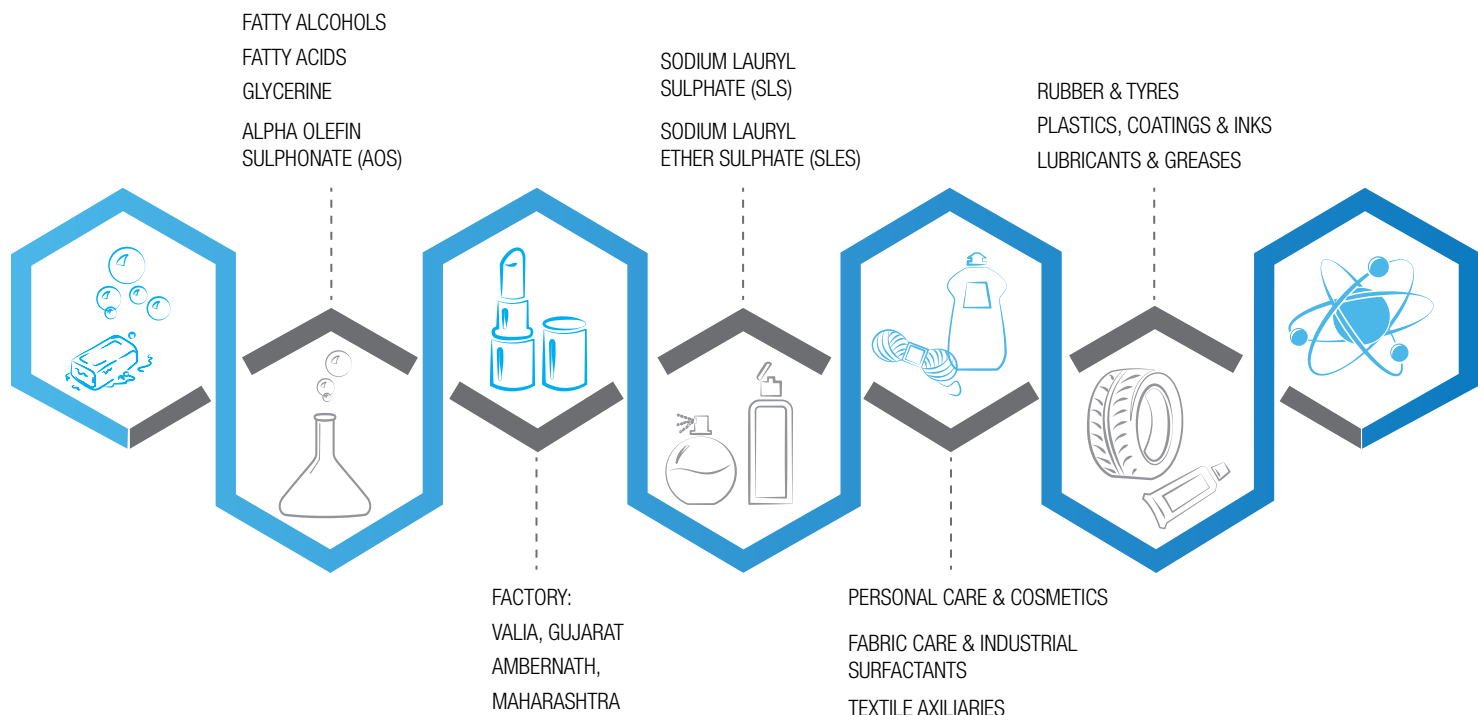
Operating margin has improved from 10% to 18%. This is mainly due to improvement in the Chemical Business margins and higher dividend received in FY 18-19.

Net profit margin for FY18-19 is impacted due to the one-off exceptional item of ₹ 243.79 crore being impairment on an investment in a subsidiary (the excess of its carrying amount over the estimated recoverable amount considering its business outlook).

Return on Net worth is also impacted due to the one-off exceptional item of ₹ 243.79 crore.

OUR CHEMICALS HELP
MAKE LIFE BEAUTIFUL





CHEMICALS DIVISION

The Chemicals division is one of India's leading manufacturers of basic oleo-chemicals, surfactants and derivatives of oleo-chemicals. The division has a blend of domestic and international operations and is one of the leading suppliers in the Indian market. The division achieved export turnover of ₹ 534 crore in this fiscal, accounting for about 32% of its turnover.

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

The Chemical division in FY18-19 had a healthy growth of 47% in operating profits.

The product category-wise review follows:

Fatty Acids

The Fatty Acids portfolio, comprising stearic acid, oleic acid, as well as value-added fatty acids, accounted for about 41% of the turnover of the division. The division plans to enhance the sales of its value-added fatty acids in the domestic as well as export markets.

Fatty Alcohol

Fatty alcohol contributed 28% to turnover of this division. A good portion of the revenues for this category comes from exports. The division is also expanding the product basket by focusing on value-added fatty alcohol and also long chain alcohol.

Surfactants

Surfactants contributed 22% to the turnover of the division.

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

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

Glycerin

Glycerin accounted for 9% of the turnover of this division. Being largely a co-product, additional sales are mostly opportunistic, depending on market conditions. With the help of R&D, the division is now manufacturing value added glycerin products.

Other Initiatives

Your company continues to focus on use of renewable energy. In FY 2018-19 more than 42% of the total energy was consumed through renewable sources. We achieved this through use of biomass briquettes, Solar roof top and other initiatives.

Our Valia (Gujarat) factory has reduced its specific energy consumption by 27% since 2011. The Valia factory has been recognized and been awarded by CII with the 'Energy Efficient Unit'.

Outlook

The outlook for the coming year 2019-20 is good for the value-added fatty acids at this point in time. International demand is showing signs of improvement and procurement of indigenous raw material will be an edge over overseas competition.

Overall, we expect stronger demand in FY2019-20.

Finance and Investments

During the year, your company continued to earn return from its investments in the form of Dividend of ₹ 342 crore (previous year ₹ 199 crore).

Your company invested ₹ 76.6 crore in Natures Basket Limited and also invested ₹ 20.2 crore in Godrej Properties Ltd & ₹ 14.8 crore in Godrej Agrovet Ltd by purchasing shares from the secondary market. We have also provided an impairment loss of ₹ 243.79 crore on an investment in a subsidiary being the excess of its carrying amount over the estimated recoverable amount considering its business outlook.

Veg Oils

The veg oils business started direct sales of edible Oils under 'Godrej Brand' in bulk and consumer packs from September, 2015. The business clocked a revenue of ₹ 114 crore and has a reach of 8000+ retail outlets in Mumbai Metropolitan Region (MMR) and 2000+ retail outlets in Western Maharashtra and Goa. The products of this business have been well received in the market. While the Bulk Pack business has been stable, consumer pack business recorded a steady growth.



**REFINED SUNFLOWER OIL • REFINED GROUNDNUT OIL • FILTERED GROUNDNUT OIL
REFINED PALMOLEIN OIL • REFINED RICE BRAN OIL • VANASPATI • SESAME OIL**



Human Resource Development and Industrial Relations

Industrial relations at all plant locations remained harmonious.

The total number of persons employed in your Company as on March 31, 2019 were 1,123.

Policy to Prevent Sexual Harassment at the work place

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

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

No complaints were received by the committee during the year under review. Since the number of complaints filed during the year was NIL, the Committee prepared a NIL complaints report. This is in compliance with Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Internal Control Systems and their Adequacy

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

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

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

Information Security

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

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

Opportunities and Threats

The improved global demand situation in the product categories that we operate in provides an opportunity to grow our revenues. The political scenario in the coming year in view of the general elections and later on the State elections could impact the economic environment/economic policies.



Risks and Concerns

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

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

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

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

Cautionary Statement

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

Valia Plant



BUSINESS RESPONSIBILITY REPORT



SUSTAINABILITY EFFORTS BY THE GODREJ GROUP

The Godrej Group has been at the forefront of philanthropic and social activities for several decades. Through investment and oversight by the trust, a large tract of mangrove forests in Mumbai have been protected, developed, and maintained for several years and serve as a second set of lungs for the city. The Godrej Group has continually supported education and supports the Udayachal pre-primary and primary schools, which focus on the all-round development of children. The Udayachal high school has been accredited with the International School Award in recognition of

the school incorporating global education into its curriculum and innovation into classroom teaching.

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

SUSTAINABILITY IN GODREJ'S CORE VISION



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

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



Ensuring Employability

Train 1 million rural and urban youth in skilled employment



Creating a Greener India

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



Innovating for Good & Green Products

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

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

ACTUALIZING THE VISION

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

At our Valia factory, in response to the need from the community, we trained 50+ girls and women from Kanerao village in tailoring and sewing skills to help them augment their income. Our NGO partner is now providing women regular job work so that they can earn a steady income month on month. We implemented projects to reduce our specific energy consumption by installing heat pipes (heat recovery system) and increased our renewable energy portfolio by moving from a furnace oil-based boiler to a briquette boiler.

GIL has installed their fifth briquette boiler at its Ambernath factory. This is going to further reduce our dependency on Natural Gas. The project will aid in increasing our renewable energy portfolio by 6-8% while reducing greenhouse gas emissions at the same rate.



Valia team supported training of 50+ women and young girls of Kanerao village and helped them earn an income



Briquette boiler at Ambernath factory

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

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

Godrej Family members are the Promoters of the Company and the shareholding of promoter/promoter group constitutes 61.33% of the paid up capital of the Company as at March 31, 2019.

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

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

- The company operates from its factories at the following locations:
 - o Ambernath, Maharashtra
 - o Valia, Gujarat
 - o Wadala, Maharashtra
 - o Dombivali, Maharashtra
- The company has spread its wings both in the domestic and international market.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

FY 2018-19	Amount (₹ crore)
Paid up Capital	33.64
Total Income	1,942
Net Profit / (Loss)	(90.8)
Total Spending on Corporate Social Responsibility (CSR) as a % of average Net Profit after Tax of the last 3 years.	N.A
Market capitalization (as on March 31, 2019)	18,032

SECTION C: OTHER DETAILS

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

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

SECTION D: BR INFORMATION

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

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

The CSR Policy made in accordance with the CSR guidelines focuses on addressing critical social, environmental and economic needs of the marginalized/underprivileged sections of the society. Through this policy, we align our CSR strategy with the Godrej group's Good &

Green vision and goals. We adopt an approach that integrates the solutions to these problems into the strategies of the company to benefit the communities at large and create social and environmental impact.

The Committee met once during the Financial Year 2018-19 to assess the CSR Requirement of the Company. CSR Requirements as per Section 135 of the Companies Act, 2013 is NIL for the current year. Consequently, no business responsibility initiatives undertaken by the company have been tagged and reported as CSR spends.

The CSR Committee comprises of the following members:

Name of the Director	Designation	DIN Number
Mr. Nadir Godrej	Managing Director	00066195
Ms. Tanya Dubash	Executive Director & Chief Brand Officer	00026028
Mr. Kavas Petigara	Director	00066162
Mr. Amit Choudhury	Director	00557547

1 (b) Details of Business Responsibility Head

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

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

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

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

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

3(a) The Board of Directors of the company assesses various initiatives forming part of the BR performance of the company at least once a year.

3(b) The Company publishes the information on BR in the Annual Report of the Company. The hyperlink to view the Annual Report is: www.godrejindustries.com

SECTION E: PRINCIPLE - WISE PERFORMANCE BY GODREJ INDUSTRIES LIMITED

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

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

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

Organization Structure

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

They monitor and provide direction to the senior



leadership team. This ensures greater focus on specific aspects of Corporate Governance and expeditious resolution of issues of governance as and when they arise. These Committees have clearly defined areas of operation and they operate as empowered by the Board.

Code of Conduct

The Board of Directors and Senior Management of the Company comply with the Code of Conduct. An annual confirmation affirming compliance

with the code of conduct is obtained from Board Members and senior management every year and the same has been obtained for the year ended March 2019.

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

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

57 stakeholder complaints were received in the past Financial Year and all such complaints were duly addressed by the management.

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

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

At GIL, we have a strong focus on R&D that includes delivering premium quality products from alternate raw materials that have a low environmental impact, through an eco-friendly manufacturing process. We have recently introduced Bio-surfactants in our product portfolio that involves green chemistry with low carbon footprint. This product has an edge over chemical surfactants because of its unique characteristics such as high biodegradability, better environmental capability,

lower toxicity, selectivity and specific activity at extreme pH and salinity. It further demonstrates unique behavior like being 5-10 times more surface active and dual characteristics like detergency and antimicrobial activity.

Principle 3: Promoting the well-being of all employees

The total number of persons employed in your Company as on March 31, 2019 is 1,123. We have made concerted efforts towards creating learning and development opportunities that continually enhance the value of our team members in line with the organisational objectives.

We focus on ensuring well-being of all our employees. Safety and health of our team members is extremely important to us and we are committed to building and maintaining a safe and healthy workplace. The following are essential parts of the Code of Conduct.

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

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

Diversity and equal opportunities

We value diversity within the Godrej Group and are committed to offering equal opportunities in employment. We do not discriminate against any team member or applicant for employment on the basis of nationality, race, colour, religion, caste, gender, gender identity/ expression, sexual orientation, disability, age, or marital status and always allow for equal opportunities for all team members. We are proud to share that out of the total employee count of 1,123, the number of permanent female employees is 102.

Diversity & Inclusion initiatives are taken care of at the corporate level by the Diversity & Inclusion Department, and is supported by the Diversity Council comprising of business leaders and HR representatives from across businesses in the GILAC group.

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

- **Godrej Careers 2.0:**

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

- **Diversity Sensitization workshops:**

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

- **Policy for prevention of sexual harassment:**

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

Ms. Shefali Kohli is the Presiding Officer for both the Committees

All employees go through mandatory training on Prevention of Sexual Harassment.

- **Health Check-up:**

The Company has initiated a policy for health checkup of employees who are above the age of 40 years, wherein they can have the health checkup done at designated hospitals, once in every year.

Good Working Environment

- **Progressive Human Resource policies:**

Your Company prides itself as a great place to work, a fact recognized and acknowledged externally as well. HR policies like flexible working hours, work from home arrangements, part-time work, leave and benefits, adoption leave and benefits, extended maternity leave and benefits, paternity leave and benefits – to name a few – go a long way in ensuring that the employees successfully strike a work-life balance.

- **Engagement Forums:**

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

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

Health & Safety

- **On-campus:**

We have canteen facility, where food and refreshments are provided to ensure that hygienic and healthy food is available at the premises.

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

GIL, Wadala team celebrated Road Safety Week in January 2019. During the year it also conducted various programs to motivate employees in terms of safety.



GIL, Valia also celebrated Road Safety, National Safety & Fire Safety week. The safety week sessions created awareness on several safety aspects including safety of men & machine as well as concerns for the environment.



Our Corporate Office hosted the Road Safety week campaign to create and enhance general safety awareness in February 2019. Theme of the campaign was “SADAK SURAKSHA JEEVAN RAKSHA”. By this campaign, we have conducted various activities to engage employees to understand the importance of Road Safety.

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

We at Godrej Industries have identified and prioritised our key stakeholders on the basis of their influence on our operations and also our impact on them. We continue our engagement with them through various mechanisms such as, consultations with local communities, supplier/ vendor meets, customer/ employee satisfaction surveys, investor forums, etc.

As a responsible business, we work closely with our communities to understand their needs and build synergies. In the past years, we carried out a detailed community needs assessment of villages around our Valia and Ambernath factories. We invited an external agency to carry out the assessment. The team followed a three-step approach, where they connected with our Factory and Corporate Offices, held extensive field-based assessments, backed by thorough secondary research to validate key facts and add on additional information available from official sources. The result is a comprehensive report of the community, their needs, gaps in the system and our way forward.

We have streamlined our activities on the basis of the community needs, the United Nation's Sustainable Development Goals, and national priorities to implement high impact programmes.

Community Development Initiatives

At Valia, we work closely with our neighbouring

village Kanerao. As part of our community engagement initiative, our team realised that Below Poverty Line (BPL) families were struggling to survive with a limited income source. We brought together the members of these families to find a solution. The women and young girls expressed interest in learning tailoring as a means to earn additional income for themselves and their families. We therefore identified 50+ women and young girls who had dropped-out from school. We engaged an NGO to train them in tailoring skills (pattern design, cutting, sewing and tailoring), and further helped them get job work every month in order to boost their income. All trainees have successfully completed the training and are engaged in various work assignments. Further, some have expressed interest in buying a sewing machine and becoming entrepreneurs. The NGO is now helping them with the same and our team is monitoring closely to ensure continuity and growth in the programme.

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

As part of the employee referral policy, referrals of Scheduled Class/Scheduled Tribe/Physically Challenged candidates are offered higher referral amounts than that offered to the general category candidates.



As part of the Godrej Global Volunteering day, over 140 of our team members volunteered at local schools in Mumbai, Valia and Ambarnath to help children explore their dreams and aspirations. In Mumbai, we took a step further and hosted our first Live Out Your Dreams (LOUD) for Kids – an interschool competition to help children discover and articulate their passion and win a grant towards fulfilling it. We selected nine young dreamers to live out their dreams over the course of the year. We also provided regular assistance to the Primary School, Kanerao. We distributed school supplies to students at the start of the year and also supported their sports day activities.

Our Good & Green vision inspires each one of us at Godrej Industries to continue to work towards building a brighter, greener and more inclusive India. We encourage our team members to donate and fundraise for meaningful causes. Some of our employees ran the Tata Mumbai Marathon in January 2019 in support of Teach for India by spreading awareness about the movement and also raising funds.

Principle 5: Businesses should respect and promote human rights

Godrej Industries respects and promotes human rights for all individuals. We have a human rights policy which encapsulates our approach to human rights and action towards any violations. Our Code of Conduct covers aspects like Diversity, Anti-Discrimination, equal opportunity, compliance with the law and integrity which all contribute to respecting and promoting human rights. We also have policies like Whistleblower, Prevention of Sexual Harassment that encourage respect and promotion of human rights. Any violation of the Code of Conduct can result in stern disciplinary action including termination of employment and / or other appropriate actions as permissible under the law. The Company encourages its Business Partners to follow the policy.

No violations in this regard have occurred.

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

Godrej as a group believes in conserving the various resources of mother earth. As part of its Good & Green vision there is a specific commitment at Godrej group to create a “Greener India”. The details of our strategy is available at:

<http://www.godrej.com/good-and-green.html>

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

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

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

Our business has undertaken various initiatives towards:

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

Reducing specific energy consumption

Our efforts for energy conservation have resulted in reducing our specific energy consumption. In the last eight years, we reduced our specific energy by 28% from baseline of FY11. Our Valia and Ambernath factories have adopted various energy conservation technologies and implemented short-term and long-term projects to achieve our targets. Some of the major

initiatives we undertook during FY 2018-19 are:

- We identified high-energy consumption equipments and replaced them with cost effective energy efficient equipments.
- We monitored the operations and optimised use of pumps, compressors, motors and cooling tower operations.
- We installed blowers in the boilers which increases the efficiency of the boilers.

Increasing our renewable energy portfolio

Increasing use of renewable energy by 30%

Our renewable energy usage as a percentage of overall energy used has increased substantially over the years. In FY 2018-19, more than 46% of the total energy we consumed was from renewable sources. We achieved this through use of biomass briquettes, solar energy consumption, and other such initiatives.

We have solar roof top panels at both the manufacturing locations.

Our Ambernath factory recently converted its NG boiler to a briquette boiler. This initiative has helped to achieve renewable energy portfolio of 46%.

Becoming carbon neutral and water positive

Reducing carbon footprint through manufacturing processes (at our manufacturing Factories in Valia and Ambernath)

Our specific GHG emission has reduced substantially by 40% from our baseline in FY11. We achieved this through various environment friendly projects such as, replacing of fossil fuel with biomass for boilers, installing solar root tops.

We have also shifted some of our transport from roadways to railways and minimised the distance of travel. We continue to drive a relentless focus on optimising the distance of travel, increasing

loading ability of our products and enhance truck utilisation to reduce GHG emission.

Water Conservation through wastewater treatment plant

Since FY11 we have reduced our specific water consumption by 42%. We treat waste water in our water treatment plants and reuse the same in our process. We have also reduced our dependency on raw water consumption by installing condensate recovery systems that recovers the condensate and reuses it in the process.

This year, Our Valia factory commissioned the fourth stage of its reverse osmosis plant, now with a capacity of 20m³/hour. The treated water will be used in boilers, reducing the need for fresh water.

Reducing waste to landfill

Our specific waste to landfill has reduced by 67% from our baseline in FY11. We segregate biological and chemical sludge from ETP. This has reduced the amount of waste going to landfill substantially. Biological sludge is converted into compost and used in gardening.

Further, we have drastically reduced our ETP sludge quantity by reducing quantity of effluent generation through various in-house initiatives.

Awards & Accolades

1. This year, our Valia Factory was awarded 'GreenCo Gold' under the Green Company Rating System by CII. This is a move up from our previous rating of silver. The award recognises the continued efforts towards conserving resources and raising the bar high for the industry at large.
2. For the fourth year in a row, our Valia Factory was granted the 'Energy Efficient Unit' award by CII. This award recognises the efforts of reducing the specific energy consumption by 28% since 2011.
3. This year, our Ambarnath Factory received the new ISO standard for safety, i.e. ISO 45001:2018. This new certification will help us improve productivity and enhance customer satisfaction. Our Factory is one amongst the first in India to receive this ISO certification for safety management and will help in achieving our overall safety goals.



Valia plant was awarded 'GreenCo Gold' under the Green Company Rating System by the CII



Valia Factory was granted the 'Energy Efficient Unit'

Environment day Celebration and Green Conference:

To mark the occasion of World Environment Day on 5th June, our team also carried out a plantation drive. We planted over 3,500 plants to contribute towards saving the environment.

At our corporate office, we organised the first Green Conference on January 22, 2019. We invited all Green champions at our Corporate office, conducted trainings on “Steam Systems and Energy conservation opportunities at Factories”, organized “Green Quiz” and Recognized green champions for the projects they have identified during “Energy conservation week celebration.” We also had sessions on “Cross business learnings”. Over 55 of our Factory team members participated and this helped us further renew our commitment to environmental sustainability.

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

For any policy advocacy, Godrej Industries ensures that it does so with the highest degree of responsible and ethical behaviour and also

works with collective platforms such as trade and industry chambers and associations.

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

Principle 8: Businesses should support inclusive growth and equitable development

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

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

In FY18-19, the Godrej Group has trained over 130,000 people in skills that will enhance their earning potential. Since the inception of the programme, the Group has trained over 500,000 people. The Good & Green team also undertakes impact assessments for the skill development initiatives it has undertaken.

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

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

continue to invest significantly in R&D to develop newer products or variants to suit the needs of the customers.

Our Valia Factory which operates on Distributed Control System is ISO 9001 & ISO 14001 certified and has been Kosher certified for manufacturing Fatty Acids, Fatty Alcohols and Glycerin and is well equipped to deliver the products of superior quality, in time and at competitive price.

GIL displays adequate information to enable safe and effective usage of its products. Godrej is a member of the fatty alcohol consortium which was formed as per ECHA/REACH guidelines.

REACH stands for Regulation for Evaluation, Authorization & Registration of all substances entering into Europe. As per REACH and GHS requirement we have developed MSDS where all the characteristics of the product are clearly stated with instructions how to handle and use the product safely.





Form No MR – 3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

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

To,
The Members,
Godrej Industries Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Godrej Industries Limited (hereinafter called the ‘Company’). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company as well as the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner reported and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’) wherever applicable:-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Share based Employee Benefit) Regulations, 2014;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / the Listing Agreements entered into by the Company with BSE Limited and The National Stock Exchange of India Limited.

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

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

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

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

We further report that

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

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

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

We further report that there are adequate systems and processes in the Company, commensurate with the size and operations of the Company, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has:

1. at the meeting of Board of Directors, approved scheme of arrangement (demerger) of the investment business of Ensemble Holdings and Finance Limited (a subsidiary of the company) into the Company.
2. amalgamated Vora Soaps Limited with the Company and issued 19,39,04,681 Equity shares of ₹ 1/- each to the erstwhile shareholders of Vora Soaps Limited.
3. issued shares upon exercise under Employee Stock Grant Scheme, 2011.
4. passed special resolutions for waiver of excess payment of remuneration to Whole Time Directors for the Financial Years 2016-17 and 2017-18, as per provisions of Section 197 read with Schedule V to the Companies Act, 2013.
5. paid remuneration to Whole Time Directors for the Financial Year 2018-19, which is in excess of the limits prescribed under Section 197 read with Schedule V of the Companies Act, 2013, and the same is subject to approval of Shareholders.
6. passed special resolution for creation of charge under section 180(1)(a) of Companies Act, 2013 upto ₹ 300 Crores

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

Place: - Thane

Date: - May 13, 2019

Bhavana Shewakramani
Partner
FCS - 8636, COP -9577

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

‘Annexure A’

To,
The Members
Godrej Industries Limited

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

1. Maintenance of Statutory and other records are the responsibility of the management of the company. Our responsibility is to express an opinion on these records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurances about the correctness of the contents of the records. The verification was done on test basis to ensure that correct facts are reflected in records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of the financial records and books of Accounts of the company. We have relied on the report of the Statutory Auditor in respect of the same as per the guidance of the Institute of Company Secretaries of India.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Company is following a system of obtaining reports from various departments to ensure compliance with applicable laws. The Company is following an electronic compliance management system for compliance management to ensure compliance with applicable laws, rules, regulations and guidelines.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
7. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

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

Place:- Thane
Date:- May 13, 2019

Bhavana Shewakramani
Partner
FCS – 8636, COP – 9577



Information pursuant to Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo for the Financial Year 2018-19

A. Conservation of Energy and Water

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

Valia:

1. Installation of heat pipe and heat recovery system in the plants which reduces the natural gas consumption
2. Installation of new air compressor with Variable Frequency Drive which reduces the Power consumption
3. Installation of Reverse Osmosis plant to recycle the water in the plant

Ambernath:

1. Installation of Reverse Osmosis and Multi Effect Evaporator which helps in protection of environment.
2. Conversion of Conventional Boiler to Briquette Boiler to increase renewable energy portfolio.
3. Installation of BacComber for Indirect Cooling tower system which uses Ultra Low Frequency to treat the water without harming the environment (non-chemical treatment)
4. Installation of sonic soot blower in the lower pressure boiler which effectively removes the ash deposits and reduces the fuel consumption.

Wadala:

1. Installation of Vitamin dosing pump which reduces power consumption.
2. Improvement of process of Vanaspati deodorisation which results in reduction of power consumption.
3. Installation of roof ventilator in finished goods godown which improved illumination in godown, reduction in ambient temperature and reduction in humidity. This has resulted in reduction in power consumption.
4. Change in make and type of Burner in thermic fluid Heater resulted in lower consumption of Fuel and Power.
5. Use of oleo stearin pitch as boiler fuel with furnace oil, reduces So2 emission in atmosphere.

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

Your company has increased the use of briquette (renewable resource) as fuel in place of natural gas at its manufacturing locations. Use of Solar energy in the form of solar roof top and Use of fatty acid distillation bottom (pitch) as fuel in place of furnace oil continues.

III. Capital Investment on Energy Conservation Equipments

Your Company made capital investments amounting to approx. ₹ 2.2 Crore during the Financial Year 2018-19 on energy conservation equipments.

B. Technology Absorption

I. Efforts made towards Technology absorption / Specific areas in which R&D carried out by the Company:

During the year under review, Research & Development efforts in the following areas strengthened our Company's operations through technology absorption, adaptation and innovation:

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

Vegoils has done lot of in house experiment and work to keep trans fatty acid < 5% in hydrogenated fat (Vanaspati) as required by FSSAI, and manage to keep it below 1%.

II. Benefits derived like product improvement, cost reduction, product development or import substitution

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

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

III. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

The Company has not imported any technology during the last 3 (three) years.

IV. Future Plan of Action:

- Tailor-made value-added fatty alcohols and fatty acids for low volume, high value markets.
- Value-added chemicals, derived from Glycerin, Fatty Acids and Fatty Alcohols so as to enter niche markets in the field of Animal feed, Pharmaceuticals, Personal Care , agriproducts and other industrial applications
- Further enhancing our knowledge base of product applications and formulations, through customer engagement and market
- More and more green ingredients and formulations in the Home, Personal care and Feed applications

V. Expenditure on R&D:

(₹ Crore)

Particulars	2018-19	2017-18
(a) Capital	0.13	0.06
(b) Recurring	3.70	3.15
(c) Total	3.76	3.21
(d) Total R&D expenditure as a percentage of total sales turnover	0.17	0.16

C. Foreign Exchange earnings and outgo:

The Chemicals Division's exports were ₹ 534.69 Crore in the current year as compared to ₹ 539.27 Crore in the previous year. The Company continues to export fatty alcohol, fatty acid and other chemicals to over 70 countries including U.S.A., South Korea, Japan, Mexico, Brazil, China, Russia, South Africa, U.A.E., Nigeria, Canada.

(₹ Crore)

Particulars	2018-19	2017-18
Foreign Exchange used	570.91	510.67
Foreign Exchange earned	518.09	524.95

Annexure “F”



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

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

1. Ratio of the remuneration of each Director to the median remuneration of all the employees of the Company for the Financial Year 2018-19:

Sr. No.	Name of Director	Ratio
1	Mr. Nadir Godrej, Managing Director	108:1
2	Ms. Tanya Dubash, Whole Time Director	92:1
3	Mr. Nitin Nabar, Whole Time Director	84:1

Note: None of the other Directors of the Company were in receipt of any remuneration other than sitting fees during the Financial Year 2018-19.

2. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year;

The percentage increase in the remuneration of Directors and Key Managerial Personnel(s) receiving remuneration during the Financial Year 2018-19 was as stated hereunder:

Name	Remuneration during FY 2017-18 (in ₹)	Remuneration during FY 2018-19 (in ₹)	% increase in remuneration in the FY 2018-19
Mr. Nadir Godrej, Managing Director	4,95,15,846	5,67,28,971	14.57%
Ms. Tanya Dubash, Whole Time Director	6,46,56,680	6,11,29,712	(5.45%)
Mr. Nitin Nabar, Whole Time Director	3,41,62,402	4,24,27,014	24.19%
Mr. Clement Pinto, CFO	1,20,09,614	1,65,90,907	38.15%
Ms. Nilufer Shekhawat*, CS	24,95,566	13,60,310	Not Applicable
Ms. Tejal Jariwala**, CS	Not Applicable	5,46,940	Not Applicable

* Resigned w.e.f. October 31, 2018

** Appointed w.e.f. November 12, 2018

3. The percentage increase/(decrease) in the median remuneration of employees in the Financial Year 2018-19 was (4.4%)

4. The number of permanent employees on the rolls of the Company as on March 31, 2019 was 1,123.
5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

Average increase in salary of Company's employees other than the managerial personnel was 4.8% in the last Financial Year. On the other hand, managerial remuneration increased by 8%. The total managerial remuneration comprises of remuneration of the Managing Director and Executive Directors. The remuneration to Managerial personnel is as approved by the Members under the provisions of Companies Act, 2013 and necessary approvals are being obtained, wherever necessary.

6. Remuneration paid to Directors, Key Managerial Personnel and other Employees during the Financial Year 2018-19 was as per the Nomination and Remuneration policy of the company.

REPORT ON
**CORPORATE
GOVERNANCE**

Report on Corporate Governance



In accordance with the provisions of Regulation 34(3) read with Schedule V and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”), the Directors of Godrej Industries Limited (“the Company”) have pleasure in presenting the Company’s Report on Corporate Governance for the Financial Year 2018-19.

1. THE COMPANY’S PHILOSOPHY

The Company is a part of the Godrej Group which has an established reputation of honesty, integrity and sound governance over the years. The Company is, therefore, committed to maintaining the highest standards of Corporate Governance in its conduct towards Shareholders, employees, regulators, customers, suppliers, lenders and other Stakeholders. The Company’s philosophy of corporate governance is to achieve business excellence by enhancing the long-term welfare of all its Stakeholders. The Company believes that corporate governance is about creating organisations that succeed in the marketplace with the right approach and values. This will enhance the value for all its Stakeholders.

2. BOARD OF DIRECTORS

a) Board Structure

The Board of Directors is the apex body constituted by the Shareholders for overseeing the Company’s overall functioning. The Board provides and evaluates the Company’s strategic directions, management policies and their effectiveness and ensures that Shareholders’ long-term interests are being served.

The Company has an optimal combination of Executive, Non-Executive and Independent Directors to maintain the independence of the Board from the management, which is in conformity with the requirement of Section 149(4) of the Companies Act, 2013 (“the Act”) and Regulation 17 of the Listing Regulations. As on March 31, 2019, the Board of Directors of the Company comprised of 13 (Thirteen) Directors, which includes the Managing Director and 2 (Two) Whole-time Executive Directors. The remaining 10 (Ten) are Non-Executive Directors of which 7 (Seven) were Independent Directors. Since the Chairman of the Company, a Non-Executive Director is a Promoter of the Company, more than half of the Board of Directors comprises of Independent Directors, as detailed below:

Category	Name of Director	Director Identification Number (DIN)
Non-Executive Director and Chairman:	Mr. Adi Godrej	00065964
Executive Directors: Managing Director Executive Director and Chief Brand Officer Executive Director and President (Chemicals)	Mr. Nadir Godrej Ms. Tanya Dubash Mr. Nitin Nabar	00066195 00026028 06521655
Non-Executive Non-Independent Directors:	Mr. Jamshyd Godrej Mr. Vijay Crishna	00076250 00066267

Non-Executive Independent Directors:	Mr. Saleem Ahmadullah	00037137
	Mr. Amit Choudhury	00557547
	Mr. Aspy Cooper	00026134
	Mr. Kersi Dastur	00050199
	Mr. Keki Elavia	00003940
	Mr. Kavas Petigara	00066162
	Ms. Rashmi Joshi	06641898

None of the Directors of the Company is:

- (a) a Director in more than 10 (Ten) public limited companies - As per Section 165 of the Act;
- (b) an Independent Director in more than 7 (Seven) listed companies OR 3 (Three) listed companies (in case he / she serves as a Whole Time Director in any listed Company) - As per Regulation 25 of the Listing Regulations;
- (c) a Member of more than 10 (Ten) Committees and Chairman / Chairperson of more than 5 (Five) Committees across all the Indian public limited companies in which he / she is a Director - As per Regulation 26 of the Listing Regulations.

Inter se relationship amongst Directors

No Director is related to any other Director on the Board in terms of the definition of “relative” given under the Act, except (1) Mr. Adi Godrej and Mr. Nadir Godrej, who are brothers, (2) Ms. Tanya Dubash who is the daughter of Mr. Adi Godrej.

b) Board meetings held and Directors’ attendance record

The Board meets at least once in a quarter to consider among other businesses, quarterly performance of the Company and Financial Results. To enable the Board to discharge its responsibilities effectively and take informed decisions, necessary information is made available to the Board. The maximum time gap between any 2 (Two) Meetings of the Board is not more than 120 (One Hundred and Twenty) days. The agenda of the Board is circulated well in advance and contains all the relevant information. The Board periodically reviews compliance reports of all laws applicable to the Company prepared by the Company. During the Financial Year 2018-19, 5 (Five) Board Meetings were held (i.e. on May 23, 2018, August 13, 2018, November 12, 2018, January 14, 2019 and February 13, 2019). The Board had accepted all the recommendations of the Committees of the Board of Directors during the Financial Year 2018-19.

The names and categories of the Directors on the Board, number of Board Meetings held during the Financial Year under review and their attendance at Board Meetings and at the last Annual General Meeting (AGM), as also the number of Directorships and Committee positions held by them in other companies as on March 31, 2019 are given hereunder:

Names of Director	Category	Board Meetings held/ attended during the year	Attendance at last AGM held on August 13, 2018	Directorships held in other public companies incorporated in India as at the year-end ^s	Number of Chairmanship/ Membership in Board Committees in other companies as at the year-end [@]	
					Chairmanship	Membership
Mr. Adi Godrej	Chairman , Non-Executive, Promoter	5/5	Yes	2(1)	-	1
Mr. Jamshyd Godrej	Non-Executive, Promoter	5/3	Yes	4(3)	-	1
Mr. Nadir Godrej	Managing Director, Promoter	5/5	Yes	9(6)	3	2
Mr. Vijay Crishna	Non-Executive	5/5	Yes	3(2)	-	1
Mr. Saleem Ahmadullah	Non-Executive, Independent	5/5	Yes	-	-	-
Mr. Amit Choudhury	Non-Executive, Independent	5/5	Yes	3(2)	1	1
Mr. Aspy Cooper	Non-Executive, Independent	5/5	Yes	1(0)	-	1
Mr. Kersi Dastur	Non-Executive, Independent	5/5	Yes	1(0)	-	1
Mr. Keki Elavia	Non-Executive, Independent	5/5	Yes	9(5)	5	6
Ms. Rashmi Joshi [#]	Non-Executive, Independent	N.A	N.A	2(1)	1	1
Mr. Kavas Petigara	Non-Executive, Independent	5/5	Yes	3(1)	2	1
Ms. Tanya Dubash	Whole-time	5/5	Yes	6(3)	1	-
Mr. Nitin Nabar	Whole-time	5/5	Yes	1(0)	-	-

Notes:

1. \$ Alternate Directorships and Directorships in private companies, Section 8 companies, foreign companies are excluded.
2. Figures in () denote listed companies.
3. @ Represents Chairmanships / Memberships of Audit Committee and Stakeholders' Relationship Committee of Indian companies.
4. # Ms. Rashmi Joshi was appointed with effect from March 15, 2019.
5. Mr. Nadir Godrej, Managing Director, is an Independent Director of two listed companies, Ms. Tanya Dubash, Executive Director is an Independent Director of one listed company and Mr. Nitin Nabar, Executive Director, is not an Independent Director of any listed company.

c) Details of Directors holding Directorship in other Listed Entities and the category of their Directorship:

Name of Director	Name of Listed Entity where Directorship is held	Category of Directorship
Mr. Adi Godrej	Godrej Consumer Products Limited	Executive
Mr. Jamshyd Godrej	Godrej Consumer Products Limited	Non-Executive, Non Independent
	Godrej Properties Limited	Non-Executive, Non Independent
	Godrej Agrovvet Limited	Non-Executive, Non Independent
Mr. Nadir Godrej	Godrej Consumer Products Limited	Non-Executive, Non Independent
	Godrej Properties Limited	Non-Executive, Non Independent
	Godrej Agrovvet Limited	Non-Executive, Non Independent
	Mahindra and Mahindra Limited	Non-Executive, Independent
	The Indian Hotels Company Limited	Non-Executive, Independent
	Astec LifeSciences Limited	Non-Executive, Non Independent
Mr. Vijay Crishna	Godrej Agrovvet Limited	Non-Executive, Non Independent
	Precision Wires India Limited	Non-Executive, Independent
Mr. Amit Choudhury	Godrej Agrovvet Limited	Non-Executive, Independent
	Godrej Properties Limited	Non-Executive, Independent
Mr. Keki Elavia	Goa Carbon Limited	Non-Executive, Independent
	Dai-ichi Karkaria Limited	Non-Executive, Independent
	Grindwell Norton Limited	Non-Executive, Independent
	Bombay Dyeing and Manufacturing Company Limited	Non-Executive, Independent
	Britannia Industries Limited	Non-Executive, Independent
Ms. Rashmi Joshi	Castrol India Limited	Executive
Mr. Kavas Petigara	Godrej Agrovvet Limited	Non-Executive, Independent
Ms. Tanya Dubash	Godrej Consumer Products Limited	Non-Executive, Non Independent
	Godrej Agrovvet Limited	Non-Executive, Non Independent
	Britannia Industries Limited	Non-Executive, Independent

Note: Mr. Saleem Ahmadullah, Mr. Kersi Dastur, Mr. Aspy Cooper and Mr. Nitin Nabar, Directors of the Company were not holding the position of Director in any other Listed Entity during the Financial Year 2018-19.

d) Chart / Matrix of Skills / Expertise / Competence of the Board of Directors in context to Company's business and sector:

We recognize the importance of having a Board comprising of Directors who have a range of experiences, capabilities and diverse points of view. This helps us create an effective and well-rounded Board. The capabilities and experiences sought in the Board of Directors of our Company are outlined as below:

Strategy & Business - Is or has been the Chief Executive Officer, Chief Operating Officer or held any other leadership position in an organization leading to significant experience in strategy or business management. Brings the ability to identify and assess strategic opportunities and threats in the context of the business.
Industry Expertise – Has expertise with respect to the sector the organization operates in. Has an understanding of the 'big picture' in the given industry and recognizes the development of industry segments, trends, emerging issues and opportunities.
Market Expertise – Has expertise with respect to the geography the organization operates in. Understands the macro-economic environment, the nuances of the business, consumers and trade in the geography, and has the knowledge of the regulations & legislations of the market(s) the business operates in.
Technology Perspective – Has expertise with respect to business specific technologies such as in the field of R&D, Manufacturing etc. Has experience and adds perspective on the future ready skills required by the organization such as E-Commerce, Digital, and Sustainability etc.
People & Talent Understanding - Has experience in human resource management such that they bring in a considered approach to the effective management of people in an organization.
Governance, Finance & Risk – Has an understanding of the law and application of corporate governance principles in a commercial enterprise of similar scale. Capability to provide inputs for strategic financial planning, assess financial statements and oversee budgets for the efficient use of resources. Ability to identify key risks for the business in a wide range of areas including legal and regulatory.
Diversity of Perspective - Provides a diversity of views to the board that is valuable to manage our customer, consumer, employee, key stakeholder or shareholders.

e) Independent Directors

One separate meeting of Independent Directors was held on May 23, 2018, which was attended by all the Independent Directors of the Company.

All the Independent Directors of the Company have given declarations that they meet the criteria of independence as prescribed under Section 149(6) of the Act read with Regulation 16(1)(b) of the Listing Regulations. The Board of Directors of the Company hereby confirm that in their opinion, all the Independent Directors of the Company fulfill the conditions specified in the Listing

Regulations and are independent of the management of the Company.

All Independent Directors of the Company have been appointed as per the provisions of the Act. Formal letters of appointment have been issued to the Independent Directors. The terms and conditions of their appointment are disclosed on the Company's website, viz. www.godrejindustries.com

Familiarisation Programmes for Independent Directors

The Company has conducted the familiarisation program for Independent Directors during the year. The Program aims to provide insights into the Company to enable the Independent Directors to understand its business in depth, to acclimatise them with the processes, businesses and functionalities of the Company and to assist them in performing their role as Independent Directors of the Company. The Company's Policy of conducting the Familiarisation Program has been disclosed on the website of the Company, viz. www.godrejindustries.com.

f) Information supplied to the Board

Among other matters, this includes:

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

3. COMMITTEES OF THE BOARD

(A) Audit Committee

In terms of Regulation 18 of the Listing Regulations and Section 177 of the Act, the Audit Committee of the Board of Directors, as on March 31, 2019, comprised of 4 (Four) Directors. The details of composition of the Audit Committee and the details of Meetings attended by the Directors during the Financial Year under review was as under:

Names of the Directors	Category	No. of Meetings attended
Mr. Kersi Dastur, Chairman	Non-executive, Independent	4
Mr. Saleem Ahmadullah, Member		4
Mr. Amit Choudhury, Member		4
Mr. Kavas Petigara, Member		4

All the Members of the Audit Committee possess the requisite qualification for appointment as Members on the Committee and also possess sound knowledge of finance, accounting practices and internal controls.

The Audit Committee invites such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at its Meetings. The representatives of the Statutory Auditors and Internal Auditors are invited to attend the Audit Committee Meetings. They have attended all the Meetings during the Financial Year and have shared their observations to the Audit Committee.

Ms. Nilufer Shekhawat, Company Secretary was the Secretary for the Audit Committee Meetings upto October 31, 2018. Post her resignation, Ms. Tejal Jariwala was appointed as the Company Secretary & Compliance Officer of the Company with effect from November 12, 2018, who then acted as the Secretary for the Audit Committee Meetings.

There were 4 (Four) Audit Committee Meetings held during the Financial Year 2018-19 (i.e. on May 23, 2018, August 13, 2018, November 12, 2018 and February 13, 2019) and the gap between 2 (Two) Meetings did not exceed 120 (One Hundred and Twenty) days. The necessary quorum was present for all the Meetings.

In terms of the Companies (Cost Records and Audit) Rules, 2014 read with the Companies (Audit and Auditors) Rules, 2014, the Company has maintained cost records in its books of accounts for the Financial Year 2018-19. The Cost Audit Report issued by the Cost Auditor of the Company is placed for review to the Audit Committee and the same is recommended to the Board of Directors for approval.

The terms of reference of the Audit Committee are as follows:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

- To recommend the appointment, remuneration and terms of appointment of Auditors of the Company as may be applicable;
- To approve payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
- To review and monitor the Auditors' independence and performance, and effectiveness of audit process;
- To examine / review the financial statement and the Auditors' Report thereon with the Management, before submission to the board of directors for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transaction; and
 - Modified opinion(s) in the draft audit report.
- Reviewing, with the Management, the quarterly financial statements before submission to the Board of Directors for approval;
- To grant approval for or any subsequent modification of transactions of the Company with related parties;
- To scrutinize of inter-corporate loans and investments;
- To consider valuation of undertakings or assets of the Company, wherever it is necessary;
- To evaluate internal financial controls and risk management systems;
- Reviewing with the Management the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board of Directors to take up steps in this matter;
- To monitor the end use of funds raised through public offers and related matters;
- Reviewing with the Management performance of Statutory and Internal Auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with Internal Auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board of Directors;
- Discussion with Statutory Auditors before the audit commences, about the nature and scope

of audit as well as post-audit discussion to ascertain any area of concern;

- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the whistle blower mechanism;
- To approve of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- To investigate into any above matter or referred to it by the Board of Directors and for this purpose, it to have full access to information contained in the records of the Company and external professional advice, if necessary;
- To mandatorily review the following information:
 - Management Discussion and Analysis of financial condition and results of operations;
 - Statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
 - Internal Audit Reports relating to internal control weaknesses;
 - Review of the appointment, removal and terms of remuneration of the Chief Internal Auditor;
 - Statements of deviations:
 - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations; and
 - (b) annual statement of funds utilized for purposes other than those stated in the document/prospectus/notice in terms of Regulation 32(7) of the Listing Regulations.
- To perform such other functions and duties as may be required to be performed by the Audit Committee under the applicable provisions of the Companies Act and/or the Rules made thereunder and/or the Listing Regulations, including any amendment(s) thereto as may be made from time to time.

(B) Nomination and Remuneration Committee

In terms of Regulation 19 of the Listing Regulations and Section 178 of the Act, the Nomination and Remuneration Committee, as on March 31, 2019, comprised of 3 (Three) Directors. The nomenclature of the Committee was changed from “Nomination and Compensation Committee” to “Nomination and Remuneration Committee” with effect from February 13, 2019. The details of composition of the Nomination and Remuneration Committee and the details of Meetings attended by the Directors during the Financial Year under review was as under:

Names of the Directors	Category	No. of Meetings attended
Mr. Saleem Ahmadullah, Chairman	Non-executive, Independent	3
Mr. Amit Choudhury, Member		3
Mr. Kavas Petigara, Member		3

This Committee looks at all matters pertaining to the appointment and remuneration of the Managing Director, Executive Directors, Key Managerial Personnel and Senior Management Personnel and administration of the Employee Stock Option Scheme of the Company, i.e. Godrej

Industries Limited- Employee Stock Grant Scheme, 2011 (ESGS 2011).

Ms. Nilufer Shekhawat, Company Secretary was the Secretary for the Nomination and Remuneration Committee Meetings upto October 31, 2018. Post her resignation, Ms. Tejal Jariwala was appointed as the Company Secretary & Compliance Officer of the Company with effect from November 12, 2018, who then acted as the Secretary for the Nomination and Remuneration Committee Meetings.

There were 3 (Three) Nomination and Remuneration Committee Meetings held during the Financial Year 2018-19 (i.e. on May 23, 2018, November 12, 2018 and February 13, 2019). The necessary quorum was present at all the Meetings.

The terms of reference of the Nomination and Remuneration Committee are as follows:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to the remuneration of the directors, key managerial personnel and other employees.
- To identify persons who are qualified to become directors and persons who may be appointed in Senior Management Position including Key Managerial Personnel in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
- Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
- To recommend to the Board of Directors, qualifications, appointment, remuneration and removal of directors, key managerial personnel and persons in senior management positions in accordance with the Nomination and Remuneration policy.
- To devise a policy on diversity of Board of Directors.
- To carry out performance evaluation of every Director in accordance with the Nomination and Remuneration policy.
- To consider grant of stock options to eligible Directors, to formulate detailed terms and conditions of Employee Stock Option Scheme (ESOS) and to administer and exercise superintendence over ESOS.
- Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of independent directors.
- recommend to the board, all remuneration, in whatever form, payable to senior management.

The Committee is also responsible for recommending to the Board a policy relating to the appointment of the Directors, Key Managerial Personnel (KMP), Senior Management and their remuneration. In line with this requirement, the Board has adopted the 'Board Appointment Policy', 'Total Rewards Philosophy of Godrej Industries Limited' and the 'Nomination and Remuneration Policy'. These Policies outline the appointment criteria and qualifications, the term/tenure of the Directors on the Board of Godrej Industries Limited and the matters related to remuneration of the Directors, KMPs and Senior Management. The Nomination and Remuneration Policy has been put up on the website of the Company, viz. www.godrejindustries.com.

Details of Sitting Fees paid to Non-Executive Directors during the Financial Year 2018-19:

Names of Directors	Sitting fees (₹)
Mr. Adi Godrej	8,00,000
Mr. Jamshyd Godrej	3,00,000
Mr. Vijay Crishna	5,00,000
Mr. Saleem Ahmadullah	6,40,000
Mr. Amit Choudhury	6,60,000
Mr. Kersi Dastur	5,80,000
Mr. Aspy Cooper	5,60,000
Mr. Kavas Petigara	6,60,000
Mr. Keki Elavia	5,00,000
Ms. Rashmi Joshi*	N.A.

* Appointed w.e.f. March 15, 2019

No Commission was paid to any Director of the Company during the Financial Year 2018-19.

Remuneration to Executive Directors

The remuneration of the Managing Director and Executive Directors is in consensus with the Company's size, industry practice and overall performance of the Company. The Nomination and Remuneration Committee submits its recommendation to the Board, which after considering the recommendation takes decision on the remuneration payable to the Managing Director and Executive Directors (which also includes annual increments and performance bonus) in accordance with the provisions of the Companies Act, 2013, subject to approval of the Members, wherever required.

The details of remuneration packages of the Executive Directors is given herein below:

Names of Directors	Designation	Salary and Allowances (₹)	Perquisites (₹)	Retirement Benefits (₹)	Total (₹)
Mr. Nadir Godrej	Managing Director	5,42,50,546	24,78,425	31,77,090	5,99,06,061
Ms. Tanya Dubash	Executive Director & Chief Brand Officer	5,74,17,606	37,12,106	22,35,730	6,33,65,442
Mr. Nitin Nabar	Executive Director & President (Chemicals)	4,14,47,430	9,79,584	9,41,360	4,33,68,374

Notes:

(a) The service contract of Mr. Nadir Godrej is for a period of 3 (Three) years beginning from April 1, 2017 upto March 31, 2020. The service contracts of Ms. Tanya Dubash and Mr. Nitin Nabar were for a period of 3 (Three) years beginning from April 1, 2016 upto March 31, 2019. The

Members of the Company at the 30th (Thirtieth) AGM had approved re-appointment of Ms. Tanya Dubash and Mr. Nitin Nabar as the Executive Directors of the Company for a further period of 3 (Three) years starting from April 1, 2019 upto March 31, 2022. The Agreements may be terminated by either party giving to the other party 3 (three) months' notice in writing. There is no separate provision for payment of severance fees.

- (b) The remuneration paid to Ms. Tanya Dubash and Mr. Nitin Nabar, Executive Directors of the Company was in excess of the limits prescribed under Section 197 read with Schedule V to the Companies Act, 2013, by ₹ 4.54 Crore and ₹ 7.48 Crore for the Financial Years 2016-17 and 2017-18 respectively. The Company had made an application to the Central Government for payment of the said remuneration which was in excess of the prescribed limits, the approval for which was awaited. However, the said applications were abated by the Central Government on November 1, 2018 pursuant to notification of the new provisions which then required the Company to seek approval of the Members for waiver of the excess managerial remuneration paid to the Directors. Accordingly, the Members of the Company granted their approval for waiver of excess managerial remuneration paid to the said Directors for the Financial Years 2016-17 and 2017-18 at the Extraordinary General Meeting of the Members held on March 28, 2019.

Directors with materially significant Related Party Transactions, pecuniary or business relationship with the Company

Except for drawing remuneration by the Managing Director and the Executive Directors and payment of Sitting Fees to Non-Executive Directors, none of the Directors have any other material significant Related Party Transactions, pecuniary or business relationship with the Company. Attention of the Members is drawn to the disclosures of transactions with Related Parties as set out in Note No.40 to the Standalone Financial Statement forming a part of the Annual Report.

In preparation of the Financial Statements, your Company has adopted accounting policies which are in line with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read together with the Companies (Indian Accounting Standards) Rules, 2015. The significant accounting policies, which are consistently applied, have been set out in the Notes to the Accounts. Suitable disclosure as required by the Indian Accounting Standards (Ind-AS 24) has been made in the Notes to the Financial Statements.

Number of shares and convertible instruments held by Non-Executive Directors as on March 31, 2019 is given below:

Names of Non-Executive Directors	Equity Shares	Convertible Instruments
Mr. Adi Godrej ^{\$}	6,07,692	Nil
Mr. Jamshyd Godrej ^{\$}	1,90,838	Nil
Mr. Vijay Crishna ^{\$}	3,878	Nil
Mr. Saleem Ahmadullah	6,004	Nil
Mr. Saleem Ahmadullah [*]	11,708	Nil

Mr. Amit Choudhury	300	Nil
Mr. Aspy Cooper	Nil	Nil
Mr. Kersi Dastur	3,608	Nil
Mr. Kersi Dastur **	10,677	Nil
Mr. Kersi Dastur *	27,421	Nil
Mr. Keki Elavia	Nil	Nil
Mr. Kavas Petigara	Nil	Nil
Ms. Rashmi Joshi	Nil	Nil

§ The shareholding does not include shares held through Trusts

* Shares held as second holder

** Shares held as third holder

Stock Options to Directors

The Company has not granted any Stock Options to any of its Promoter Directors / Independent Directors during the Financial Year 2018-19.

Mr. Nitin Nabar, Executive Director & President (Chemicals) was allotted 14,922 Equity Shares under Godrej Industries Limited- Employee Stock Grant Scheme, 2011 (ESGS 2011) during the Financial Year 2018-19.

Performance Evaluation Criteria for Independent Directors

Performance evaluation of Directors is carried out through a structured questionnaire which was prepared after taking into consideration various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance.

In particular, an Independent Director shall be a person who shall:

- i. uphold ethical standards of integrity and probity;
- ii. act objectively and constructively while exercising his duties;
- iii. exercise his responsibilities in a bona fide manner in the interest of the Company;
- iv. devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- v. not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board of Directors in its decision making;
- vi. not abuse his position to the detriment of the Company or its Shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- vii. refrain from any action that would lead to loss of his independence;
- viii. where circumstances arise which make an Independent Director lose his independence, the Independent Director must immediately inform the Board accordingly;
- ix. assist the Company in implementing the best corporate governance practices.

(C) Stakeholders' Relationship Committee

In terms of Regulation 20 of the Listing Regulations and Section 178 of the Act, the Stakeholders' Relationship Committee, as on March 31, 2019, comprised of 4 (Four) Directors. The nomenclature of the Committee was changed from Stakeholders Relationship / Shareholders Committee (SRC) to "Stakeholders' Relationship Committee" with effect from February 13, 2019. The details of composition of the Stakeholders' Relationship Committee and the details of Meetings attended by the Directors during the Financial Year under review was as under:

Names of the Directors	Category	No. of Meetings attended
Mr. Adi Godrej, Chairman	Non-executive Director	12
Mr. Nadir Godrej, Member	Executive Director	8
Ms. Tanya Dubash, Member		9
Mr. Nitin Nabar, Member		12

The functioning and the terms of reference of the Committee are as prescribed and in due compliance with Regulation 20 read with Part D of Schedule II to the Listing Regulations and Section 178 of the Act, as applicable, and include reviewing existing investor redressal system, redressing Shareholder complaints like delay in transfer of shares, non-receipt of Annual Report, non-receipt of dividend warrants etc. and suggesting improvements in investors' relations.

There were 12 (Twelve) Stakeholders' Relationship Committee Meetings held during the Financial Year 2018-19 (i.e. on April 16, 2018, May 10, 2018, June 5, 2018, July 5, 2018, August 20, 2018, September 25, 2018, October 22, 2018, November 12, 2018, December 18, 2018, January 7, 2019, February 13, 2019 and March 1, 2019). The necessary quorum was present for all the Meetings.

Name and designation of Compliance Officer:

- Ms. Nilufer Shekhawat, Company Secretary was the Compliance Officer upto October 31, 2018.
- Ms. Tejal Jariwala was appointed as the Company Secretary & Compliance Officer of the Company with effect from November 12, 2018.

Details of Shareholders' complaints received and disposed off during the Financial Year 2018-19:

Complaints outstanding as on April 1, 2018	Nil
Complaints received during the year ended March 31, 2019	57
Complaints resolved during the year ended March 31, 2019	57
Complaints outstanding as on March 31, 2019	Nil

The terms of reference of the Stakeholders' Relationship Committee are as follows:-

- To specifically look into various aspects of interest of shareholders, debenture holders and other security holders.

- Resolve the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review the measures taken for effective exercise of voting rights by shareholders.
- Review the adherence to the service standards adopted by the Company in respect of various services being rendered by its Registrar & Share Transfer Agent.
- Review the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- Consider any other duties or obligations as may be referred to it by the Board of Directors.

(D) Risk Management Committee

In terms of Regulation 21 of the Listing Regulations, the Risk Management Committee as on March 31, 2019, comprised of the following 3 (Three) Directors. The details of composition of the Risk Management Committee and the details of Meetings attended by the Directors during the Financial Year under review was as under:

Names of Directors	Category	No. of Meetings attended
Mr. Nadir Godrej, Chairman	Executive Director	4
Ms. Tanya Dubash, Member		4
Mr. Nitin Nabar, Member		4

There were 4 (Four) Risk Management Committee Meetings held during the Financial Year 2018-19 (i.e. on May 10, 2018, July 9, 2018, November 1, 2018, and January 29, 2019). The necessary quorum was present for all the Meetings.

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

- Committee is responsible to monitor and review the risk management plan of the Company and the existing Forex Committee and the Business Risk Committee of the Company shall report to this Committee.
- Committee reviews and monitors cyber security of the Company.
- Formulation of Risk Policy and its periodic review.
- Ensuring appropriate risk management systems and controls are in place and its evaluation and review.
- Risk assessment and risk minimisation procedures.

(E) Corporate Social Responsibility Committee

In terms of Section 135 of the Act, the Corporate Social Responsibility (CSR) Committee, as on March 31, 2019, comprised of the following 4 (Four) Directors. The details of composition of the Corporate Social Responsibility Committee and the details of Meetings attended by the Directors

during the Financial Year under review was as under:

Names of Directors	Category	No. of Meetings attended
Mr. Nadir Godrej, Chairman	Executive Director	1
Ms. Tanya Dubash, Member		1
Mr. Kavas Petigara, Member	Non-executive, Independent Director	1
Mr. Amit Choudhury, Member		1

The Corporate Social Responsibility Committee met once during the Financial Year 2018-19, on February 13, 2019.

Pursuant to the provisions of Section 135 of the Act, CSR Committee has been constituted by the Board of Directors. The Committee's prime responsibilities are as under:

- To assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of 'Corporate Social Responsibility Policy', to observe practices of Corporate Governance at all levels, and to suggest remedial measures wherever necessary.
- To review the existing CSR Policy and to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII to the Act.
- To provide guidance on various CSR activities to be undertaken by the Company and to monitor implementation of such activities.

4. GENERAL BODY MEETINGS

(a) Details of last 3 (Three) Annual General Meetings (AGMs):

The date, time and venue of Annual General Meetings held during the preceding 3 (Three) Financial Years and the Special Resolutions passed thereat were as follows:

Year	Venue	Date	Time	Special Resolutions passed
2015-16	Auditorium, Godrej One, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai – 400079	August 11, 2016	3.30 p.m.	1) Reappointment of and remuneration payable to Mr. Nadir Godrej as Managing Director. 2) Investment in Godrej Properties Limited upto a sum of ₹ 300 Crore. 3) Investment in Godrej Agrovet Limited upto a sum of ₹ 300 Crore. 4) Investment in OPGS Power Gujarat Private Limited upto a sum of ₹ 4 Lakh.
2016-17		August 11, 2017	3.30 p.m.	Increase in borrowing limits of the Company upto a sum of ₹ 2,000 Crore (Rupees Two Thousand Crore) over and above its paid up share capital and free reserves.
2017-18		August 13, 2018	2.30 p.m.	1) Reappointment of and remuneration payable to Ms. Tanya Dubash as Whole-time Director 2) Reappointment of and remuneration payable to Mr. Nitin Nabar as Whole-time Director 3) Creation of charges pursuant to Section 180(1)(a) of the Companies Act, 2013 upto ₹ 300 Crore (Rupees Three Hundred Crore)

(b) Details of Special Resolutions passed at the Extraordinary General Meetings (EGM) during the Financial Year 2018-19:

During the Financial Year 2018-2019, 1 (One) Extraordinary General Meeting (EGM) was held on March 28, 2019. The following 7 (Seven) Special Resolutions were passed with requisite majority at the EGM:

- (i) Continuation of directorship of Mr. Adi Godrej, Director in terms of Regulation 17(1A) of the Listing Regulations.
- (ii) Continuation of directorship of Mr. Saleem Ahmadullah, Director in terms of Regulation 17(1A) of the Listing Regulations.
- (iii) Continuation of directorship of Mr. Amit Choudhury, Director in terms of Regulation 17(1A) of the Listing Regulations.
- (iv) Continuation of directorship of Mr. Kersi Dastur, Director in terms of Regulation 17(1A) of the Listing Regulations.
- (v) Continuation of directorship of Mr. Aspy Cooper, Director in terms of Regulation 17(1A) of the Listing Regulations.
- (vi) Approval for waiver of excess managerial remuneration paid to Ms. Tanya Dubash, Whole Time Director of the Company for the Financial Years 2016-17 and 2017-18.
- (vii) Approval for waiver of excess managerial remuneration paid to Mr. Nitin Nabar, Whole Time Director of the Company for the Financial Years 2016-17 and 2017-18.

(c) Postal Ballot:

No resolutions were passed through Postal Ballot during the Financial Year 2018-19.

(d) Procedure adopted for Postal Ballot:

Although the Company has not passed any resolution through Postal Ballot during the Financial Year 2018-19, the following is the procedure which is usually adopted by the Company whenever such resolutions are passed:-

- (i) The Board of Directors, at its Meeting, approves the items to be passed through Postal Ballot and authorizes one of the functional Directors and the Company Secretary to be responsible for the entire process of Postal Ballot.
- (ii) A professional such as a Chartered Accountant / Company Secretary, who is not in employment of the Company, is appointed as the Scrutinizer for the poll process.
- (iii) Notice of Postal Ballot, along with the ballot papers, are sent to the Shareholders along with

a self-addressed envelope addressed to the Scrutinizer. E-voting facility is also offered to eligible Shareholders to enable them to cast their votes electronically.

- (iv) An advertisement is published in a national newspaper and a vernacular newspaper about the dispatch of ballot papers and notice of Postal Ballot.
- (v) The duly completed Postal Ballot papers are received by the Scrutinizer.
- (vi) The Scrutinizer gives his report to the Chairman.
- (vii) The Chairman announces the results of the Postal Ballot on receipt of the Scrutinizer's Report.
- (viii) The results are intimated to the Stock Exchange(s) and are put up on your Company's website viz., www.godrejindustries.com.

(e) Whether any Special Resolution is proposed to be conducted through Postal Ballot:

No Special Resolution is proposed to be conducted through Postal Ballot.

5. DISCLOSURES

a) Related Party Transactions

All transactions entered into with Related Parties as defined under the Act and the Listing Regulations during the Financial Year 2018-19 were in the ordinary course of business and on the basis of arm's length price. There were no material significant transactions with Related Parties during the Financial Year 2018-19 which were in conflict with the interest of the Company.

In preparation of the Financial Statements for the Financial Year 2018-19, your Company has adopted accounting policies which are in line with the Indian Accounting Standards notified under Section 133 of the Act, read together with the Companies (Indian Accounting Standards) Rules, 2015. The significant accounting policies, which are consistently applied, have been set out in the Notes to the Accounts. Suitable disclosure as required by the Indian Accounting Standards (Ind-AS 24) has been made in the Notes to the Financial Statements. Attention of the Shareholders is drawn to the disclosure of transactions with Related Parties as set out for the Financial Year 2018-19 in Note No. 40 of the Standalone Financial Statement, forming a part of the Annual Report.

None of the transactions with any of the Related Parties were in conflict with the Company's interest. All Related Party Transactions are on arm's length basis and are intended to further the Company's interests.

Your Company has formulated a Policy on materiality and dealing with Related Party Transactions which specify the manner of dealing with Related Party Transactions. This Policy has been put up on the website of the Company, viz. www.godrejindustries.com.

b) Whistle Blower Policy / Vigil Mechanism

Your Company promotes ethical behaviour in all its business activities and has put in place a mechanism of reporting illegal, unethical behaviour and actual or suspected fraud or violations of Company's Code of Conduct. The Company has a Whistle Blower Policy wherein the employees are free to report violations of laws, rules, regulations or unethical conduct to the Whistle Blowing Officer of the Company. No personnel / employee of the Company has been denied access to the Audit Committee of the Company. The confidentiality of the reported violations, if any, is maintained and the employees reporting violations are not subjected to any discriminatory practice. Vigil Mechanism / Whistle Blower Policy is posted on the website of your Company, viz., www.godrejindustries.com.

c) Policy for prevention of Sexual Harassment at the workplace

The Company is committed to creating and maintaining an atmosphere in which employees can work together, without fear of sexual harassment, exploitation or intimidation. Every employee is made aware that the Company is strongly opposed to sexual harassment and that such behaviour is prohibited both by law and by the Godrej group. Your Company has formed an Internal Complaints Committee pursuant to the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("the said Act") one for the Head Office, factories in Maharashtra and branches in India and the other for the factory at Valia, Gujarat. Ms. Shefali Kohli is the Presiding Officer for both the Committees. While the Act is applicable only to the women employees, our Company's policy covers all employees. The Company has not received any complaints during the Financial Year 2018-19.

d) Details of Non-compliance on matters related to Capital Markets

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

e) Disclosure of Commodity Price Risk / Foreign Exchange Risk and Hedging Activities

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

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

In terms of the SEBI Circular dated November 15, 2018, please see below Annexure giving disclosures regarding commodity risks:

Annexure

1. Risk Management Policy of the Company with respect to commodities including through hedging:

The Company has in place Risk Management Policy which takes into consideration total exposure, towards commodities, commodity risks faced by the entity, hedged exposures, etc. the Risk Management Policy of the Company is uploaded on the website of the Company, viz. www.godrejindustries.com.

2. Exposure of the listed entity to commodity and commodity risks faced by the entity throughout the year:

A. Total exposure of the listed entity to commodities in INR: ₹ 656.96 crores

B. Exposure of the listed entity to various commodities:

Commodity Name	Exposure in INR towards the particular commodity (₹ in crores)	Exposure in Quantity terms towards the particular commodity (MT)	% of such exposure hedged through commodity derivatives				
			Domestic market		International market		Total
			OTC	Exchange	OTC	Exchange	
Derivatives of Palm Oil	296.72	71649	-	53.00%	-	-	53.00%
Rapeseed Oil	360.24	44059	-	14.70%	-	-	14.70%

C. Commodity risks faced by the listed entity during the year and how they have been managed.

The Company is exposed to commodity risks mainly due to price volatility in Palm oil derivatives and Rapeseed Oil. We enter into fixed price contracts with suppliers and in certain cases, enter into back to back sale contract with customers. We periodically review the open exposure of Raw material regularly. We also hedge the risk on commodities exchange.

In respect of Commodities which are imported at a contracted fixed price, there is a foreign exchange currency risk and the mitigation of the same is managed by the FOREX Committee of the Company. The Committee periodically meets and reviews the overall foreign exchange currency exposure and enters into forward contracts to hedge the currency risk. Details of hedged and unhedged positions for foreign currency exposures are available in the Notes to Financial Statement of the Annual Report.

f) Code of Conduct

The Code of Conduct for the Board of Directors and the Senior Management Personnel has been disclosed on the website of your Company, viz., www.godrejindustries.com. The declaration by the Managing Director stating that all the Board Members and Senior Management Personnel have affirmed their compliance with the laid down Code of Conduct for the Financial Year ended March 31, 2019, is annexed to this Report on Corporate Governance.

g) Disclosures by Management to the Board of Directors

Your Company had received disclosures from all the Senior Management Personnel stating that none of them had any personal interest in any of the financial and commercial transactions entered into by the Company during the Financial Year 2018-19.

h) Public, Rights and Other Issues / Utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the Listing Regulations

There were no Public, Rights and Other Issues during the Financial Year 2018-19 except allotment of 1,11,636 (One Lakh Eleven Thousand Six Hundred Thirty Six) Equity Shares to the Employees under Godrej Industries Limited- Employee Stock Grant Scheme, 2011 (ESGS 2011). Further, the Company had not raised any funds through Preferential Allotment or Qualified Institutions Placement in terms of the Listing Regulations.

i) CEO and CFO Certification

Mr. Nadir Godrej, Managing Director and Mr. Clement Pinto, Chief Financial Officer, have issued the Certificate in accordance with Regulation 17(8) of the Listing Regulations with regard to Annual Financial Statements for the Financial Year ended March 31, 2019.

j) Management Discussion and Analysis Report

Management Discussion and Analysis Report forms a part of this Annual Report.

k) Disclosure of Accounting Treatment in preparation of Financial Statements

The Financial Statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India and comply with the Indian Accounting Standards (Ind-AS) specified under Section 133 of the Act.

6. COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

As prescribed under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paras C, D and E of Schedule V of Listing Regulations. the certificate issued by M/s. A. N. Ramani & Co., Practising Company Secretaries regarding compliance of conditions of corporate governance is annexed to this Report on Corporate Governance.

7. MEANS OF COMMUNICATION

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

The Company files the quarterly results, Corporate Governance report, Shareholding pattern, etc. electronically with BSE Limited and National Stock Exchange of India Limited through BSE Listing Centre and NSE Electronic Application Processing System (NEAPS) respectively.

8. GENERAL SHAREHOLDER INFORMATION

a) Registered Office:

Godrej Industries Limited
(CIN: L24241MH1988PLC097781)
Godrej One, Pirojshanagar,
Eastern Express Highway,
Vikhroli (East), Mumbai – 400079.
Tel: 022-25188010, Fax:022-25188066

b) Annual General Meeting:

Date : Tuesday, August 13, 2019
Time : 4.00 p.m.
Venue : Auditorium, Godrej One, Pirojshanagar, Eastern Express Highway,
Vikhroli (East), Mumbai – 400079.

c) Financial Year :

Financial Year : April 1, 2018 to March 31, 2019
For the Financial Year Ended March 31, 2019, results were announced on:

- August 13, 2018 : First quarter
- November 12, 2018 : Half year
- February 13, 2019 : Third quarter
- May 13, 2019 : Annual

d) Book Closure Dates and Dividend Payment Dates:

The Book Closure dates as fixed by the Board of Directors are from Tuesday, August 6, 2019 to Tuesday, August 13, 2019 (both days inclusive).

The Dividend will be dispatched to the Members on / by Friday, August 23, 2019, subject to approval of the Members at the ensuing AGM.

e) Listing information:

The Company's Equity Shares are listed on the following Stock Exchanges:

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

Payment of Depository Fees:

Annual Custody / Issuer fee for the Financial Year 2019-20 has been paid by the Company to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Payment of Listing Fees:

The Company has paid the requisite Annual Listing Fees to BSE and NSE for Financial Year 2019-20. The securities have not been suspended from trading.

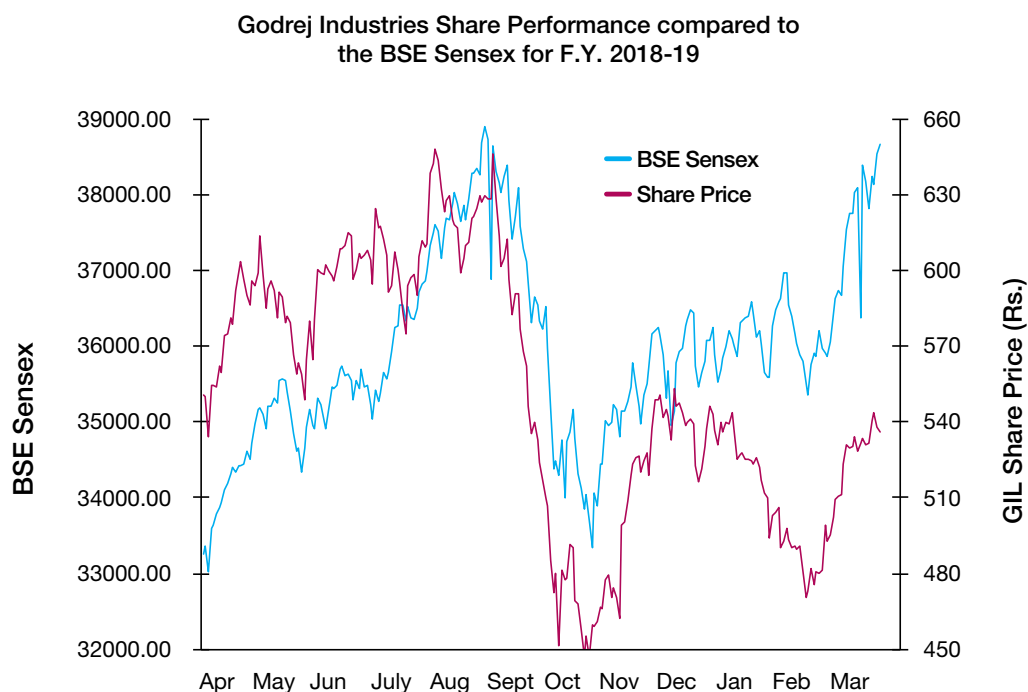
The ISIN Number of the Company for both NSDL and CDSL is INE233A01035.

f) Market Information

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

Stock Exchange	BSE			NSE		
	HIGH (₹)	LOW (₹)	VOLUME (No. of shares)	HIGH (₹)	LOW (₹)	VOLUME (No. of Shares)
Month						
April 2018	608.35	530.15	22,32,508	607.85	530.75	1,27,41,065
May 2018	631.80	525.00	4,50,010	632.00	524.00	1,05,17,478
June 2018	630.00	581.25	12,50,269	630.00	580.45	1,12,86,037
July 2018	651.00	566.00	6,30,224	652.00	565.50	1,15,34,769
Aug 2018	656.90	593.20	6,19,861	657.60	591.00	1,01,15,316
Sept 2018	650.60	504.40	4,34,142	651.05	510.00	73,23,277
Oct 2018	520.15	434.10	4,69,841	520.00	434.50	98,94,118
Nov 2018	552.00	460.50	8,02,388	550.85	459.20	1,44,52,742
Dec 2018	561.05	505.50	4,04,404	561.00	505.00	82,03,009
Jan 2019	553.00	488.50	2,90,936	553.00	488.30	71,68,840
Feb 2019	517.00	468.30	3,75,303	512.80	468.00	77,66,760
Mar 2019	553.50	490.75	5,18,102	553.70	491.10	88,89,930

The Company's share performance compared to the BSE Sensex for FY 2018-2019



g) Distribution of Shareholding:

Distribution of shareholding by size as on Financial Year ended March 31, 2019 was as under:

Number of shares	Number of shareholders	Shareholders (%)	Number of shares held	Shareholding (%)
1 – 500	70,156	92.02%	71,06,809	2.11%
501 – 1000	3,332	4.37%	24,72,426	0.74%
1001 – 2000	1,364	1.79%	19,25,922	0.57%
2001 – 3000	445	0.58%	10,63,867	0.32%
3001 – 4000	221	0.29%	7,51,508	0.22%
4001 – 5000	124	0.16%	5,51,797	0.16%
5001 – 10000	233	0.31%	15,60,191	0.46%
10001 & above	368	0.48%	32,09,51,847	95.41%
Total	76,243	100.00%	33,63,84,367	100.00%

h) Distribution of shareholding by ownership as on March 31, 2019 was as under:

Category (as being reported to Stock Exchange)	No. of Equity Shares	Percentage of shareholding (%)
PROMOTER'S HOLDING		
Promoters		
-Indian Promoters	20,63,18,573	61.33
-Foreign Promoters	0	0.00
Persons acting in Concert	13	0.00
Sub-Total	20,63,18,586	61.33
NON-PROMOTER'S HOLDING		
Institutional Investors		
Mutual Funds & UTI	10,66,266	0.32
Banks, Financial Institutions, Insurance Companies (Central / State Govt. Institutions /Non-Government Institutions)	1,47,37,723	4.38
Foreign Portfolio Investors/Foreign Institutional Investors	4,07,64,191	12.12
Sub-Total	5,65,68,180	16.82
Others		
Private Corporate Bodies	79,19,519	2.35
Indian Public	1,94,82,526	5.79
NRIs/OCBs	10,80,584	0.32
Trust	4,50,14,972	13.38
Any other (please specify)	0	0.00
Sub-Total	7,34,97,601	21.85
Total	33,63,84,367	100.00

i) Shares held in physical and dematerialised form:

As on March 31, 2019, 99.87% of the Company's Equity Shares were held in dematerialized form and the remaining 0.13% in physical form. The break up is listed below:

Mode	No. of Equity Shares	Percentage (%)
Demat Shares with NSDL	32,78,54,472	97.46
Demat Shares with CDSL	81,02,107	2.41
Physical Shares	4,27,788	0.13
Total	33,63,84,367	100

j) Liquidity:

Higher trading activity was witnessed on NSE. Relevant data for the daily turnover on Stock Exchange(s) for the Financial Year 2018-19 is given below:

Particulars	BSE	NSE	Total
Shares (nos.)	84,77,988	11,98,93,341	12,83,71,329
Value (in ₹)	4,73,68,42,115	66,47,93,78,622	71,21,62,20,737

[Source: This information is compiled from the data available from the websites of BSE and NSE]

k) Corporate benefits to Investors:

Details of Dividend declared by your Company for the last 5 (five) years is as under

Financial Year	Date of Dividend Declaration	Dividend Per Share (in ₹)
2013-14	09.08.2014	1.75
2014-15	11.08.2015	1.75
2015-16	08.03.2016*	1.75
2016-17	11.08.2017	1.75
2017-18	13.08.2018	1.75

**Interim Dividend*

l) Reconciliation of Share Capital Audit Report:

As stipulated by SEBI, a qualified Practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This Audit is carried out every Quarter and Report thereon is submitted to the Stock Exchange(s) where the Company's shares are listed. The Audit confirms that the total listed and paid-up capital is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and the total number of shares in physical form.

m) Outstanding GDRs/ADRs/Warrants/Convertible instruments and their impact on equity:

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

n) Registrar and Share Transfer Agents:

Contact details of Computech Sharecap Limited, our Registrar and Share Transfer Agents is as under:-

Computech Sharecap Limited

147, M.G. Road, Opp. Jehangir Art Gallery, Fort, Mumbai 400 001.

Tel: 022-22635000 / 22635001; Fax: 022-22635001

Email: helpdesk@compu-techsharecap.in

o) Share Transfer system:

Share transfer is effected within a maximum period of 30 (Thirty) days from the date of receipt, subject to documents being valid and complete in all respects. The Board has delegated the authority for approving transfer, transmission, etc. of the Company's shares to the Authorised Representatives of Computech Sharecap Limited, Registrar and Share Transfer Agent ("Computech"), which is registered with the SEBI as a Category 1 Registrar. The Company obtains from a Company Secretary in Practice, a Half Yearly Certificate to the effect that all certificates have been issued within 30 (Thirty) days of the date of lodgement of the transfer, sub-division, consolidation and renewal, as required under Regulation 40(9) of the Listing Regulations and files a copy of the said certificate with the Stock Exchanges where the Company's shares are listed.

p) Plant locations:

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

q) Address for Correspondence:

Mr. Clement Pinto

Chief Financial Officer

Godrej One, Pirojshanagar, Eastern Express Highway,

Vikhroli (East), Mumbai – 400 079, Maharashtra

Phone: 022 – 2518 8010, Fax: 022 – 2518 8066

Email id: cg.pinto@godrejinds.com, Website: www.godrejindustries.com

Ms. Tejal Jariwala

Company Secretary & Compliance Officer

Godrej One, Pirojshanagar, Eastern Express Highway,

Vikhroli (East), Mumbai – 400 079, Maharashtra

Phone: 022 – 2518 8010, Fax: 022 - 2518 8066

Email id: tejal.jariwala@godrejinds.com, Website: www.godrejindustries.com

Investor Correspondence should be addressed to:

Computech Sharecap Limited

147, M.G. Road, Opp. Jehangir Art Gallery, Fort, Mumbai 400 001.

Tel: 022-22635000 / 22635001; Fax: 022-22635001

Email: helpdesk@computechsharecap.in

Exclusive E-Mail ID for Investors / Shareholders

Your Company has designated an e-mail id to enable the Shareholders and Investors to correspond with the Company. The e-mail id is investor@godrejinds.com.

r) SEBI Complaints Redress System (SCORES):

The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are as stated under:

1. Centralised database of all complaints;
2. Online upload of Action Taken Reports (ATRs) by concerned companies; and
3. Online viewing by investors of actions taken on the complaint and its current status.

s) Material Subsidiary Companies:

Your Company does not have material non-listed Subsidiary Company whose turnover or net worth (i.e. Paid-up capital and free reserves) exceeds 20% (Twenty per cent) of the consolidated turnover or net worth respectively of the Company and its subsidiary in the immediately preceding accounting year. The Audited Annual Financial Statements of Subsidiary Companies are tabled at the Board Meetings. Copies of the Minutes of the Board Meetings of unlisted Subsidiary Companies are individually given to all the Directors and are tabled at the subsequent Board Meetings. Your Company has formulated a Policy for determining the Material Subsidiaries as defined in Regulation 16 of the Listing Regulations. This Policy has been put up on the website of the Company, viz., www.godrejindustries.com. Your Company has 2 (Two) Material Listed Subsidiaries as on March 31, 2019, viz. Godrej Properties Limited and Godrej Agrovet Limited.

t) Non-compliance of any requirement of Corporate Governance Report of sub-paras (2) to (10) of Para C to Schedule V of the Listing Regulations:

The Company has complied with all the requirements in this regard, to the extent applicable.

u) Disclosures of compliance with Corporate Governance requirements specified in Regulation 17 to 27 and Regulation 46(2)(b) to (i) of the Listing Regulations:

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

Corporate Governance Report for the whole of Financial Year is given in table below:

I. Disclosure on website in terms of Listing Regulations:

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

II. Annual Affirmations:

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

v) Transfer of Unpaid / Unclaimed amounts of Dividend to Investor Education and Protection Fund:

During the year under review, the Company had transferred an amount of ₹ 6,84,338/- (Rupees Six Lakh Eighty Four Thousand Three Hundred Thirty Eight Only) lying in the unpaid / unclaimed dividend account for the Financial Year 2010-11, to the Investor Education and Protection Fund (IEPF) pursuant to Rule 5(4) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. Further, Equity Shares in respect of whom dividend will remain unclaimed progressively for 7 (Seven) consecutive years, will be reviewed for transfer to the IEPF as required by law. The Company will transfer the said Equity Shares, after sending an intimation of such proposed transfer in advance to the concerned Shareholders, as well as, publish a public notice in this regard. Pursuant to Rule 5(8) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of unpaid and unclaimed dividend amounts lying with the Company as on August 13, 2018 (date of last Annual General Meeting) on the Company's website, viz., www.godrejindustries.com and on the website of the Ministry of Corporate Affairs at www.iepf.gov.in.

w) Details of compliance with Non-Mandatory requirements:

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

- (a) **Shareholders' Rights:** As the quarterly and half yearly financial results are published in the newspapers and are also posted on the Company's website, the same are not being sent separately to the Shareholders.
- (b) **Audit Qualifications:** The Company's Financial Statements for Financial Year 2018-19 do not contain any audit qualification.
- (c) **Separate posts of Chairman and Managing Director:** The positions of the Chairman and Managing Director in the Company are separate.
- (d) **Reporting of Internal Auditor:** The Internal Auditors give their quarterly report to the Audit Committee and the same is taken for review at the time of the Meetings of the Audit Committee.

x) Credit Ratings:

The details of Credit Ratings held by the Company as on March 31, 2019 are as under:

Ratings from ICRA:

Instrument	Amount (₹ in Crore)	ICRA Rating
Long Term Loans	1,200	[ICRA] AA (stable)
Long Term Fund Based Limits	90	[ICRA] AA (stable)
Long Term Non-Fund Based Limits	50	[ICRA] AA (stable)
Short Term Loans	200	[ICRA] A1+
Short Term Non-Fund Based Limits	600	[ICRA] A1+
Commercial Paper Programme	1,000	[ICRA] A1+

Ratings from CRISIL:

Instrument	Amount in (₹ in Crore)	CRISIL Rating
Commercial Paper Programme	1,000	CRISIL A1+

There have been no revisions / changes in the Credit Ratings held by the Company during the Financial Year 2018-19.

y) Certificate regarding no-disqualification of Directors:

A certificate from M/s. A.N Ramani & Co., Practicing Company Secretaries has been obtained stating that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority. The Certificate is annexed to this Report on Corporate Governance.

z) Fees paid to Statutory Auditors:

Total fees of ₹ 4.30 crores (Rupees Four Crore and Thirty Lakhs) for Financial Year 2018-19, for all services, was paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

DECLARATION BY MANAGING DIRECTOR WITH RESPECT TO COMPLIANCE WITH CODE OF CONDUCT OF THE COMPANY

As provided under Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule V of the said regulations, this is to confirm that all the Members of the Board and the Senior Management have affirmed compliance with the Code of Conduct for the Financial Year ended March 31, 2019.

For Godrej Industries Limited

Date: May 13, 2019
Place: Mumbai

Nadir Godrej
Managing Director

CERTIFICATE FROM PRACTICING COMPANY SECRETARY ON COMPLIANCE WITH CORPORATE GOVERNANCE

To,
The Members,
Godrej Industries Limited

We have examined the compliance of conditions of corporate governance by Godrej Industries Limited ("the Company") for the Financial Year ended on March 31, 2019, as prescribed in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paras C, D and E of Schedule V of Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Management Responsibility

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

PCS' Responsibility

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in above mentioned Listing Regulations as applicable during the Financial Year ended March 31, 2019.

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

Restriction on use

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

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

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

**Date: May 13, 2019
Place: Thane**

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Godrej Industries Limited
Godrej One, Pirojshanagar,
Eastern Express Highway, Vikhroli East,
Mumbai - 400079

I/We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Godrej Industries Limited having CIN - L24241MH1988PLC097781 and having registered office at Godrej One, Pirojshanagar, Eastern Express Highway, Vikhroli East, Mumbai - 400079 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Mr. Adi Barjorji Godrej	00065964	March 7, 1988
2	Ms. Tanya Arvind Dubhash	00026028	August 1, 1996
3	Mr. Nadir Burjor Godrej	00066195	March 7, 1988
4	Mr. Jamshyd Naoroji Godrej	00076250	March 7, 1988
5	Mr. Keki Manchersha Elavia	00003940	May 28, 2013
6	Mr. Aspy Dady Cooper	00026134	October 28, 2015
7	Mr. Saleem Anvaar Ahmadullah	00037137	January 3, 1995
8	Mr. Kersi Kaikhushru Dastur	00050199	May 1, 2002
9	Mr. Kavas Petigara	00066162	January 30, 2002
10	Mr. Vijay Mohan Crishna	00066267	January 3, 1995
11	Mr. Amit Biren Choudhury	00557547	August 4, 2009
12	Mr. Nitin Sudhakar Nabar	06521655	May 1, 2013
13	Ms. Rashmi Satish Joshi	06641898	March 15, 2019

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

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

**Date: May 13, 2019
Place: Thane**

**CONSOLIDATED
FINANCIAL
STATEMENTS**

Independent Auditors' Report

To the Members of Godrej Industries Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Godrej Industries Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and its joint ventures, which comprise the consolidated Balance Sheet as at 31 March 2019, and the consolidated Statement of Profit and Loss (including other comprehensive income), consolidated Statement of Changes in Equity and consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and in the context of the overriding effect of the accounting treatment for the Appointed date in the Scheme of Amalgamation of Vora Soaps Limited (VSL) with the Holding Company approved by the National Company Law Tribunal vis-à-vis the treatment that would have been applicable otherwise, as described in Note 55 to the consolidated financial statements and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries, associates and joint ventures as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and its joint ventures as at 31 March 2019, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

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

- (i) Note 61 (a) to the consolidated financial statements which mentions that the Holding Company has paid remuneration to two Directors during the year ended 31 March 2019, which is in excess of the limits given under Section 197 read with Schedule V of the Companies Act, 2013 by ₹ 7.96 crores and is subject to the approval of the shareholders.
- (ii) Note 61 (b) to the consolidated financial statements which mention that one of the Holding Company's subsidiaries has paid remuneration to its Executive Chairman and the Managing Director & CEO for the financial year ended 31 March 2019, which is in excess of the limits prescribed under Section 197 of the Companies Act, 2013 by ₹ 5.81 crores, which is subject to the approval of the shareholders.
- (iii) Note 18 IV (i) to the consolidated financial statements wherein the Honorable High Court of Judicature at Bombay had approved a Scheme of Arrangement whereby the assets and liabilities of the transferor companies (Godrej Oil Palm Limited, Godrej Gokarna Oil Palm Limited and Cauvery Palm Oil Limited) have been taken over and recorded by a Holding Company's subsidiary at their book values as on 1 April 2011. Amortisation amounting to ₹ 4.25 crores for the year ended 31 March 2019 and 31 March 2018 on Intangible Assets taken over as per the Scheme is charged against the balance in the General Reserve Account of the subsidiary company. Had this amount been charged to the Consolidated Statement of Profit and Loss, the profit for the years ended 31 March 2019 and 31 March 2018 would have been lower by ₹ 2.77 crores.

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

Independent Auditors' Report

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

Revenue recognition from sale of goods

See Note 29 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
Revenue from sale of goods is recognized when the control of the goods has transferred to the customer and when there are no longer any unfulfilled obligations to the customer. We have identified recognition of revenue as a key audit matter as revenue is a key performance indicator and there is a risk of revenue being fraudulently overstated through manipulation on the timing of transfer of control arising from pressure to achieve performance targets as well as meeting external expectations. Revenue is measured at the fair value of the consideration received or receivable. Revenue is adjusted for estimated sales returns, discounts and other similar allowances. Sales return estimation As disclosed in Note 2.18 to the consolidated financial statements, revenue is recognised net of estimated sales returns. Estimation of sales returns involves significant judgement and estimates since it is dependent on various internal and external factors. Accrual for rebates and schemes As disclosed in Note 2.18 to the consolidated financial statements, revenue is recognised net of trade discounts, volume rebates and other incentives given to the customer. The recognition and measurement of such discounts, rebates and incentives, including establishing an appropriate accrual at year end, involves significant judgement and estimates, particularly the expected level of claims of each of the customers. The value of rebates and schemes allowances together with the level of judgement involved make its accounting treatment a significant matter for our audit.	Our audit procedures included the following: - Considering the appropriateness of the Group's accounting policies regarding to revenue recognition including those relating to accounting for rebates and schemes allowance, by comparing with applicable accounting standards. - Testing the design, implementation and operating effectiveness of the Group's general IT controls and key IT/manual application controls over the Company's systems which govern recording of revenue in the general ledger accounting system. - Performing substantive testing (including year- end cut-off testing) by selecting samples of revenue transactions recorded during the year (and before and after the financial year end) by verifying the underlying documents, which included sales invoices/contracts and shipping documents. - Understanding the process followed by the Group for the purpose of identifying and determining the amount of provision of sales returns; - Evaluating the data used by the Group for the purpose of calculation of the provision for sales returns and checking of its arithmetical accuracy; - Comparison between the estimate of the provision for sales returns created in the past with subsequent actual sales returns and analysis of the nature of any deviations to corroborate the effectiveness of the estimation process; - Testing the Group's process and controls over the calculation of discounts, rebates and customer incentives; - Selecting a sample on test check basis of revenue transactions and scheme circulars to re- check that scheme allowance as at year end were calculated in accordance with the eligibility criteria mentioned in the relevant circulars; - Selecting a sample (using statistical sampling) of credit note issued to the customers during the year and verifying the same is in accordance with the scheme; - Evaluating the assumptions and judgements used by the Group in calculating rebates and schemes allowances, including the level of expected claims, by comparing historical trends of claims; and

Independent Auditors' Report

Key Audit Matters (Continued)

Description of Key Audit Matter (Continued)

Revenue recognition from sale of goods (Continued)

See Note 29 to the consolidated financial statements (Continued)

The key audit matter	How the matter was addressed in our audit
	- Examining manual journals posted to revenue, discounts, rebates and incentives to identify unusual or irregular items - Considering the adequacy of the Group's disclosures in respect of the revenue.

Revenue recognition from sale of residential and commercial units

See Note 29 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
Revenue from sale of residential and commercial units represents 23.98 % of the total revenue of the Group. Revenue is recognised upon transfer of control of residential and commercial units to customers for an amount that reflects the consideration which the Group expects to receive in exchange for those units. The trigger for revenue recognition is normally completion of the project or receipt of approvals on completion from relevant authorities or intimation to the customer of completion, post which the contract becomes non-cancellable by the parties. The Group records revenue over time till the actual possession to the customers or on actual possession to the customers, as determined by the terms of contract with customers. Revenue recognition prior to completion of the project Due to the Group's projects being spread across different regions within the country and the competitive business environment, there is a risk that revenue could be overstated (for example, through premature revenue recognition i.e. recording revenue without receipt of approval from authorities or its intimation to the customers) or understated (for example, through improperly shifting revenues to a later period) in order to present consistent financial results. Since revenue recognition has direct impact on the Group's profitability, the element of management bias is likely to be involved. Measurement of revenue recorded over time which is dependent on the estimates of the costs to complete Revenue recognition involves significant estimates related to measurement of costs to complete for the projects. Revenue from projects is recorded based on management's assessment of the work completed, costs incurred and accrued and the estimate of the balance costs to complete. Due to the inherent nature of the projects and significant judgment involved in the estimate of costs to complete, there is risk of overstatement or understatement of revenue.	Our audit procedures included the following: - Evaluating that the Group's revenue recognition accounting policies are in line with the applicable accounting standards and their application to the key customer contracts including consistent application; - Sales cut-off procedures for determination of revenue in the correct reporting period; - Scrutinising all the revenue journals raised throughout the reporting period and comparing details of a sample of these journals, which met certain risk-based criteria, with relevant underlying documentation; - Conducting site visits during the year for selected projects to understand the scope and nature of the projects and to assess the progress of the projects; and - Considered the adequacy of the disclosures in note 2.19 to the consolidated financial statements in respect of the judgments taken in recognising revenue for residential and commercial property units. In addition, we have performed following procedures: Revenue recognition prior to receipt of OC/ similar approval and intimation to the customer - Discussing and challenging key management judgments in interpreting contractual terms including obtaining in-house legal interpretations; - Testing sample sales of units for projects with the underlying contracts, completion status and proceeds received from customers; - Identified and tested operating effectiveness of key controls around approvals of contracts, milestone billing, intimation of possession letters / intimation of receipt of occupation certificate and controls over collection from customers; and - We have obtained confirmations, on a sample basis, from major customers for selected projects to confirm revenue recognised during the year and, performing alternative procedures by comparing details with contracts, collection details and other underlying project related documentation for cases where confirmations are not received.

Independent Auditors' Report

Key Audit Matters (Continued)

Description of Key Audit Matter (Continued)

Revenue recognition from sale of residential and commercial units (Continued)

See Note 29 to the consolidated financial statements (Continued)

The key audit matter	How the matter was addressed in our audit
	Measurement of revenue recorded over time which is dependent on the estimates of the costs to complete - Compared, on a sample basis, revenue transactions recorded during the year with the underlying contracts, progress reports, invoices raised on customers and collections in bank accounts and whether the related revenue had been recognised in accordance with the Group's revenue recognition policies; - Identification and testing operating effectiveness of key controls over recording of actual costs incurred for the projects; - Review of the costs to complete workings, comparing the costs to complete with the budgeted costs and inquiring into reasons for variance; and - Sighting approvals for changes in budgeted costs with the rationale for the changes and assessment of contract costs to determine no revenue nature costs are taken to inventory.

Impairment of Trade Receivables

See Note 12 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
Certain of the Holding Company's subsidiaries have significant large number of individual small customers. Customers in different business segments and jurisdictions are subject to their independent business risk, climate risk, political risk, interest rate risk. The carrying amount of trade receivables of such subsidiaries as at 31 March 2019, represents 59.83% of the total trade receivables of the Group. The Management of the subsidiaries assesses the level of allowance for doubtful debts required at each reporting date after taking into account the ageing analysis of trade receivables and any other factors specific to individual debtors concerned or debtors at independent segment level and a collective element based on historical experience adjusted for certain current factors. Accordingly, the subsidiaries' auditors identified the recoverability of trade receivables as a key audit matter because of the significance of such trade receivables to Group's balance sheet and because of the significant degree of management judgement involved in evaluating the adequacy of the allowance for doubtful debts.	Our audit procedures to assess the recoverability of trade receivables included the following: - obtaining an understanding of and assessing the design, implementation and operating effectiveness of the subsidiaries' key internal controls over the processes of credit control, collection of trade receivables and follow up of overdue balances; - evaluating the subsidiaries' policy for making allowances for doubtful debts with reference to the requirements of the prevailing accounting standards; - assessing the classification of trade receivables in the trade receivable ageing report by comparison with sales invoices and other underlying documentation on a test check basis; - assessing the assumptions and estimates made by management for the allowance for doubtful debts calculated based on a collective assessment by performing a retrospective evaluation of the historical accuracy of these estimates and recalculating the allowance with reference to the subsidiaries' policy for collective assessment; and - circulating and obtaining independent customers confirmation on the outstanding balances on sample (using statistical sampling) basis. Testing the reconciliation, if any between the balances confirmed by customer and balance in the books and inspecting subsequent bank receipts from customers and other relevant underlying documentation relating to trade receivable balances at 31 March 2019, on a sample basis (using statistical sampling)

Independent Auditors' Report

Key Audit Matters (Continued)

Description of Key Audit Matter (Continued)

Accounting for business combinations to the Consolidated Financial Statements

See Note 57 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
During the year, the Group acquired controlling stake in its erstwhile joint venture, Godrej Tyson Foods Limited and accounted for the acquisition as a business combination as per Ind AS 103 w.e.f 31 March 2019. The measurement of the identifiable assets and liabilities acquired at fair value is inherently judgmental. Fair value was determined by the Group with the assistance of an external valuation expert using various valuation models, which were applied according to the assets and liabilities being measured. Given the complexity and judgement involved in fair value measurements and magnitude of the acquisition made by the Group, this is a key audit matter.	Our audit procedures included the following: - Obtaining the share purchase and shareholder's agreement to evaluate the key terms and conditions, including rights of minority shareholders to determine that the Group has acquired control over Godrej Tyson Private Limited in accordance with relevant accounting standard. - Assessing the amounts for existing stake in Godrej Tyson Foods Limited pursuant to the acquisition of control, is in compliance with the requirements of relevant accounting standard. - Assessing the work performed by management's external valuation experts, including valuation methodology for each category of assets and liabilities, along with key judgements made in determining the fair values. - Involving our internal valuation specialists to consider and evaluate the appropriateness of the valuation methodologies applied to significant fair value adjustments and also, to evaluate the inputs to the valuation models used to determine the value of the intangible assets, including the discount rates, growth rates and useful economic lives, through comparing these against industry benchmarks on similar assets and business. - Testing appropriateness of the cash flow projections used in the valuations and assumptions of useful lives of assets. - Assessing the adequacy of the Group's disclosures in respect of the acquisition in accordance with the accounting standards.

Independent Auditors' Report

Key Audit Matters (Continued)

Description of Key Audit Matter (Continued)

Inventories

See Note 10 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
One of the Holding Company's subsidiaries has Inventories which comprise finished goods and construction-work-in-progress representing 64.19% of the Group's total inventories. Assessing net realisable value The subsidiary recognises profit on each sale by reference to the overall project margin, which is the projected profit percentage for a phase that may comprise multiple units and can last a number of years. The recognition of profit is therefore dependent on the estimate of future selling prices and build costs including an allowance for risk. Further estimation uncertainty and exposure to cyclicalities exists within the long term projects. Forecasts of future sales are dependent on market conditions, which can be difficult to predict and be influenced by political and economic factors. Inventory represents the capitalised project costs to date less amounts expensed on sales by reference to the aforementioned projections. It is held at the lower of cost and net realisable value, the latter also being based on the forecast for the project. As such inappropriate assumptions in these forecasts can impact the assessment of the carrying value of inventories. Further due to their materiality in the context of total inventories of the Group this is considered significant to our overall audit strategy and planning.	Our audit procedures to assess the net realisable value (NRV) of inventories included the following: - Discussion with the subsidiaries' management to understand the basis of calculation and justification for the estimated recoverable amounts of the unsold units ("the NRV assessment"); - Evaluating the design and implementation of the subsidiaries' internal controls over the NRV assessment. Our evaluation included assessing whether the NRV assessment was prepared and updated by appropriate personnel of the subsidiary and whether the key estimates, including estimated future selling prices and costs of completion for all property development projects, used in the NRV assessment, were discussed and challenged by management as appropriate; - Evaluating the subsidiaries' management's valuation methodology and assessing the key estimates, data inputs and assumptions adopted in the valuations, which included comparing expected future average selling prices with available market data such as recently transacted prices for similar properties located in the nearby vicinity of each property development project and the sales budget plans maintained by the subsidiary; and - Re-performing the calculations of the NRV assessment and comparing the estimated construction costs to complete each development with the subsidiaries' updated budgets.

Deferred Tax Assets

See Notes 8 and 44 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
The carrying amount of the deferred tax assets for one of the Holding Company's subsidiaries represents 79.34 % of the Group's total deferred tax assets. Recognition and measurement of deferred tax assets The subsidiary has deferred tax assets in respect of brought forward losses and other temporary differences, as set out in note 44 to the consolidated financial statements. The recognition of deferred tax assets involves judgment regarding the likelihood of the reasonable certainty of realisation of these assets, in particular whether there will be taxable profits in future periods that support recognition of these assets. The subsidiaries' Management records deferred tax assets in respect of brought forward business losses in cases where it is reasonably certain based on the projected profitability determined on the basis of approved business plans that sufficient taxable income will be available to absorb the brought forward business loss.	Our audit procedures included: - Through discussions with the subsidiaries' management, we understood the process for recording deferred tax assets; - We have obtained the approved business plans, projected profitability statements for the existing projects and the future projects which are confirmed through definitive agreements; - We have performed sensitivity analysis and inquired into the basis of the projections for the reasonable certainty of utilisation of the brought forward business losses and therefore recognition of deferred tax assets; and - We tested the underlying data for the key deferred tax and tax provision calculations.

Independent Auditors' Report

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company. and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of each company 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.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures is responsible for overseeing the financial reporting process of each company.

Independent Auditors' Report

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (company and subsidiaries) as well as associates and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associates and joint ventures to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

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

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned

Independent Auditors' Report

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- (a) We did not audit the financial statements of 6 subsidiaries, whose annual financial statements reflect total assets of ₹ 268.58 crores as at 31 March 2019, total revenues of ₹ 336.15 crores and net cash flow amounting to ₹ (0.23) crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (including other comprehensive income) of ₹ 2.91 crores for the year ended 31 March 2019, in respect of one joint venture and one associate (upto 26 March 2019), whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Holding Company's Management, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint venture and associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint venture and associate is based solely on the audit reports of the other auditors.
- (b) The consolidated financial statements include the financial statements of two subsidiaries which reflect total assets of ₹ 0.07 crores as at 31 March 2019, total revenues of ₹ 0.04 crores and net cash flow amounting to ₹ 0.01 crores for the year ended on that date, as considered in the consolidated financial statements, which have not been audited either by us or by other auditors. The consolidated financial statements also include the Group's share of net profit (including other comprehensive income) of ₹ 6.79 crores for the year ended 31 March 2019, as considered in the consolidated financial statements, in respect of one associate and one joint venture whose financial statements have not been audited by us or by other auditors. These unaudited financial statements have been furnished to us by the Holding Company's Management and our opinion on the consolidated financial statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associate and joint venture, and our report in terms of sub section (3) of Section 143 of the Act in so far as relates to the aforesaid subsidiaries, associate and joint venture is based on solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Holding Company's Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Independent Auditors' Report

Report on Other Legal and Regulatory Requirements

- A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries, associates and joint ventures as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Statement of Change in Equity and the consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and joint ventures incorporated in India, none of the directors of the Group companies, its associate companies and joint ventures incorporated in India is disqualified as on 31 March 2019 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 consolidated financial statements of the Holding Company, its subsidiary companies, associate companies and joint ventures incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, associates and joint ventures, as noted in the 'Other Matters' paragraph:
- i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2019 on the consolidated financial position of the Group, its associates and joint ventures. Refer Note 38 to the consolidated financial statements.
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 39 to the consolidated financial statements in respect of such items as it relates to the Group, its associates and joint ventures.
 - iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies, associate companies and joint ventures incorporated in India during the year ended 31 March 2019.
 - iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the consolidated financial statements since they do not pertain to the financial year ended 31 March 2019.

Independent Auditors' Report

Report on Other Legal and Regulatory Requirements (Continued)

C. With respect to the matter to be included in the Auditor's report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies, associate companies and joint ventures incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company, its subsidiary companies, associate companies and joint ventures to its directors is in accordance with the provisions of Section 197 of the Act, except for the following:

- a. the Holding Company has paid remuneration to two Directors during the year ended 31 March 2019, which is in excess of the limits given under Section 197 read with Schedule V of the Companies Act, 2013 by ₹ 7.96 crores and is subject to the approval of the shareholders.
- b. one of the Holding Company's subsidiaries has paid remuneration to its Executive Chairman and the Managing Director & CEO for the financial year ended 31 March 2019, which is in excess of the limits prescribed under Section 197 of the Companies Act, 2013 by ₹ 5.81 crores, which is subject to the approval of the shareholders.

The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

Our opinion is not modified in respect of this matter.

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

Place: Mumbai
Date: 13 May 2019

Vijay Mathur
Partner
Membership No. : 046476

Annexure A to the Independent Auditors' report on the consolidated financial statements of Godrej Industries Limited for the year ended 31 March 2019

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph (A) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of Godrej Industries Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2019, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and such companies incorporated in India under the Companies Act, 2013 ("the Act") which are its subsidiary companies, its associate companies and its joint venture companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, its associate companies and joint venture companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such 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 (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 with reference to consolidated financial statements were 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies, associate companies and joint venture companies in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Annexure A to the Independent Auditors' report on the consolidated financial statements of Godrej Industries Limited for the year ended 31 March 2019 (Continued)

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements 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 controls with reference to consolidated financial statements 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 with Reference to consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to 4 subsidiary companies which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

Mumbai
13 May 2019

Vijay Mathur
Partner
Membership No. 046476

Consolidated Balance Sheet as at March 31, 2019

Amount ₹ in Crore

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018 Restated	As at April 1, 2017 Restated
ASSETS				
Non Current Assets				
Property, Plant and Equipment	3	3,046.21	2,605.02	2,591.56
Capital Work in Progress	3a	201.28	269.83	54.09
Investment Property	3b	160.90	140.31	126.21
Goodwill	43	598.77	500.31	500.29
Other Intangible Assets	3c	71.63	56.67	63.06
Intangible Assets Under Development	3d	2.24	0.68	0.25
Biological Assets other than bearer plants	3e	19.00	4.26	4.67
Equity accounted investees	4a	3,499.70	2,833.13	2,417.59
Financial Assets				
Investments	4b	921.83	747.10	353.67
Trade Receivables	5	14.21	13.39	13.33
Loans	6	62.09	109.53	101.95
Other Financial Assets	7	46.23	14.03	7.76
Deferred Tax Assets (Net)	8	649.73	772.77	697.02
Other tax assets (net)		194.76	134.56	152.75
Other Non Current Assets	9	125.99	74.00	95.43
Current Assets				
Biological Assets other than bearer plants	3e	52.98	-	-
Inventories	10	3,444.19	4,819.00	6,216.37
Financial Assets				
Investments	11	1,052.10	556.99	369.33
Trade Receivables	12	1,228.25	1,001.60	886.38
Cash and cash equivalents	13a	756.01	281.95	179.03
Other Bank balances	13b	204.30	222.31	55.90
Loans	14	1,051.74	1,014.67	693.38
Other Financial Assets	15	377.39	276.82	313.55
Current Tax Assets (Net)		-	-	0.87
Other Current Assets	16	559.17	546.07	392.90
TOTAL ASSETS		18,340.70	16,995.00	16,287.34
EQUITY AND LIABILITIES				
EQUITY				
Equity Share Capital	17	33.64	33.63	33.61
Other Equity	18	4,312.80	3,300.79	2,656.63
Equity attributable to owners of the Company		4,346.44	3,334.42	2,690.24
Non-controlling interest		2,212.14	1,357.22	1,098.18
TOTAL EQUITY		6,558.58	4,691.64	3,788.42
LIABILITIES				
Non Current Liabilities				
Financial Liabilities				
Borrowings	19	1,260.58	952.29	1,508.26
Other Financial Liabilities	20	1.01	0.49	35.33
Provisions	21	27.38	25.33	17.11
Deferred Tax Liabilities (Net)	22	278.37	242.48	229.25
Other Non Current Liabilities	23	21.32	14.96	15.24
Current Liabilities				
Financial Liabilities				
Borrowings	24	5,642.47	5,311.78	5,592.31
Trade Payables	25			
Total outstanding dues of micro enterprises and small enterprises		38.23	19.97	20.95
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,917.68	1,608.46	1,670.28
Other Financial Liabilities	26	861.46	1,240.98	833.62
Other Current Liabilities	27	1,632.59	2,778.09	2,530.02
Provisions	28	61.22	46.56	30.94
Current Tax Liabilities (Net)		39.81	61.97	15.61
TOTAL LIABILITIES		11,782.12	12,303.36	12,498.92
TOTAL EQUITY AND LIABILITIES		18,340.70	16,995.00	16,287.34
Significant Accounting Policies	2			

The accompanying notes form an integral part of consolidated 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

A. B. Godrej

Chairman

DIN : 00065964

N. B. Godrej

Managing Director

DIN : 00066195

Vijay Mathur

Partner

M.No. : 046476

N. S. Nabar

Executive Director &

President (Chemicals)

DIN : 06521655

Clement Pinto

Chief Financial Officer

Tejal Jariwala

Company Secretary

Mumbai, May 13, 2019

Consolidated Statement of Profit and Loss for the year ended March 31, 2019

Amount ₹ in Crore

Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018 Restated
Revenue from Operations	29	11,139.97	9,124.23
Other Income	30	483.25	561.22
Total Income		11,623.22	9,685.45
Expenses			
Cost of Materials Consumed	31a	5,673.85	5,063.59
Purchases of Stock in Trade		811.62	621.70
Cost of Property Development	31b	553.36	1,110.25
Changes in Inventories of Finished Goods, Stock in Trade and Work in Progress	32	1,579.99	251.89
Excise Duty		-	48.56
Employee Benefits Expenses	33	626.92	574.16
Finance Costs	34	516.33	413.15
Depreciation and Amortisation Expenses	35a	172.97	175.27
Other Expenses	35b	1,262.83	1,185.13
Total Expenses		11,197.87	9,443.70
Profit Before Exceptional Items, Share of Profit of Equity Accounted Investees and Tax		425.35	241.75
Exceptional Items	36	88.30	12.05
Profit Before Share of Profit of Equity Accounted Investees and Tax		513.65	253.80
Share of Profit of Equity Accounted Investees (net of Income Tax)		572.30	343.06
Profit before Tax		1,085.95	596.86
Tax Expense			
Current Tax	44	62.60	161.21
Deferred Tax	44	144.63	(57.05)
Prior Period Tax adjustments	44	14.99	8.34
Total Tax Expenses		222.22	112.50
Profit for the Year		863.73	484.36
Other Comprehensive Income			
Items that will not be reclassified to Profit or Loss			
Remeasurements of defined benefit plans		(1.88)	(10.39)
Equity accounted investees' share of other comprehensive income		0.05	(0.99)
Income Tax related to Items that will not be reclassified to Profit or Loss		1.08	3.83
Items that will be reclassified to Profit or Loss			
a) Exchange differences on translation of financial statements of foreign operations		35.32	10.38
b) Effective portion of (losses)/gains on hedging instruments in cash flow hedges		(2.87)	(3.50)
Income Tax related to Items that will be reclassified to Profit or Loss		(0.12)	(0.19)
Total Other Comprehensive Income		31.58	(0.86)
Total Comprehensive Income for the Year		895.31	483.50
Profit Attributable to :			
a) Owners of the Company		589.53	337.83
b) Non-Controlling Interest		274.20	146.53
Other Comprehensive Income Attributable to :			
a) Owners of the Company		32.17	3.14
b) Non-Controlling Interest		(0.59)	(4.00)
Total Comprehensive Income Attributable to :			
a) Owners of the Company		621.70	340.98
b) Non-Controlling Interest		273.61	142.53
Earnings Per Equity Shares (Face Value of ₹ 1 each)	37		
Basic		17.48	10.00
Diluted		17.47	9.99
Significant Accounting Policies	2		

The accompanying notes form an integral part of consolidated 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

A. B. Godrej
Chairman
DIN : 00065964

N. B. Godrej
Managing Director
DIN : 00066195

Vijay Mathur
Partner
M.No. : 046476

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

Clement Pinto
Chief Financial Officer

Tejal Jariwala
Company Secretary

Mumbai, May 13, 2019

Consolidated Statement of Changes in Equity for the year Ended March 31, 2019

A. Equity Share Capital

	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No. of Shares	Amount ₹ In Crore	No. of Shares	Amount ₹ In Crore	No. of Shares	Amount ₹ In Crore
Balance at the beginning of the year	336,272,731	33.63	336,139,786	33.61	335,988,807	33.60
Changes in equity share capital during the year	111,636	0.01	132,945	0.02	150,979	0.01
Balance at the end of the year	336,384,367	33.64	336,272,731	33.63	336,139,786	33.61

B. Other Equity

Particulars	Other Equity											Items of Other Comprehensive Income	Total Before Non Controlling Interest	Non Controlling Interest	Total			
	Related Earnings	Controlling Interest Reserve	General Reserve	Capital Redemption Reserve	Capital Reserve	Security Premium	Capital Reserve	Reserve on account of Amalgamation	Social Reserve	Employee Stock Grant Outstanding	Treasury Stock					Debiture Redemption Reserve	Gain on sale of subsidiary without losing control	Foreign Currency Monetary Item Transition Difference Account
Balance at April 01, 2017 (Restated)	1,087.45	558.97	55.94	31.46	939.21	14.01	2.38	3.98	7.20	(4.81)	-	-	(7.89)	1.26	(42.59)	2,656.63	1,098.18	3,754.81
Profit for the year	337.83	-	-	-	-	-	-	-	-	-	-	-	-	-	-	337.83	146.53	484.36
Other Comprehensive Income (net of tax)	(5.06)	-	-	-	-	-	-	-	-	-	-	-	-	(2.19)	10.39	3.14	(4.00)	(0.86)
Addition on gain on sale of subsidiary without losing control	-	-	-	-	-	-	-	-	-	-	-	180.67	-	-	-	180.67	-	180.67
Transfer from Employee Stock Option Grant	-	3.25	-	-	4.49	-	-	-	(7.74)	-	-	-	-	-	-	-	-	-
Transfer from Surplus	(70.00)	-	20.00	-	-	-	-	-	-	-	50.00	-	-	-	-	-	-	-
Amortisation of Intangibles as per Merger Scheme	-	-	(2.77)	-	-	-	-	-	-	-	-	-	-	-	(2.77)	(2.77)	-	(2.77)
Exercise of Stock Grant (Net of Deferred Stock Grant Expense)	-	-	-	-	-	-	-	-	8.29	4.81	-	-	-	-	8.29	8.29	-	8.29
ESOP shares subscribed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4.81	-	4.81
Adjustment for IInd AS Put option Liability	(1.64)	-	-	-	-	-	-	-	-	-	-	-	-	-	(1.64)	(1.64)	-	(1.64)
Addition on account of amalgamation (refer note 55)	-	-	-	-	-	14.44	0.01	-	-	-	-	-	17.48	-	14.45	14.45	-	14.45
Additions during the year	-	281.38	-	-	-	-	-	-	-	-	-	-	-	-	298.86	298.86	-	298.86
Transactions with the owners of the Company, recorded directly in equity																		
Final Dividend	(92.60)	-	-	-	-	-	-	-	-	-	-	-	-	-	(92.60)	(92.60)	-	(92.60)
Dividend Distribution Tax (DDT)	(18.80)	-	-	-	-	-	-	-	-	-	-	-	-	-	(18.80)	(18.80)	-	(18.80)
Adjustment arising on acquisition / Deletion and Non Controlling Interest	38.87	(99.21)	(7.32)	-	-	(0.08)	-	-	(0.08)	-	(21.34)	-	0.87	0.20	(88.08)	116.51	-	28.43
Balance at March 31, 2018 (Restated)	1,286.06	744.39	65.85	31.46	943.70	28.45	2.31	3.98	7.67	-	28.66	180.67	9.59	(0.06)	(31.94)	3,300.79	1,357.22	4,658.01
Profit for the year	589.53	-	-	-	-	-	-	-	-	-	-	-	-	-	589.53	589.53	274.20	863.73
Other Comprehensive Income (net of tax)	(0.07)	-	-	-	-	-	-	-	-	-	-	-	(3.09)	35.33	-	32.17	(0.59)	31.58
Transfer from Employee Stock Option Grant	-	2.93	-	-	4.48	-	-	-	(7.41)	-	-	-	-	-	-	-	-	-
Transfer from Surplus	(50.00)	-	-	-	-	-	-	-	-	-	50.00	-	-	-	-	-	-	-
Amortisation of Intangibles as per Merger Scheme	-	-	(2.77)	-	-	-	-	-	-	-	-	-	-	-	(2.77)	(2.77)	-	(2.77)
Exercise of Stock Grant (Net of Deferred Stock Grant Expense)	-	-	-	-	-	-	-	-	11.13	-	-	-	-	-	11.13	11.13	-	11.13
Adjustment for IInd AS Put option Liability	18.48	-	-	-	-	-	-	-	-	-	-	-	-	-	18.48	18.48	-	18.48
Additions during the year	-	986.96	-	-	(35.42)	-	5.51	-	-	-	-	-	1.54	-	994.01	994.01	-	994.01
Utilisation for issue of Shares during the year pursuant to Scheme of Amalgamation (refer note 55)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(35.42)	(35.42)	-	(35.42)
Transactions with the owners of the Company, recorded directly in equity																		
Final Dividend	(95.17)	-	-	-	-	-	-	-	-	-	-	-	-	-	(95.17)	(95.17)	-	(95.17)
Dividend Distribution Tax (DDT)	(19.54)	-	-	-	-	-	-	-	-	-	-	-	-	-	(19.54)	(19.54)	-	(19.54)
Adjustment arising on acquisition / Deletion on Non Controlling Interest	59.87	(509.33)	1.16	-	-	(7.01)	-	-	(1.30)	-	(22.53)	-	0.06	(0.20)	(480.40)	581.31	-	100.91
Balance at March 31, 2019	1,788.16	1,224.95	64.24	31.46	912.76	28.45	0.81	3.98	10.09	-	56.13	180.67	11.13	(3.21)	3.19	4,312.80	2,212.14	6,524.94

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

The accompanying notes form an integral part of consolidated 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

A. B. Godrej
Chairman
DIN : 00065964

Vijay Mathur
Partner
M.No. : 046476

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

N. B. Godrej
Managing Director
DIN : 00066195

Clement Pinto
Chief Financial Officer

Tejal Jariwala
Company Secretary

Consolidated Cash Flow Statement for the year ended March 31, 2019

Particulars	Amount ₹ in Crore	
	Year ended March 31, 2019	Year ended March 31, 2018 Restated
A. Cash Flow From Operating Activities:		
Profit Before Tax	1,085.95	596.86
Adjustments for:		
Depreciation and Amortisation	172.97	175.27
Unrealised Foreign Exchange revaluation	4.27	(4.02)
Profit on Sale of Investments (net)	(65.72)	(210.93)
(Profit) / Loss on Sale, Write off and Provision of Property Plant and Equipment (net)	(14.64)	1.38
Grant amortisation	(1.30)	(1.49)
Share issue expense	-	0.01
Expenses on Amalgamation	0.40	1.07
Interest Income	(237.03)	(143.64)
Interest & Finance Charges	516.33	413.15
Employee Stock Grant Scheme	7.70	6.58
Income from Investment measured at FVTPL	(85.74)	(158.99)
Bad Debts written off	18.67	8.21
Write down of inventories	4.75	100.87
Share of profit of Equity accounted investees (net of tax)	(572.30)	(343.06)
Provision for Doubtful Debts and Sundry Balances (net)	26.31	46.96
Liabilities no longer required written back	(18.26)	(3.81)
Exceptional Income	(88.30)	(12.05)
Inventory lost due to fire	-	2.63
Lease rent from investment property	(0.79)	(0.37)
Operating Profit Before Working Capital Changes	753.27	474.63
Adjustments for :		
Increase/ (Decrease) in Non-financial Liabilities	(1,157.66)	219.86
Increase/ (Decrease) in Financial Liabilities	252.47	144.77
(Increase)/ Decrease in Inventories	1,509.08	1,082.58
(Increase)/ Decrease in Biological assets other than bearer plants	(0.42)	0.41
(Increase)/ Decrease in Non-financial Assets	45.97	(174.45)
(Increase)/ Decrease in Financial Assets	(0.28)	101.63
Cash Generated from Operations	1,402.43	1,849.43
Direct Taxes Paid	(156.54)	(160.43)
Net Cash generated from Operating Activities	1,245.89	1,689.00
B. Cash Flow from Investing Activities:		
Purchase of Property, Plant and Equipment	(441.07)	(483.93)
Proceeds from Sale of Property, Plant and Equipment	36.35	15.92
Proceeds from sale of stake in subsidiaries	-	201.24
Proceeds from sale of investment in joint ventures	0.01	-
Purchase of Investment	(3,597.20)	(1,750.75)
Capital subsidy received	2.76	-
Acquisition of subsidiaries (refer note 57)	(46.90)	-
Proceeds from Sale of Investments	2,545.63	1,580.46
Loan given to joint ventures, others (net)	21.81	(670.63)
Intercompany Deposits / Loans (net)	5.91	(0.84)
Expenses on Amalgamation	(35.82)	(1.07)
Interest Received	134.26	92.80
Dividend Received	0.00	0.61
Lease rent from investment property	0.80	0.37
Net Cash (used) in Investing Activities	(1,373.46)	(1,015.83)
C. Cash Flow from Financing Activities:		
Proceeds from issue of Equity shares	1.85	1.85
Transactions with non-controlling interests	993.90	298.98
Redemption of preference shares	(0.01)	(0.01)
Share issue expense	-	(14.27)
Proceeds from Non Current Borrowings	570.00	552.59
Repayment of Non Current Borrowings	(634.70)	(933.13)
Proceeds from / (Repayment of) Current Borrowings (net)	823.87	(192.34)
Interest & Finance Charges Paid	(580.83)	(560.83)
Dividend Paid	(97.98)	(92.61)
Payment of unclaimed fixed deposits	(0.27)	(0.69)
Tax on Distributed Profits	(20.11)	(18.80)
Net Cash generated from / (used in) Financing Activities	1,055.71	(959.26)
Net Increase / (Decrease) in Cash and Cash Equivalents	928.14	(286.09)
Cash and Cash Equivalents (Opening Balance)	(361.35)	(75.52)
Cash and Cash Equivalents (Opening Balance) - Reclassified	13.19	0.26
Cash and Cash Equivalents (Closing Balance)	579.98	(361.35)

Consolidated Cash Flow Statement for the year ended March 31, 2019

Notes :

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

2 **Cash and Cash Equivalents** (Amount ₹ in Crore)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018 Restated
Balances with Banks		
Current Accounts	625.30	183.26
Deposits having maturity less than 3 months	112.69	91.10
Cheques, Drafts on Hand	10.46	2.55
Cash on Hand	7.56	5.04
Cash and cash Equivalents	756.01	281.95
Bank Overdraft repayable on Demand	(176.03)	(643.30)
Cash and Cash Equivalents	579.98	(361.35)

3 **Effect of disposal of subsidiary on the financial position of the Group** (Amount ₹ in Crore)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018 Restated
Capital work-in-progress	0.00	476.72
Investments in joint ventures and associate	0.00	0.00
Deferred tax assets (Net)	0.00	0.10
Current Non-Financial Assets	0.00	2.39
Cash and cash equivalents	0.01	0.13
Non Current Financial Liabilities	0.00	456.56
Current Financial Liabilities	0.06	21.69
Current Non-Financial Liabilities	0.00	0.79
Assets net of Liabilities	(0.05)	0.29
Consideration received, satisfied in cash	-	136.17
Cash and Cash Equivalents disposed of	-	(0.13)
Net Cash Inflows	-	136.04

4 **Reconciliation of liabilities arising from financing activities** (Amount ₹ in Crore)

Particulars	As at March 31, 2018 Restated	Cash Flow	Non Cash Changes	As at March 31, 2019
Non Current Borrowings (including current maturities of long term debt)	1,559.37	(64.70)	14.46	1,509.13
Current Borrowings	4,689.72	823.87	12.65	5,526.23
Total Borrowings	6,249.09	759.17	27.11	7,035.37
Particulars	As at April 01, 2017 Restated	Cash Flow	Non Cash Changes	As at March 31, 2018 Restated
Non Current Borrowings (including current maturities of long term debt)	1,960.45	(380.54)	(20.54)	1,559.37
Current Borrowings	5,336.35	(192.34)	(454.29)	4,689.72
Total Borrowings	7,296.80	(572.88)	(474.83)	6,249.09

The accompanying notes form an integral part of consolidated 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

A. B. Godrej
Chairman
DIN : 00065964

N. B. Godrej
Managing Director
DIN : 00066195

Vijay Mathur
Partner
M.No. : 046476

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

Clement Pinto
Chief Financial Officer

Tejal Jariwala
Company Secretary

Mumbai, May 13, 2019

Notes to the Consolidated Financial Statements

Note 1 : General Information

1. Group Overview

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

2. Basis of preparation

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

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

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

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

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

The consolidated financial statements of the Group for the year ended March 31, 2019 were approved for issue in accordance with the resolution of the Board of Directors on May 13, 2019.

3. Functional and presentation currency

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

4. Key estimates and assumptions

The preparation of consolidated 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 evaluation of control (refer note 7) and leases (determining whether an arrangement contains a lease) (refer note 23), that have the most significant effect on the carrying amounts of assets and liabilities, are as follows

Notes to the Consolidated Financial Statements

- Evaluation of satisfaction of performance obligation at a point in time for the purpose of revenue recognition
Determination of revenue under the satisfaction of performance obligation at a point in time method necessarily involves making estimates, some of which are of a technical nature, concerning, where relevant, the percentages of completion, costs to completion, the expected revenues from the project or activity and the foreseeable losses to completion. Estimates of project income, as well as project costs, are reviewed periodically. The effect of changes, if any, to estimates is recognised in the consolidated financial statements for the period in which such changes are determined.
- Determination of the estimated useful lives of property plant and equipments and intangible assets and the assessment as to which components of the cost may be capitalized.
- Impairment of Property, Plant and Equipments, Financial assets and Other Non-Financial Assets
- Recognition and measurement of defined benefit obligations
- Recognition of deferred tax assets
- Fair valuation of employee share options
- Recognition and measurement of other provisions
- Rebate and Sales Incentives
- Fair value of financial instruments
- Provisions and Contingent Liabilities

5. Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs which the Group has not applied as they are effective for annual periods beginning on or after April 1, 2019:

Ind AS 116 – Leases

Ind AS 116 is applicable for financial reporting periods beginning on or after April 01, 2019 and replaces existing lease accounting guidance, namely Ind AS 17. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The nature of expenses related to those leases will change as Ind AS 116 replaces the operating lease expense (i.e., rent) with depreciation charge for ROU assets and interest expense on lease liabilities. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. The Group is in the process of analysing the impact of new lease standard on its consolidated financial statements.

The Group is proposing to use the "Modified Retrospective Approach" for transitioning to Ind AS 116. Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted.

Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Group does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be

Notes to the Consolidated Financial Statements

based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Group does not expect any significant impact of the amendment on its consolidated financial statements.

Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Group does not expect this amendment to have any impact on its consolidated financial statements.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Group does not expect this amendment to have any significant impact on its consolidated financial statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Group does not expect any impact from this amendment.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Group does not currently have any long-term interests in associates and joint ventures to which equity method is not applied.

Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Group will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

6. Measurement of fair values

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

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

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

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

Notes to the Consolidated Financial Statements

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

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

7. Basis of Consolidation

(i) Subsidiaries

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

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

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

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

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

- (a) The amount of equity attributable to non-controlling interests at the date on which investment in a subsidiary is made; and
- (b) The non-controlling interests share of movements in equity since the date parent subsidiary relationship came into existence.

The profit and other comprehensive income attributable to non-controlling interests of subsidiaries are shown separately in the Statement of Profit and Loss and Statement of Changes in Equity.

Upon loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non- controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the consolidated statement of Profit & Loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost and the differential is recognised in Statement of Profit or Loss. Subsequently, it is accounted for as an equity-accounted investee depending on the level of influence retained.

Notes to the Consolidated Financial Statements

(ii) Associates and joint ventures (equity accounted investees)

Associates are those entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the entities but is not control or joint control of those policies.

Joint arrangements are those arrangements over which the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. Investments in associates and joint ventures entities are accounted for using the equity method (equity accounted investees) and are initially recognised at cost. The carrying value of the Group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The Group does not consolidate entities where the non-controlling interest ("NCI") holders have certain significant participating rights that provide for effective involvement in significant decisions in the ordinary course of business of such entities. Investments in such entities are accounted by the equity method of accounting. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to zero and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

(iii) Acquisition of non-controlling interests

Acquisition of some or all of the non-controlling interest ("NCI") is accounted for as a transaction with equity holders in their capacity as equity holders. Consequently, the difference arising between the fair value of the purchase consideration paid and the carrying value of the NCI is recorded as an adjustment to Statement of changes in equity that is attributable to the parent company. The associated cash flows are classified as financing activities. No goodwill is recognised as a result of such transactions.

8. Business Combinations

Business combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Group. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are recognised in the Statement of Profit and Loss.

Transaction costs are expensed as incurred, other than those incurred in relation to the issue of debt or equity securities. Any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration are recognised in the Statement of Profit and Loss.

Notes to the Consolidated Financial Statements

Note 2: Significant Accounting policies

1. Property, Plant and Equipment (PPE)

(i) Recognition and measurement

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

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

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

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

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

(ii) Subsequent expenditure

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

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

(iii) Depreciation

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

Category	:	Useful life
Leasehold Land	:	Amortised over the primary lease period.
Plant and Equipments	:	7.5 to 30 years
Vehicles	:	3 to 13 years
Computer Hardware	:	Depreciated over the estimated useful life of 4 years
Leasehold Improvements	:	Lower of the useful life or Lease Period

Depreciation on Property, Plant and Equipment of one of the Subsidiaries has been provided as per the written down value method based on the useful lives specified in Schedule II to the Companies Act, 2013.

Assets costing less than ₹ 5,000 are depreciated at 100% in the year of acquisition.

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

Notes to the Consolidated Financial Statements

2. Investment Property

(i) Recognition and measurement

Investment Property comprise of Freehold Land and Building.

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

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

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

(ii) Depreciation

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

3. Intangible Assets

(i) Recognition and measurement

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

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

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

(ii) Amortisation

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

Intangible assets are amortised as follows

Category	Useful life
Trademark	: 10 to 20 years
Product Registration	: 6 years
Computer Software	: 3 to 10 years

4. Research and Development Expenditure

Revenue expenditure on Research & Development is charged to the Consolidated Statement of Profit and Loss of the year in which it is incurred. Capital expenditure incurred during the year on Research & Development is included under additions to Property, Plant and Equipment.

5. Biological Assets

Biological assets are measured at fair value less costs to sell, with any change therein recognised in the Consolidated Statement of Profit or Loss.

Notes to the Consolidated Financial Statements

6. Impairment of non-financial assets

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

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

Goodwill on business combinations and indefinite life intangibles are included in intangible assets. These are not amortised but are tested for impairment annually or more frequently if events or changes in circumstances indicate that they might be impaired. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognised in the Consolidated Statement of Profit and Loss only, to the extent the amount was previously charged to the Consolidated Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

7. Inventories

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

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

Land development project in progress includes cost of land, development management fees, construction cost, allocated interest and expenses attributable to the construction of the project undertaken by the Group.

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

Inventories comprising of completed flats and construction Work-in-Progress are valued at lower of cost or net realizable value.

Construction Work in Progress includes cost of land, premium for development rights, construction costs, allocated interest and expenses incidental to the projects undertaken by the Group.

8. Cash and Cash equivalents

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

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

9. Grants and Subsidies

Grants are recognised when there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an asset, the cost of the asset is shown at gross value and grant thereon is treated as a deferred grant which is recognised as income in the Consolidated Statement of Profit and Loss over the period and in proportion in which depreciation is charged.

Revenue grants are recognised in the Consolidated Statement of Profit and Loss in the same period as the related cost which they are intended to compensate are accounted for.

Notes to the Consolidated Financial Statements

10. 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.

11. Financial Assets

(i) Initial recognition and measurement

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

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

(ii) Classification and subsequent measurement

Financial assets are subsequently classified as measured at:

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

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

(iii) Trade Receivables and Loans:

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

(iv) Debt Instruments

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

- (a) Measured at amortised cost: Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Consolidated Statement of Profit and Loss.
- (b) Measured at fair value through other comprehensive income: Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Consolidated Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Consolidated Statement of Profit and Loss.
- (c) Measured at fair value through profit or loss: A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Consolidated Statement of Profit and Loss.

Notes to the Consolidated Financial Statements

(v) Equity Instruments

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

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

(vi) Derecognition

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

(vii) Impairment of Financial Assets

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

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

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

12. Financial Liabilities

(i) Initial recognition and measurement

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

(ii) Classification and subsequent measurement

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

(iii) Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Consolidated Statement of Profit and Loss.

13. Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

Notes to the Consolidated Financial Statements

14. 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.

15. Derivative financial instruments

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks respectively. The Group also uses commodity futures contracts to hedge the exposure to oil price risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of item being hedged and the type of hedge relationship designated.

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

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of hedged item on a present value basis from the inception of hedge. The gain or loss relating to the effective portion is recognized immediately in the Consolidated Statement of Profit and Loss.

Amounts accumulated in equity are reclassified to the Consolidated Statement of Profit and Loss in the periods when the hedged item affects profit or loss.

16. Share Capital

(i) Ordinary equity shares

Incremental costs directly attributable to the issue of ordinary equity shares, are recognized as a deduction from equity.

(ii) Treasury shares

The Group has created an Employee Stock Options Trust (ESOP) for providing share-based payment to its employees. The group uses ESOP as a vehicle for distributing shares to employees under the employee remuneration schemes. The ESOP buys shares of the respective companies from the market, for giving shares to employees. The Group treats ESOP as its extension and shares held by ESOP are treated as treasury shares.

Treasury shares are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in capital reserve. Share options exercised during the reporting period are deducted from treasury shares.

17. Provisions and Contingent Liabilities

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

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

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

Notes to the Consolidated Financial Statements

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

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

Commitments includes the amount of purchase order (net of advance) issued to parties for completion of assets. Provisions, contingent assets, contingent liabilities and commitments are reviewed at each balance sheet date.

18. Revenue Recognition

Revenue from contracts with customers

Revenue from operations comprise sales of goods after the deduction of discounts, goods and service tax and estimated returns. Discounts given by the Group includes trade discounts, volume rebates and other incentive given to the customers. Accumulated experience is used to estimate the provision for discounts. Revenue is only recognized to the extent that it is highly probable a significant reversal will not occur.

Revenue from sales is recognised when goods are supplied and control over the Goods sold is transferred to the buyer which is on despatch / delivery 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. This is considered the appropriate point where the performance obligations in our contracts are satisfied as the Group no longer have control over the inventory. 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.

Other Operating revenues

Rental Income arising from operating leases on investment properties is accounted for on a straight line basis over the lease term and is included in revenue in the Consolidated Statement of Profit and Loss due to its operating nature.

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

Export Incentives are accrued when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with such incentives.

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

Other Income

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

19. Revenue Recognition for Property Development

The Group also derives revenues from sale of properties comprising of both commercial and residential units.

The Group recognises revenue when it determines the satisfaction of performance obligations at a point in time. Revenue is recognised upon transfer of control of promised products to customer in an amount that reflects the consideration which the Group expects to receive in exchange for those products.

In arrangements for sale of units the Group has applied the guidance in Ind AS 115, Revenue from contract with customer, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering sale of units as distinct performance obligations. For allocating

Notes to the Consolidated Financial Statements

the transaction price, the Group has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer.

For sale of units the Group recognises revenue when its performance obligations are satisfied and customer obtains control of the asset.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract Liability is recognised when there is billing in excess of revenue and advance received from customers.

The Group has been entering into Development and Project Management agreements with land-owners. Accounting for income from such projects, measured at fair value, is done on accrual basis as per the terms of the agreement.

The Group receives maintenance amount from the customers and utilises the same towards the maintenance of the respective projects. Revenue is recognised to the extent of maintenance expenses incurred by the Group towards maintenance of respective projects. Balance amount of maintenance expenses to be incurred is reflected as liability under the head "other current liabilities".

20. Loyalty Program

Sales is allocated between the loyalty programme and the other components of the transaction. The amount allocated to the loyalty programme is deferred, and is recognised as revenue when the Group has fulfilled its obligations to supply the discounted products under the terms of the programme or when it is no longer probable that the points under the programme will be redeemed.

21. Employee Benefits

(i) Short-Term Employee Benefits

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

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

(ii) Post-Employment Benefits

(a) Defined Contribution Plans

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

(b) Defined Benefit Plans

Gratuity Fund

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, after discounting the same. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses are recognized immediately in Other Comprehensive Income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used

Notes to the Consolidated Financial Statements

to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in Consolidated Statement of Profit and Loss. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in Consolidated Statement of Profit and Loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Provident Fund

Provident Fund Contributions other than those made to the Regional Provident Fund Office of the Government which are made to the Trust administered by the Group are considered as Defined Benefit Plans. The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Group.

Pension

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

(iii) Other Long-Term Employee Benefits

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

(iv) Termination Benefits

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

22. Share-Based Payments

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

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

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

23. Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease date if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in the arrangement.

(i) Finance Lease

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

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Notes to the Consolidated Financial Statements

(ii) Operating Leases

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

(iii) Lease Assets

Assets held by the Group under leases that transfer to the Group substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognised in the Group's statement of Balance Sheet.

24. Borrowing Costs

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

Borrowing costs, pertaining to development of long term projects, are transferred to Construction work in progress, as part of the cost of the projects upto the time all the activities necessary to prepare these projects for its intended use or sale are complete.

All other borrowing costs are recognized as an expense in the period in which they are incurred.

25. Foreign Exchange Transactions

- (i) Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').
- (ii) Transactions in foreign currency are recorded at exchange rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currency, remaining unsettled at the period end are translated at closing rates. The difference in translation of monetary assets and liabilities and realised gains and losses on foreign currency transactions are recognised in the Consolidated Statement of Profit and Loss. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.
- (iii) The difference in translation of long term monetary assets acquired and liabilities incurred prior to April 01, 2016 and realised gains and losses on foreign currency transactions relating to acquisition of depreciable capital assets are added to or deducted from the cost of the asset and depreciated over the balance life of the asset; and in other cases, accumulated in a Foreign Currency Monetary Item Translation Difference Account and amortised over the balance period of such long term asset / liability, by recognition as income or expense but not beyond March 31, 2020.
- (iv) Realised gains or losses on cancellation of forward exchange contracts are recognised in the Consolidated Statement of Profit and Loss of the period in which they are cancelled.
- (v) In case of foreign operations whose functional currency is different from the parent company's functional currency, the assets and liabilities of such foreign operations, including goodwill and fair value adjustments arising upon acquisition, are translated to the reporting currency at exchange rates at the reporting date. The income and expenses of such foreign operations are translated to the reporting currency at the average exchange rates prevailing during the year. Resulting foreign currency differences are recognized in other comprehensive income/ (loss) and presented within equity as part of 'Exchange differences on translation of financial statements of foreign operations'. When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is transferred to the Consolidated Statement of Profit and Loss.

Notes to the Consolidated Financial Statements

26. Taxes on Income

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

(i) Current Tax

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

(ii) Deferred Tax

Deferred tax is recognized in respect of temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes (including those arising from consolidation adjustments such as unrealized profit on inventory etc.).

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

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

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

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

Deferred Tax assets and liabilities are offset only if:

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

27. Earnings Per Share

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

28. Segment Reporting

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

Notes to the Consolidated Financial Statements

Note 3 : Property, Plant and Equipment

Amount ₹ in Crore

Particulars	Freehold Land	Leasehold Land	Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Computer Hardware	Office Equipments	Tree Development Cost	Leasehold Improvements	Livestock used for R&D	Research Centre	Total
Gross Carrying Amount													
Balance as at April 01, 2017	325.89	56.30	1,010.02	1,215.70	53.80	67.40	20.92	55.68	0.80	23.39	0.46	0.60	2,830.96
Additions	1.34	-	49.27	92.94	7.84	7.89	6.02	7.78	-	11.07	0.05	0.06	184.24
Disposals / Adjustments	-	-	(0.18)	1.93	0.15	2.12	0.56	0.15	0.80	-	0.19	(0.04)	5.67
Balance as at March 31, 2018	327.23	56.30	1,059.47	1,306.70	61.49	73.17	26.38	63.31	-	34.46	0.32	0.70	3,009.53
Additions	2.27	1.36	109.31	310.61	7.09	9.66	5.34	14.66	-	11.70	0.03	0.27	472.30
Acquisition through business Combination	35.76	24.92	54.68	92.08	0.76	1.65	-	3.90	-	0.70	-	-	214.45
Disposals / Adjustments	3.29	-	47.55	28.93	1.96	8.02	0.83	1.76	-	4.80	(0.01)	0.00	97.13
Balance as at March 31, 2019	361.97	82.58	1,175.91	1,680.46	67.38	76.46	30.89	80.11	-	42.06	0.36	0.97	3,599.15
Accumulated Depreciation													
Balance as at April 01, 2017	-	1.16	50.53	122.49	11.72	14.38	13.26	16.98	0.80	7.96	0.07	0.06	239.40
Additions	-	0.65	30.59	95.43	6.25	10.80	7.91	10.21	-	5.41	0.04	0.13	167.43
Disposals / Adjustments	-	-	0.22	(0.02)	0.11	0.69	0.49	0.02	0.80	-	0.03	(0.01)	2.32
Balance as at March 31, 2018	-	1.81	80.90	217.94	17.86	24.49	20.68	27.17	-	13.37	0.08	0.20	404.51
Additions	-	0.65	30.94	94.42	6.50	9.66	5.58	11.14	-	5.98	0.03	0.12	165.02
Disposals / Adjustments	-	-	2.15	5.10	1.16	2.95	0.73	1.23	-	3.25	0.02	-	16.60
Balance as at March 31, 2019	-	2.46	109.69	307.26	23.20	31.20	25.53	37.08	-	16.10	0.09	0.32	552.94
Net Carrying Amount													
Balance as at April 01, 2017	325.89	55.14	959.49	1,093.21	42.09	53.02	7.67	38.70	-	15.43	0.39	0.54	2,591.56
Balance as at March 31, 2018	327.23	54.49	978.57	1,088.76	43.63	48.68	5.70	36.14	-	21.09	0.24	0.50	2,605.02
Balance as at March 31, 2019	361.97	80.12	1,066.22	1,373.20	44.18	45.26	5.36	43.02	-	25.96	0.27	0.65	3,046.21

Notes :

- Refer Note No 39 for disclosure of contractual commitments for the acquisition of Property, Plant and Equipments.
- Legal formalities relating to the transfer of title of immovable assets situated at Chennai (acquired as a part of the take over of Agrovet business from Godrej Industries Limited), Ariyalur & Varanasi (as part of the merger of Cauvery Oil Palm Limited), and Dahej are being complied with. Stamp duty payable thereon is not presently determinable.
- Of the above, one of subsidiary's Building, carrying value of ₹ 53.74 Crore (Previous Year 2018: ₹ 56.49 Crore and Previous Year 2017: ₹ 58.50 Crore) is subject to first charge for secured Bank Loans.
- Refer to note 19 and 24 for information on property, plant and equipment pledged as security by the group.
- 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 2018 - ₹ 94.72 crore and previous year 2017 - ₹ 94.72 crore) and Net Carrying Amount - ₹ 88.90 crore (previous year 2018- ₹ 91.90 crore and previous year 2017 - ₹ 90.40 crore)]
- Addition to Property Plant and Equipment includes ₹19.18 crore (previous year 2018 ₹0.18 crore and previous year 2017 ₹(-) 7.85 crore) on account of Exchange Difference arising on conversion of Long Term Foreign Currency Monetary Items relating to acquisition of depreciable assets.
- During the year, ₹ Nil (Previous Year 2018: ₹ 12.79 Crore and ₹ 69.64 Crore, Previous Year 2017 : ₹ Nil) amount of inventories have been transferred to property, plant and equipment and capital work-in-progress respectively.
- Addition to Accumulated Depreciation for Plant & Machinery includes provision for impairment of ₹ 0.27 crore (previous year Nil)

Notes to the Consolidated Financial Statements

Note 3a : Capital Work In Progress

- Capital work in progress of one of the subsidiary amounting to ₹ 92.12 crores as at March 31, 2019 (previous year 2018 ₹ 189.85 crore and previous year 2017 ₹ 50.21 crore) includes the borrowing cost capitalised during the year of ₹ 1.67 crores (Previous year 2018 ₹0.94 crores).
- During the year, ₹ 6.26 Crore (Previous Year 2018: ₹ 2.94 Crore, Previous Year 2017 : ₹ Nil) amount of interest cost has been capitalised to capital work-in-progress.

Note 3b : Investment Property

Amount ₹ in Crore

Particulars	Freehold Land	Buildings	Total
Gross Carrying Amount			
Balance as at April 01, 2017	0.38	129.96	130.34
Additions	-	16.39	16.39
Disposals / Adjustments	-	-	-
Balance as at March 31, 2018	0.38	146.35	146.73
Additions	-	-	-
Disposals / Adjustments	-	(24.35)	(24.35)
Balance as at March 31, 2019	0.38	170.70	171.08
Accumulated Depreciation			
Balance as at April 01, 2017	-	4.13	4.13
Additions	-	2.02	2.02
Disposals / Adjustments	-	(0.27)	(0.27)
Balance as at March 31, 2018	-	6.42	6.42
Additions	-	2.31	2.31
Disposals / Adjustments	-	(1.45)	(1.45)
Balance as at March 31, 2019	-	10.18	10.18
Net Carrying Amount			
Balance as at April 01, 2017	0.38	125.83	126.21
Balance as at March 31, 2018	0.38	139.93	140.31
Balance as at March 31, 2019	0.38	160.52	160.90
Fair Value			
As at April 01, 2017	4.15	219.75	223.90
As at March 31, 2018	4.15	203.53	207.68
As at March 31, 2019	4.15	195.96	200.11

Notes to the Consolidated Financial Statements

Note 3b : Investment Property (Contd.)

- Information regarding income and expenditure of Investment Property

Amount ₹ in Crore

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Rental income derived from investment properties	8.78	9.43
Direct operating expenses	5.47	5.77
Profits arising from investment properties before depreciation	3.31	3.66
Less - Depreciation	2.31	2.02
Profits arising from investment properties	1.00	1.64

- The management has determined that the investment property consists of two class of assets - Freehold Land and Buildings - based on the nature, characteristics and risks of each property.
- 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.
- Reconciliation of Fair Value

Amount ₹ in Crore

Particulars	Freehold Land	Buildings	Total
Opening balance as at April 01, 2017	4.15	219.75	223.90
Fair value differences	-	(38.22)	(38.22)
Purchases	-	22.00	22.00
Opening balance as at April 01, 2018	4.15	203.53	207.68
Fair value differences	-	(31.24)	(31.24)
Purchases/ transfer from Property Plant and Equipment	-	23.67	23.67
Closing balance as at March 31, 2019	4.15	195.96	200.11

Notes to the Consolidated Financial Statements

Note 3c : Other Intangible Assets

Amount ₹ in Crore

Particulars	Trademark	Brand	Product Registration	Computer Software	Total
Gross Carrying Amount					
Balance as at April 01, 2017	18.70	38.22	2.71	24.35	83.98
Additions	-	-	-	3.68	3.68
Disposals / Adjustments	2.18	-	-	-	2.18
Balance as at March 31, 2018	16.52	38.22	2.71	28.03	85.48
Additions	-	-	-	4.60	4.60
Acquisition through business Combination	-	16.57	-	3.67	20.24
Disposals / Adjustments	-	-	-	-	-
Balance as at March 31, 2019	16.52	54.79	2.71	36.30	110.32
Accumulated Depreciation					
Balance as at April 01, 2017	10.67	-	1.72	8.53	20.92
Additions	4.25	-	0.56	5.25	10.07
Disposals / Adjustments	2.17	-	-	0.01	2.18
Balance as at March 31, 2018	12.75	-	2.28	13.77	28.81
Additions	4.24	-	0.42	5.23	9.89
Disposals / Adjustments	-	-	-	0.01	0.01
Balance as at March 31, 2019	16.99	-	2.71	18.99	38.69
Net Carrying Amount					
Balance as at April 01, 2017	8.03	38.22	0.99	15.82	63.06
Balance as at March 31, 2018	3.77	38.22	0.43	14.26	56.67
Balance as at March 31, 2019	(0.47)	54.79	-	17.31	71.63

Note: To give effect to the Order of the Honorable High Court of Judicature at Bombay passed during 2011-12 regarding the scheme of Amalgamation of Godrej Gokarna Oil Palm Limited & Godrej Oil Palm Limited, the amortisation of Grant of Licenses are charged against the balance in the General Reserve Account. (Refer Note No. 18 IV (i))

Note 3d : Intangible Assets Under Development

Particulars	Amount ₹ in Crore
As at March 31, 2017	0.25
As at March 31, 2018	0.68
As at March 31, 2019	2.24

Notes to the Consolidated Financial Statements

Note 3e: Biological Assets other than bearer plants

A. Reconciliation of carrying amount

Amount ₹ in Crore

Particulars	Oil palm saplings		Cattle	PS Birds / Hatching eggs /Broilers	Total
	Qty.	Amount	Amount	Amount	
Balance as April 1, 2017	612,172	4.67	-	-	4.67
Add:					
Purchases	588,559	2.60	-	-	2.60
Production/ Cost of Development	-	1.03	-	-	1.03
Less:					
Sales / Disposals	(524,186)	(3.95)	-	-	(3.95)
Change in fair value less cost to sell:	-	(0.09)	-	-	(0.09)
Realised	-	(0.26)	-	-	(0.26)
Unrealised	-	0.17	-	-	0.17
Balance as at March 31, 2018	676,545	4.26	-	-	4.26
Add:					
Purchases	593,900	2.54	-	-	2.54
Production/ Cost of Development	-	2.27	-	-	2.27
Less:					
Sales / Disposals	(597,492)	(4.31)	-	-	(4.31)
Change in fair value less cost to sell:	-	(0.08)	-	-	(0.08)
Realised	-	(0.15)	-	-	(0.15)
Unrealised	-	0.07	-	-	0.07
Acquisition through Business Combination			4.14	63.16	67.30
Balance as at March 31, 2019	672,953	4.68	4.14	63.16	71.98
Non Current		4.68	4.14	10.18	19.00
Current		-	-	52.98	52.98

The group has trading operations in oil palm business whereby the group purchases the saplings and sells the saplings once it has achieved the desired growth. During the year ended March 31, 2019, the group purchased 593,900 (Previous year 2018: 588,559 and Previous year 2017: 60,000) number of saplings, out of which 593,900 (Previous year 2018: 588,559 and Previous year 2017: 60,000) were still under cultivation. The group has also acquired poultry (PS Birds /Hatching eggs /Broilers) (on acquisition of Godrej Tyson Foods Limited refer note 57) and cattle (on acquisition of Godrej Maxximilk Private Limited)

B. Measurement of Fair value

i. Fair Value hierarchy

The fair value measurements for oil palm saplings, cattles and PS Birds /Hatching eggs /Broilers have been categorised as Level 3 fair values based on the inputs to valuation technique used.

ii. Level 3 Fair values

The following table shows a break down of the total gains (losses) recognised in respect of Level 3 fair values-

Amount ₹ in Crore

Particulars	March 31, 2019	March 31, 2018
	Oil palm saplings	Oil palm saplings
Gain/(loss) included in 'other operating revenue'	(0.08)	(0.09)
Change in fair value (realised)	(0.15)	(0.26)
Change in fair value (unrealised)	0.07	0.17

Notes to the Consolidated Financial Statements

iii. Valuation techniques and significant unobservable inputs

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Oil Palm Saplings - it comprises the stock under cultivation	Cost approach and percentage completion method	Estimated cost of completing the stock under cultivation ₹ 49 to ₹ 111 per sapling	The estimated fair valuation would increase/(decrease) if - Estimated cost to complete was lower (higher)

C. Risk Management strategies related to agricultural activities

The group is exposed to the following risks relating to its plantations, Cattles and PS Bird /Hatching egg /Broiler

i. Regulatory and enviromental risks

The group is subject to laws and regulations in the country in which it operates. It has established various enviromental policies and procedures aimed at compliance with the local enviromental and other laws.

ii. Supply and demand risks

The Group is exposed to risks arising from fluctuations in the price and sales volume of plants and milk. For oil palm plants, when possible, the group manages this risk by aligning its harvest volume to market supply and demand. Management performs regular industry trend analyses for projected harvest volumes and pricing. For milk, the company manage this risk by effective marketing tie up for sale of milk. The Group is exposed to the risk arising from the flutuations in the price of Hatching eggs, commercial day old chicks and live birds. when the price goes down the management possibly manage this risk by diverting more live birds for processing and when prices goes up the management sells more Hatching eggs, Day old Chicks and Live Birds.

iii. Climate and other risks

The Group's oil palm plantations are exposed to the risk of damage from climatic changes, diseases, forest fires and other natural forces. The group has extensive processes in place aimed at monitoring and mitigating those risks, including regular plantation health surveys and industry pest and disease surveys. The Group is exposed to risks arising from fluctuations in yield and health of the Cattle. Company manages this risk by effective sourcing and maintenance of cattle. The Group's Live stock are exposed to the extreme climatic changes in summer and winter season. However, the company has extensive processes in place aimed at monitoring and mitigating those risks, including regular health inspections of Live Stock and adopting Industry best practices by professional qualified veterinarian doctors.

A reasonably possible change of 10% in Estimated cost of completing the stock under cultivation and cattles at the reporting date would have increased (decreased) profit or loss by the amounts shown below.

Amount ₹ in Crore

	Profit or (loss) for the year ended March 31,2019		Profit or (loss) for the year ended March 31,2018	
	10% increase	10% decrease	10% increase	10% decrease
Variable cost				
Oil plam saplings	(0.08)	0.09	(0.08)	0.08
Cash flow sensitivity (net)	(0.08)	0.09	(0.08)	0.08

Notes to the Consolidated Financial Statements

Note 4a : Equity accounted investees

Name	Note	Face Value (₹ unless stated otherwise)	As at March 31, 2019		As at March 31, 2018		Amount ₹ in Crore As at April 1, 2017	
			Number	Value	Restated Number	Restated Value	Restated Number	Restated Value
(I) Investment in Equity Instruments (Fully Paid up unless stated otherwise)								
(a) Quoted Investment								
(i) Associates								
Godrej Consumer Products Ltd.		1	242,812,860	2,703.21	161,875,240	2,448.13	80,937,620	2,251.30
(b) Unquoted Investment								
(i) Associates								
Polchem Hygiene Laboratories Private Limited		10	-	-	-	-	-	-
Al Rahaba International Trading Limited Liability Company	2	AED1500	24	-	24	-	24.00	0.20
Godrej Maxximilk Private Limited		10	307,915	-	307,915	4.14	-	-
Personalitree Academy Ltd.	1	10	389,269	1.10	389,269	1.10	389,269	1.10
Less: Provision for Diminution in value of Investments				(1.10)		(1.10)		(1.10)
(ii) Joint Ventures								
Godrej Tyson Foods Limited		10	97,461	-	97,461	88.94	97,461	84.65
ACI Godrej Agrovet Private Limited			1,850,000	73.65	1,850,000	67.97	1,850,000	62.73
Joint Ventures and Associates of Property Business				722.84		223.95		18.71
Godrej Realty Private Limited		10	884,850	4.74	884,850	5.11	884,850	5.42
Wonder Space Properties Private Limited		10	114,191	1.26	114,191	1.05	111,054	0.99
Wonder City Buildcon Private Limited		10	810,420	-	810,420	-	810,420	-
Godrej Home Constructions Private Limited		10	1,071,770	-	1,071,770	-	1,071,770	-
Wonder Projects Development Private Limited		10	1,100,100	-	1,050,100	-	700,100	-
Godrej Real View Developers Private Limited		10	2,068,000	-	1,306,000	-	176,000	-
Pearlite Real Properties Private Limited		10	3,552,500	-	3,552,500	-	3,552,500	-
Godrej Greenview Housing Private Limited		10	1,264,560	-	1,264,560	-	1,192,000	-
Godrej Green Homes Limited		10	348,747	206.34	338,847	199.05	-	-
Godrej Skyline Developers Private Limited		10	260,000	-	260,000	-	100	0.17
Godrej Landmark Redevelopers Private Limited		10	25,500	-	25,500	-	25,500	0.16
Godrej Redevelopers (Mumbai) Private Limited		10	28,567	-	28,567	-	28,567	-
Investment in Preference Shares (Fully paid-up unless stated otherwise) (at Amortised Cost)								
Godrej Green Homes Limited		10	10,000	-	10,000	0.01	-	-
Skyline Developers Private Limited		10	13,000,000	0.43	13,000,000	5.34	-	-
(II) Investment in Limited Liability Partnerships								
Mosaic Landmarks LLP				11.18		11.15		11.04
Oxford Realty LLP				-		-		-
Dream World Landmarks LLP				1.69		-		-
M S Ramaiah Ventures LLP				0.82		0.88		0.91
Oasis Landmarks LLP				-		-		-
Bavdhan Realty @ Pune 21 LLP				-		-		-
Godrej Highview LLP				-		1.36		-
Godrej Irismark LLP				-		0.01		-
Godrej Land Developers LLP (Classified as Joint Venture w.e.f. Feb 01, 2019)				200.99		-		-
Godrej Avamark LLP (Classified as Joint Venture w.e.f. Feb 01, 2019)				205.99		-		-
Godrej Projects (Pune) LLP				89.41		-		-
Aggregate Amount of Quoted Investments				3,499.70		2,833.13		2,417.59
Aggregate Amount of Unquoted Investments				2,703.21		2,448.13		2,251.30
Aggregate Provision for Diminution in the Value of Investments				797.59		386.10		167.39
Market Value of Quoted Investments				(1.10)		(1.10)		(1.10)
				16,684.89		17,686.49		13,516.58

Note

- Includes ₹ 0.03 crore paid towards share application money to Personalitree Academy Limited which is considered Doubtful.
- During the year, the management has decided to divest its stake in Al Rahhaba International Trading Limited Liability Company. Further the equity accounted investment in Al Rahhaba International Trading Limited Liability Company is ₹ Nil as at March 31, 2019 on account of losses for the year.

Notes to the Consolidated Financial Statements

Note 4b : Non Current Financial Assets- Investments

							Amount ₹ in Crore	
Name	Note	Face Value (₹ unless stated otherwise)	As at March 31, 2019		As at March 31, 2018 Restated		As at April 1, 2017 Restated	
			Number	Amount	Number	Amount	Number	Amount
(l) Investment in Equity Instruments (Fully Paid up unless stated otherwise)								
At Fair Value Through Profit and Loss								
(a) Quoted Investment								
Zicom Electronics Security System Ltd.		10	173,918	0.08	173,918	0.27	416,432	1.65
Ruchi Soya Industries Ltd.		2	3,532	0.00	3,532	0.01	23,532	0.06
Hindustan Unilever Ltd. *	1	1	751	0.13	751	0.10	751	0.07
Bajaj Finance Ltd.		10	450	0.14	200	0.04	3,000	0.35
Cera Sanitaryware Ltd.		5	1,189	0.37	1,189	0.41	1,103	0.33
HDFC Bank Ltd.		2	222	0.05	222	0.04	222	0.03
Infosys Ltd.		5	610	0.05	305	0.03	305	0.03
Just Dial Ltd		10	82	0.00	82	-	82	-
Advanced Enzyme Technologies Ltd.		2	3,000	0.05	3,000	0.06	-	-
Vadilal Industries Ltd.		10	2,000	0.12	2,000	0.17	-	-
DCM Ltd.		10	5,000	0.03	5,000	0.04	-	-
Maruti Suzuki India Ltd.		5	50	0.03	-	-	200	0.12
KSE Limited		10	65,467	9.16	59,549	15.62	37,330	3.14
Ujjivan Financial Services Ltd.		10	12,204	0.42	12,204	0.42	9,204	0.39
Bharat Petroleum		10	2,000	0.08	-	-	-	-
Wockhardt Ltd.		5	1,000	0.04	-	-	-	-
Whirlpool of India Ltd.		10	500	0.08	-	-	-	-
Alacrity Housing Limited		10	100	0.00	100	0.00	100	0.00
Ansal Buildwell Limited		10	100	0.00	100	0.00	100	0.00
Ansal Housing and Construction Limited		10	300	0.00	300	0.00	300	0.00
Ansal Properties and Infrastructure Limited		5	600	0.00	600	0.00	600	0.00
Lok Housing and Construction Limited		10	100	0.00	100	0.00	100	0.00
Global Infrastructure & Technologies Limited		10	100	0.00	100	0.00	100	0.00
Premier Energy and Infrastructure Limited		10	100	0.00	100	0.00	100	0.00
D.S. Kulkarni Developers Limited		10	100	0.00	100	0.00	100	0.00
Unitech Limited		2	13,000	0.00	13,000	0.00	13,000	0.00
The Great Eastern Shipping Company Limited		10	72	0.00	72	0.00	72	0.00
GOL Offshore Limited		10	18	0.00	18	0.00	18	0.00
Radhe Developers (India) Limited		10	100	0.00	100	0.00	100	0.00
United Textiles Limited		10	23,700	0.00	23,700	0.00	23,700	0.00
Others				-		0.01		0.03
(b) Unquoted Investment								
Bharuch Eco-Aqua Infrastructure Ltd.		10	440,000	0.44	440,000	0.44	440,000	0.44
Less : Provision for Diminution in the Value of Investment				(0.44)		(0.44)		(0.44)
				-		-		-
Avesthagen Ltd.		7	469,399	12.43	469,399	12.43	469,399	12.43
Less : Provision for Diminution in the Value of Investment				(12.43)		(12.43)		(12.43)
				-		-		-
CBay Infotech Ventures Pvt. Ltd.		10	112,579	2.33	112,579	2.33	112,579	2.33
Less : Provision for Diminution in the Value of Investment				(2.33)		(2.33)		(2.33)
				-		-		-
Gharda Chemicals Ltd.	2	100	114	0.12	114	0.12	114	0.12
Less : Provision for Diminution in the Value of Investment				(0.12)		(0.12)		(0.12)
				-		-		-
HyCa Technologies Pvt. Ltd.		10	12,436	1.24	12,436	1.24	12,436	1.24
Less : Provision for Diminution in the Value of Investment				(1.24)		(1.24)		(1.24)
				-		-		-
Tahir Properties Ltd (Partly paid) *	3	100	25	0.00	25	0.00	25	0.00
Boston Analytics Inc.		\$1	1,354,129	6.91	1,354,129	6.91	1,354,129	6.91
Less : Provision for Diminution in the Value of Investment				(6.91)		(6.91)		(6.91)
				-		-		-

Notes to the Consolidated Financial Statements

Note 4b : Non Current Financial Assets- Investments (Contd.)

Name	Note	Face Value (₹ unless stated otherwise)	As at		As at		Amount ₹ in Crore	
			March 31, 2019		March 31, 2018		As at	
			Number	Amount	Number	Amount	April 1, 2017	Amount
					Restated		Restated	
The Saraswat Co-op Bank Ltd. *		10	3,500	0.10	3,500	0.08	3,500	0.07
Sachin Industrial Co-operative Society Ltd. *		500		0.00		0.00		0.00
New Market Limited		₹1						
Isprava Technologies Ltd. (formerly karROX Technologies Ltd.)		10	195,832	0.04	195,832	1.60	195,832	1.60
Clean Max Enviro Energy Solution Pvt Ltd .		10	3,093	1.01	3,093	1.00	3,093	1.00
AB Corp Limited		10	25,000	0.00	25,000	0.00	25,000	0.00
(II) Investment in Debentures or Bonds								
At Fair Value Through Profit and Loss								
(a) Unquoted Investment								
(i) Joint Ventures								
Godrej Realty Private Limited		10	2,989,095	2.99	2,989,095	2.99	2,989,095	2.99
Godrej Green Homes Limited		1000	2,756,000	316.60	2,756,000	275.60	-	-
Wonder City Buildcon Private Limited		1000	307,833	30.40	307,833	30.50	307,833	31.50
Wonder Space Properties Private Limited		1000	-	-	377,464	37.82	365,541	37.96
Wonder Space Properties Private Limited		1000	38,498	4.34	-	-	-	-
Wonder Space Properties Private Limited		1000	377,464	37.75	-	-	-	-
Wonder Space Properties Private Limited		1000	1,019,154	115.58	-	-	-	-
Godrej Home Constructions Private Limited		1000	413,949	41.46	413,949	41.99	413,949	41.34
Godrej Redevelopers (Mumbai) Private Limited		1000	843,736	84.48	843,736	86.68	843,736	85.71
Godrej Landmark Redevelopers Private Limited		1000	-	-	1,513,128	15.13	1,513,128	15.16
Wonder Projects Development Private Limited		1000	266,019	27.58	266,019	26.60	133,019	13.30
Pearlite Real Properties Private Limited		1000	674,975	81.04	674,975	67.25	674,975	67.49
Godrej Real View Developers Private Limited		1000	284,140	42.16	284,140	24.78	33,440	3.34
Godrej Skyline Developers Private Limited		100	5,096,000	52.55	5,096,000	50.80	-	-
Godrej Greenview Housing Private Limited		1000	260,946	25.27	260,946	26.18	136,880	13.55
(III) Investment in Mutual Funds				0.01		0.16		-
(IV) Investment in Government Securities				0.24		-		-
(V) Other Investment								
Investment in Units of Venture Capital Fund								
Indian Fund for Sustainable Energy (Infuse Capital)		100	511,105	4.54	511,105	6.53	461,732	4.58
Omnivore India Capital Trust				42.85		34.18		27.88
				921.83		747.10		353.67
Aggregate Amount of Quoted Investments				10.85		17.38		6.20
Aggregate Amount of Unquoted Investments				934.45		753.19		370.94
Aggregate Provision for Diminution in the Value of Investments				(23.47)		(23.47)		(23.47)
Market Value of Quoted Investments				10.85		17.38		6.20

* Amount less than ₹ 0.01 crore.

Notes

- 750 Shares of Hindustan Unilever Ltd are not in Demat or physical form and no further information is available with the Company. However dividend are received on entire 751 shares in the said company during the year.
- The said shares have been refused for registration by the investee company.
- Uncalled Liability on partly paid shares
- Tahir Properties Ltd. - Equity - ₹ 80 per share (Previous year 2018 - ₹ 80 per share and Previous year 2017 - ₹ 80 per share).

Notes to the Consolidated Financial Statements

Note 5 : Non Current Financial Assets- Trade Receivables

		Amount ₹ in Crore		
	As at March 31, 2019	As at March 31, 2018 Restated	As at April 1, 2017 Restated	
(I) Unsecured and Considered Good	14.21	13.39	13.33	
(II) Unsecured and Considered Doubtful (credit impaired)	-	15.78	-	
Less : Allowance for Bad and Doubtful Debt	-	(15.78)	-	
Net Unsecured and Considered Doubtful	-	-	-	
	14.21	13.39	13.33	

Note 6 : Non Current Financial Assets- Loans

		Amount ₹ in Crore		
Particulars	As at March 31, 2019	As at March 31, 2018 Restated	As at April 1, 2017 Restated	
(I) Security Deposit				
(a) Secured and Considered Good (Refer Note 1 below)	28.57	83.81	76.42	
(b) Unsecured and Considered Good	32.16	24.65	24.50	
(c) Unsecured and Considered Doubtful (credit impaired)	1.18	2.12	1.22	
Less : Allowance for Bad and Doubtful Deposit	(1.18)	(2.12)	(1.22)	
	-	-	-	
(II) Other Loans				
(a) Secured and Considered Doubtful (credit impaired) (Ref note 2 and 3 below)	-	-	10.33	
Less : Allowance for Bad and Doubtful Loans	-	-	(10.33)	
	-	-	-	
(b) Unsecured and Considered Good Loans to employees (refer note 3 below) Other Loans	1.15	1.07	1.03	
	-	-	-	
(c) Unsecured and Considered Doubtful (credit impaired)	0.79	0.50	0.32	
Less : Allowance for Bad and Doubtful Loans	(0.58)	(0.50)	(0.32)	
	0.21	-	-	
	62.09	109.53	101.95	

There are no loans which have significant increase in credit risk.

Notes

- 1 Secured Deposits - Projects, are Secured against Terms of Development Agreement.
- 2 The Company had advanced an amount of ₹ 10.33 crore to certain individuals who also pledged certain equity shares as security against the said advance. The Company has enforced its security and lodged the shares for transfer in its name. The said transfer application was rejected and Company has preferred an appeal to the Company Law Board (CLB). The CLB rejected the application and advised the parties to approach the High Court. The Company had filed an appeal before the Honorable High Court against the order of the Company Law Board under section 10 F of the Companies Act, 1956 , which was disposed of with the direction to keep the transfer of shares in abeyance till the arbitration proceedings between the parties are on. The Honorable Bombay High Court passed an interim order dated September 18, 2012, restraining the Company from interalia, dealing, selling or creating third party rights, etc. in the pledged shares and referred the matter to arbitration. The Company had filed a Special Leave Petition (SLP) before the Supreme Court against this interim order of the Honorable Bombay High Court which the Supreme Court has dismissed and the matter is presently before the Arbitrator. The Management is confident of recovery of this amount as underlying value of the said shares is substantially greater than the amount of loan and interest thereon. However, on a conservative basis, the Company has provided for the entire amount of ₹ 10.33 crore in the books of account.

Notes to the Consolidated Financial Statements

Note 6 : Non Current Financial Assets- Loans (Contd.)

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

Particulars	Amount ₹ in Crore					
	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Maximum Balance During the Year	Amount outstanding	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	5.83	5.83
(ii) M/s Dhruv & Co. (Regd.)	4.18	4.18	4.18	4.18	4.18	4.18
(iii) D. R. Kavasmaneck & Dr. P. R. Kavasmaneck	0.32	0.32	0.32	0.32	0.32	0.32

Note 7 : Non Current Financial Assets- Others

Particulars	Amount ₹ in Crore		
	As at March 31, 2019	As at March 31, 2018 Restated	As at April 1, 2017 Restated
(I) Bank Deposit with more than 12 months maturity (Refer Note 1 below)	1.73	2.03	1.47
(II) Secured			
(a) Interest Accrued on Loans (Refer Note 2 below)	3.15	3.15	3.15
Provision for Doubtful Loans	(3.15)	(3.15)	(3.15)
	-	-	-
(III) Unsecured			
(a) Interest Accrued on Loans	1.03	1.03	1.08
Provision for Doubtful Loans	(1.03)	(1.03)	(1.03)
	-	-	0.05
(IV) Others			
(a) Non Trade Receivables	-	0.58	-
Less: Provision for doubtful debts	-	(0.58)	-
	-	-	-
(b) Lease Receivable	-	-	3.16
(c) Balances with Statutory authorities	9.79	9.66	-
(d) Claim Receivable	1.46	1.46	1.46
(e) Deposit	33.25	-	1.51
(f) Fair Value of Derivative Contracts	-	0.86	-
(g) Others	-	0.02	0.11
	46.23	14.03	7.76

Notes

Bank Deposit with more than 12 months maturity includes.

- 1 (i) Fixed Deposits of ₹ 0.13 crore (Previous year 2018 ₹ Nil, Previous year 2017 ₹ NIL) are pledged with government authorities. Further Fixed deposits with scheduled banks held as margin money towards bank guarantees and sales tax registration and fixed deposit of ₹ 0.02 crores (Previous Year 2018 ₹ 0.02 crore Previous Year 2017 ₹ 0.04 crore) are kept as earnest money deposit.
- (ii) Deposit with Banks amounting to NIL (Previous Year 2018: 0.01 Crore; Previous Year 2017: ₹ 0.76 Crore) is received from flat buyers and held in trust on their behalf in a corpus fund. by a subsidiary.
- 2 Interest on loans referred to in sub note (1) under Note 6 Non Current Financial Assets- Loans, amounting to ₹ 3.15 crore was accrued upto March 31, 2000 and has been fully provided for, no interest is being accrued thereafter in view of uncertainty of realisation.

Notes to the Consolidated Financial Statements

Note 8 : Deferred Tax Assets (Net of Liabilities)

Particulars	Amount ₹ in Crore		
	As at March 31, 2019	As at March 31, 2018 Restated	As at April 1, 2017 Restated
(I) Liabilities			
(a) Property, plant and equipment & Intangible assets	170.94	104.81	128.98
(b) Investments	14.31	2.53	-
	<u>185.25</u>	<u>107.34</u>	<u>128.98</u>
(II) Assets			
(a) Provision for Retirement Benefits	8.77	8.06	3.77
(b) Indexation benefit on land and shares	0.94	0.87	2.65
(c) Investments	-	-	0.43
(d) Biological Assets	0.07		
(e) Inventories	30.96	39.14	61.76
(f) Equity-settled share-based payments	1.85	1.63	1.28
(g) MAT Credit Entitlement	26.55	20.90	20.89
(h) Provision for Doubtful Debts / Advances	30.17	8.22	6.39
(i) Brought forward Losses	400.69	564.39	471.40
(j) Unabsorbed Depreciation	164.46	92.92	117.76
(k) Other Provisions	170.52	143.98	139.67
	<u>834.98</u>	<u>880.11</u>	<u>826.00</u>
Deferred Tax Assets (Net of liabilities) (refer note 44)	<u>649.73</u>	<u>772.77</u>	<u>697.02</u>

Note 9 : Other Non Current Assets

Particulars	Amount ₹ in Crore		
	As at March 31, 2019	As at March 31, 2018 Restated	As at April 1, 2017 Restated
(I) Capital Advances			
Considered Good	99.29	47.63	53.09
Considered Doubtful	0.35	0.35	0.35
Provision for Doubtful Advance	<u>(0.35)</u>	<u>(0.35)</u>	<u>(0.35)</u>
	<u>99.29</u>	<u>47.63</u>	<u>53.09</u>
(II) Other Advances			
Considered Good			
(a) Statutory Deposit	2.67	2.62	35.75
(b) Balance with Government Authorities	18.12	7.15	-
(c) Prepaid Expense	2.45	1.92	1.88
(d) Others	3.46	14.68	4.71
Considered Doubtful	0.46	0.27	-
Provision for Doubtful Advance	<u>(0.46)</u>	<u>(0.27)</u>	<u>-</u>
	<u>125.99</u>	<u>74.00</u>	<u>95.43</u>

Note 10 : Inventories

Particulars	Amount ₹ in Crore		
	As at March 31, 2019	As at March 31, 2018 Restated	As at April 1, 2017 Restated
(I) Raw Materials	637.83	546.04	526.19
(II) Packing Material	2.91	4.35	3.41
(III) Work in Progress	121.57	125.30	134.34
(IV) Construction Work in Progress (Refer note 2 below)	2,139.43	3,668.95	5,105.40
(V) Project in Progress	68.43	68.36	60.72
(VI) Finished Goods	243.92	230.13	206.83
(VII) Finished Product - Property Development	71.37	64.46	56.73
(VIII) Stock in Trading	121.86	75.05	91.23
(IX) Stores and Spares	36.87	36.36	31.52
	<u>3,444.19</u>	<u>4,819.00</u>	<u>6,216.37</u>

Notes

- Inventories are valued at lower of cost and net realisable value. Cost is computed on weighted average basis.
- The write-down of inventories to net realisable value during the year amounted to ₹ 4.75 Crore (Previous Year 2018: ₹ 100.87 Crore).
- Raw Materials include Goods in transit ₹ 33.03 crore (previous year ₹ 29.42 crore).

Notes to the Consolidated Financial Statements

Note 11 : Current Financial Assets- Investments

				Amount ₹ in Crore		
Name	Note	Face Value	As at March 31, 2019	As at March 31, 2018 Restated	As at April 1, 2017 Restated	
(I) Investment in Mutual Funds (At Fair Value Through Profit and Loss)			1,052.10	556.99	369.33	
(II) Other Investment						
At Fair Value Through Profit and Loss						
(a) Unquoted Investment						
Optionally Convertible Loan Notes/ Promissory Notes						
Boston Analytics Inc. (15%)	1	\$ 750,000	3.00	3.00	3.00	
Less : Provision for Diminution in the Value of Investment			(3.00)	(3.00)	(3.00)	
						-
Boston Analytics Inc. (20%)	1	\$ 15,50,000	6.73	6.73	6.73	
Less : Provision for Diminution in the Value of Investment			(6.73)	(6.73)	(6.73)	
						-
Boston Analytics Inc. (12%)	2	\$ 950,000	4.69	4.69	4.69	
Less : Provision for Diminution in the Value of Investment			(4.69)	(4.69)	(4.69)	
						-
			1,052.10	556.99	369.33	
Aggregate Amount of Quoted Investments			1,052.10	556.99	369.33	
Aggregate Amount of Unquoted Investments			14.42	14.42	14.42	
Aggregate Provision for Diminution in the Value of Investments			(14.42)	(14.42)	(14.42)	
Market Value of Quoted Investments			1,052.10	556.99	369.33	

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.

Note 12 : Current Financial Assets- Trade Receivables

				Amount ₹ in Crore		
Particulars			As at March 31, 2019	As at March 31, 2018 Restated	As at April 1, 2017 Restated	
(I) Secured and Considered Good (Refer Note 1 below)			88.51	83.06	68.45	
(II) Unsecured and Considered Good			1,139.74	918.54	817.93	
(III) Unsecured and Considered Doubtful (credit impaired)			83.54	2.97	2.89	
Less : Allowance for Bad and Doubtful Debt			(83.54)	(2.97)	(2.89)	
Net Unsecured and Considered Doubtful			-	-	-	
(IV) Trade receivables having significant increase in credit risk)			-	-	-	
			1,228.25	1,001.60	886.38	

Notes

- Secured by Security Deposits collected from Customers, Letter of Credit or Bank Guarantees held against them.
- Refer note 24 for information on trade receivables pledged as security by the Group.

Notes to the Consolidated Financial Statements

Note 13a :Cash and Cash Equivalents

Particulars	Amount ₹ in Crore		
	As at March 31, 2019	As at March 31, 2018 Restated	As at April 1, 2017 Restated
(I) Balances with Banks			
(a) Current Accounts	625.30	183.26	146.88
(b) Deposits having maturity less than 3 months	112.69	91.10	21.00
(II) Cheques, Drafts on Hand	10.46	2.55	5.88
(III) Cash on Hand	7.56	5.04	5.27
	756.01	281.95	179.03

Note 13b : Current Financial Assets - Other Bank Balances

Particulars	Amount ₹ in Crore		
	As at March 31, 2019	As at March 31, 2018 Restated	As at April 1, 2017 Restated
(I) Deposits with more than 3 months but less than 12 months maturity (Refer Note 1 below)	201.83	220.00	51.80
(II) Other Bank Balances (Refer Note 2 to 4)	2.47	2.31	4.10
	204.30	222.31	55.90

Notes

1 Include

- (i) ₹ 8.48 Crore (March 31 2018: ₹ 9.07 Crore; March 31 2017: ₹ 12.54 Crore) received from flat buyers and held in trust on their behalf in a corpus fund.
- (ii) Deposits held as Deposit Repayment Reserve amounting to ₹ 0.10 Crore (March 31 2018: ₹ 0.20 Crore; March 31 2017: ₹ 1.15 Crore).
- (iii) Fixed deposits held as margin money and lien marked for issuing bank guarantees amounting to ₹ 5.62 Crore (March 31 2018: ₹ 5.62 Crore; March 31 2017 : ₹ 9.53 Crore).

2 Balances with Banks in current accounts ₹ 0.52 Crore (March 31 2018: ₹ 0.44 Crore; March 31 2017: ₹ 0.39 Crore) is on account of earmarked balance for unclaimed dividend.

3 Balances with Banks in current accounts ₹ 1.16 Crore (March 31, 2018: ₹ 1.65 Crore; March 31 2017: ₹ 2.11 Crore) is amount received from buyers towards maintenance charges.

4 Includes Margin money deposits ₹ 1.21 crore (March 31, 2018 ₹ 1.11 crore March 31, 2017 ₹ 1.33 crore) relating to a subsidiary that are restricted and the same is held towards security of letter of credit and bank guarantees.

Notes to the Consolidated Financial Statements

Note 14 : Current Financial Assets- Loans

Amount ₹ in Crore			
Particulars	As at March 31, 2019	As at March 31, 2018 Restated	As at April 1, 2017 Restated
(I) Security Deposit			
(a) Secured and Considered Good (Refer Note 1 below)	222.58	142.89	161.19
(b) Unsecured and Considered Good	2.90	4.26	4.20
(II) Loans to Related Parties			
(a) Unsecured and Considered Good	771.09	831.13	497.08
(III) Other Loans			
(a) Unsecured and Considered Good			
Loans to employees	1.46	1.18	0.83
Other Loans & Advances	53.71	35.21	30.08
(b) Unsecured and Considered Doubtful			
Inter Corporate Deposit	5.77	5.77	5.77
Less : Allowance for Bad and Doubtful Deposit	(5.77)	(5.77)	(5.77)
	-	-	-
	<u>1,051.74</u>	<u>1,014.67</u>	<u>693.38</u>

Note

1 Secured Deposits are Secured against Terms of Development Agreement for a subsidiary.

Note 15 : Current Financial Assets- Others

Amount ₹ in Crore			
Particulars	As at March 31, 2019	As at March 31, 2018 Restated	As at April 1, 2017 Restated
I Other Receivables	20.98	21.35	143.19
II Fair Value of Derivative Contracts	0.06	0.23	0.12
III Forward Cover Contracts Receivable	-	0.90	2.26
IV Deposits - Others	46.79	44.95	6.73
V Interest Accrued on Loans and Deposits	276.53	169.40	147.34
VI Income Accrued	0.06	-	3.00
VII Export Benefits Receivables	0.30	13.20	10.34
VIII Others	32.67	26.78	0.57
	<u>377.39</u>	<u>276.82</u>	<u>313.55</u>

Notes to the Consolidated Financial Statements

Note 16 : Other Current Assets

		Amount ₹ in Crore		
Particulars	As at March 31, 2019	As at March 31, 2018 Restated	As at April 1, 2017 Restated	
(l) Advances other than Capital Advance				
(a) Security Deposit				
Statutory Deposits	198.81	228.87	113.78	
Other Deposits	2.60	2.47	2.25	
	201.41	231.34	116.03	
(b) Other Advances				
Advance to Suppliers - Considered Good	102.98	88.68	82.55	
Advance to Suppliers - Considered Doubtful	1.19	1.19	0.65	
Provision for Doubtful Advance	(1.19)	(1.19)	(0.65)	
	102.98	88.68	82.55	
Other Receivables - Considered Good	145.72	105.12	91.68	
Export Benefit	9.09	9.90	5.10	
Unbilled Revenue	75.82	89.49	86.34	
Employee Advance	0.02	0.02	0.08	
Prepaid and other advances	24.13	20.97	10.57	
Assets held for Sale	-	0.55	0.55	
	559.17	546.07	392.90	

Notes to the Consolidated Financial Statements

Note 17 : Equity

Particulars	Amount ₹ in Crore					
	As at March 31, 2019		As at March 31, 2018 Restated		As at April 1, 2017 Restated	
	Nos	Amount ₹ in Crore	Nos	Amount ₹ in Crore	Nos	Amount ₹ in Crore
1 Authorised Share Capital						
(a) Equity shares of ₹ 1 each	800,000,000	80.00	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	100,000,000	100.00
		180.00		180.00		180.00
2 Issued, Subscribed and Paid up Share Capital						
Equity Shares of ₹ 1 each fully paid up	336,384,367	33.64	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	336,272,731	33.63	336,139,786	33.61	335,988,807	33.60
Issued during the year	111,636	0.01	132,945	0.02	150,979	0.01
Number of Shares outstanding at the end of the year	336,384,367	33.64	336,272,731	33.63	336,139,786	33.61
4 Rights, Preferences And Restrictions attached to Shares						
Equity Shares : The Company has one class of equity shares. Each equity share entitles the holder to one vote. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholding.						
5 Share Holding Information						
(a) Equity Shares held by Holding Company:						
Vora Soaps Limited	-	-	193,904,681	19.39	193,904,681	19.39
(b) Shareholders holding more than 5% of Equity Shares in the Company:						
Vora Soaps Limited - 0% (previous year 57.66%)	-	-	193,904,681	19.39	193,904,681	19.39
Rishad Kaikhushru Naoraji & Others (Partners of RKN Enterprises)- 12.66% (previous year 3.81%)	42,583,272	4.26	12,806,300	1.28	12,806,300	1.28
Godrej Foundation - 13.38%	45,014,972	4.50	-	-	-	-
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	109,052	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	3,454	0.00
(g) Employee Stock Grant vesting on 31/05/19	90,785	0.01	72,234	0.01	72,234	0.01
(h) Employee Stock Grant vesting on 31/05/20	50,655	0.01	31,758	0.00	31,758	0.00
(i) Employee Stock Grant vesting on 31/05/21	19,589	0.00	-	-	-	-

The exercise period in respect of the stock grants mentioned above is one month.

Notes to the Consolidated Financial Statements

Note 17 : Equity (Contd.)

- 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 Vora Soaps Limited (VSL) with the Company 19,39,04,681 equity shares allotted as fully paid up to the Equity and Preference Shareholders of VSL.
Pursuant to the Scheme of Amalgamation of Wadala Commodities Limited (WCL) with the Company :
- (i) 2,00,243 equity shares allotted as fully paid up to the Equity Shareholders of WCL and 10 equity shares allotted as fully paid up to the Preference Shareholders of WCL, without payment being received in cash.
- (ii) 67,627 equity shares have been allotted as fully paid up bonus shares to the non-promoter shareholders of the Company.
- 8 There are no calls unpaid.
- 9 There are no forfeited shares.
- (*) Amount less than ₹ 0.01 crore.

Note

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

On December 14, 2018, the National Company Law Tribunal ("NCLT"), Mumbai bench vide its Order approved the Scheme of Amalgamation of Vora Soaps Limited (VSL) with the Company. Consequent to the said Order and filing of the final certified Orders with the Registrar of Companies, Maharashtra on December 24, 2018, the Scheme has become effective from the Appointed Date of December 14, 2017. According to the Scheme, the Company cancelled 19,39,04,681 equity shares held by VSL and issued 19,39,04,681 fully paid Equity Shares as a consideration to the Equity and Preference shareholders of Vora Soaps Limited. (refer note 55)

Note 18 : Other Equity

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

I Summary of Other Equity Balance

		Amount ₹ in Crore		
Particulars		As at March 31, 2019	As at March 31, 2018 Restated	As at April 1, 2017 Restated
I	Capital Reserve on Account of Amalgamation	0.81	2.31	2.38
II	Capital Redemption Reserve	31.46	31.46	31.46
III	Securities Premium	912.76	943.70	939.21
IV	Capital Reserve	28.45	28.45	14.01
V	Special Reserve	3.98	3.98	3.98
VI	Foreign Currency Monetary Items Translation Reserve	11.13	9.59	(7.89)
VII	Items of Other Comprehensive Income	(0.02)	(32.00)	(41.27)
VIII	Employee Stock Grants Outstanding	10.09	7.67	7.20
IX	Treasury Stock	-	0.00	(4.81)
X	General Reserve	64.24	65.85	55.94
XI	Debenture Redemption Reserve	56.13	28.66	-
XII	Gain on sale of subsidiary without losing control	180.67	180.67	-
XIII	Non Controlling Interest Reserve	1,224.95	744.39	558.97
XIV	Retained Earnings	1,788.14	1,286.06	1,097.45
		4,312.80	3,300.79	2,656.63

Notes to the Consolidated Financial Statements

Note 18 : Other Equity (Contd.)

Refer statement of changes in equity for detailed movement in Other Equity balances.

II Nature and purpose of reserve

- a Capital Reserve on Account of Amalgamation : During amalgamation, the excess of net assets taken over the cost of consideration paid is treated as Capital Reserve on account of Amalgamation.
- b Capital Redemption Reserve : The Company has recognised Capital Redemption Reserve on buyback of equity shares from its retained earnings.
- c Securities Premium : The amount received in excess of face value of the equity shares is recognised in Securities Premium. 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. It is utilised in accordance with the provisions of section 52 of the Companies Act, 2013.
- d Capital Reserve : During amalgamation, the excess of net assets taken, over the cost of consideration paid is treated as capital reserve and also created on Sale of treasury Shares, also profit on sale of treasury shares held by the ESOP Trust is recognised in Capital Reserve. The utilisation will be as per the requirements of the Companies Act, 2013.
- e Special Reserve : Reserve created under section 45IC of RBI Act, 1934.
- f Foreign Currency Translation Reserve : The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.
- g Employee Stock Grants Outstanding : The fair value of the equity-settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to Employee Stock Grants Outstanding Account.
- h Treasury Reserve : The reserve for treasury shares of the Company held by the ESOP trust.
- i Reserve for Employee Compensation Expense : The expenses in respect of the Company's ESOP scheme will be charged against the Reserve for employee compensation expense as per court Scheme.
- j General Reserve : The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.
- k Debenture Redemption Reserve : The Company is required to create a debenture redemption reserve out of the profits which is available for payment of dividend for the purpose of redemption of debentures.
- l Gain on sale of subsidiary without losing control :The Company participated in the IPO of Godrej Agrovet Limited (GAVL) as a promoter shareholder and sold part of its stake and realised a gain of ₹ 267.38 crore in the Standalone financial statements. Since the Company continues to hold controlling stake in GAVL, the resultant gain is not considered as a part of Consolidated net profits, but is included in Reserves as per the accounting treatment prescribed under IND AS 110 (Consolidated Financial Statements).
- m Non- controlling Interest Reserve : It represents the difference between the consideration paid and the carrying value of non- controlling interest acquired in subsidiaries.
- n Retained Earnings : Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Notes to the Consolidated Financial Statements

Note 18 : Other Equity (Contd.)

III Other Comprehensive Income accumulated in Other Equity, net of tax

Particulars	Amount ₹ in Crore		
	As at March 31, 2019	As at March 31, 2018 Restated	As at April 1, 2017 Restated
Opening Balance	(32.00)	(41.27)	(23.62)
Exchange Difference in translating financial statements of foreign operations	35.13	10.59	(18.91)
Cash flow hedges	(3.15)	(1.32)	1.26
	(0.02)	(32.00)	(41.27)

IV Notes

- (i) To give effect to the Scheme of Amalgamation ("the Scheme") of Godrej Gokarna Oil Palm Ltd (GGOPL), Godrej Oil Palm Ltd (GOPL) and Cauvery Palm Oil Ltd (CPOL) ("the Transferor Companies") with Godrej Agroviet Limited ("the Transferee Company"), effective April 1, 2011, ("the Appointed date") as sanctioned by the Hon'ble High Court of Judicature at Bombay ("the Court"), vide its Order dated March 16, 2012, the following entries have been recorded.

Amortisation of Intangible Assets of the Transferor Companies amounting to ₹4.25 crore each for the Financial year ended March 31, 2019 and March 31, 2018 recorded in the books of the Transferee Company are charged against the balance in the General Reserve Account of the Transferee Company. The Gross Book value of these Assets now held by the Transferee Company is ₹42.51 crore.

Had the Scheme not prescribed the above treatment, profit for the Financial year ended March 31, 2019 would have been lower by ₹ 2.77 crore (previous year ₹ 2.77 crore).

Notes to the Consolidated Financial Statements

Note 19 : Non Current Financial Liabilities - Borrowings

Amount ₹ in Crore			
Particulars	As at March 31, 2019	As at March 31, 2018 Restated	As at April 1, 2017 Restated
(I) Secured Borrowings			
(a) Bonds and Debentures	500.00	500.00	-
7.82% 5,000 (Previous Year: 2018 5,000; Previous Year: 2017 NIL) redeemable non-convertible debentures ("NCD") of face Value ₹ 1,000,000 each			
(b) Term Loans			
(i) From Banks (Refer Note 1 and 2a)	43.04	27.92	489.78
(ii) From Other Parties (Refer Note 2b)	28.33	4.99	11.88
(II) Unsecured Borrowings			
(a) Term Loans			
(i) From Banks (Refer Note 3 below)	685.97	380.68	931.89
(ii) From Other Parties (Refer Note 4 below)	-	33.34	66.67
(b) Deferred Payment Liabilities (Refer Note 5 and 6 below)	3.24	5.36	6.70
(c) Deposits			
(i) Other Deposit	-	-	1.33
(d) Other Loans			
(i) Preference Share Capital (Refer Note 7)	-	-	0.01
	1,260.58	952.29	1,508.26

Notes:

- Secured term loan in the previous year March 31, 2017 amounting to ₹ 474.75 Crore bearing interest @ CPLR minus 730 BPS and secured by way of exclusive mortgage and charge of movable and immovable property, right, title interest in the designated account / escrow account and receivables of the project situated at Bandra Kurla Complex at Mumbai and pledge of 51% of equity shares of Godrej Buildcon Private Limited held by the Company. During the previous year March 31, 2018 the term loan has been repaid.

Notes to the Consolidated Financial Statements

Note 19 : Non Current Financial Liabilities - Borrowings (Contd.)

2 a)

Amount ₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018 Restated	As at April 1, 2017 Restated
Vehicle Loan from Bank taken @9.50% to 11.50% repayable in 36/60 installments from the date of disbursements	-	0.26	0.58
Loan from Bank carrying Interest rate ranging from 9.34% to 9.55% pa. repayable by August 2020 is secured by hypothecation of moveable plant and machinery, furniture, fixtures consisting of refrigeration and interior work, both present and future of funded stores of a subsidiary.	0.55	2.75	4.95
Loan from Bank carrying Interest @ 10.30% pa repayable by December 2022 is secured by hypothecation of moveable plant and machinery, furniture, fixtures consisting of refrigeration and interior work, both present and future of funded stores of a subsidiary.	25.50	7.83	9.50
Loan from Bank carrying Interest rate ranging from 9.60% to 9.85% pa. repayable by December 2022 is secured by hypothecation of moveable plant and machinery, furniture, fixtures consisting of refrigeration and interior work, both present and future of funded stores of a subsidiary.	10.00	10.00	-
Loans at the interest rate of 2.0% to 2.6% p.a repayable in 60 installments from the date of disbursements. The interest bearing loan is denominated in Singapore dollar.	6.99	7.08	-

2b)

Amount ₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018 Restated	As at April 1, 2017 Restated
Loans carrying Interest @ 9.70% pa repayable by November 2025 is secured by hypothecation of the Property Plant and Equipment and Current Assets of the funded stores & head office of a subsidiary.	28.33	4.99	11.88

3 Unsecured Loans from Banks

Amount ₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018 Restated	As at April 1, 2017 Restated
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 Month 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.	62.50	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.	45.00	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.	17.50	28.44	-

Notes to the Consolidated Financial Statements

Note 19 : Non Current Financial Liabilities - Borrowings (Contd.)

3 Unsecured Loans from Banks (Contd.)		Amount ₹ in Crore	
Particulars	As at March 31, 2019	As at March 31, 2018 Restated	As at April 1, 2017 Restated
Loan carries interest at 6 Month 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 carried 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 carried interest at LIBOR + 2.35% p.a., fixed under IRS at 4.25% p.a for an original term upto 60 months and repayable by July 2019.	-	27.61	82.42
Loan carried interest at LIBOR + 2.45% p.a., fixed under IRS at 4.39% p.a for an original term upto 60 months and repayable by July 2019.	-	13.67	40.82
Loan carries interest at 1 year MCLR for an original term upto 72 months and repayable starting March 2022 to March 2025	500.00	-	-
Loan carries interest rate of 8.80% p.a repayable in in 16 structured quarterly instalments commencing from January 2018 to December 2022 .	1.97	2.95	3.75
Loan carries interest at 1 month treasury bill rate + 21bps spread p.a. is repayable in a single tranche in April 2020	20.00	-	-
Loan carries interest rate of 8.65% p.a repayable in 18 equal quarterly instalments commencing from six months from the date of first disbursement i.e. March 30, 2016.	-	2.98	5.21
Loan carries interest rate of T.Bill +0.19 spread p.a and repayable 50% at the end of 18 months and 50% at the end of 36 months.	-	2.60	4.32
Loan carries interest rate of 3 months T Bill + 175 bps. The loan is repayable in 60 monthly installments commencing from July 2020.	16.00	-	-
Loan carries interest rate of 7.05% p.a repayable in in 28 structured quarterly instalments commencing February 15,2019	23.00	-	-

Notes to the Consolidated Financial Statements

Note 19 : Non Current Financial Liabilities - Borrowings (Contd.)

4 Unsecured Loans from Others		Amount ₹ in Crore		
Particulars	As at March 31, 2019	As at March 31, 2018 Restated	As at April 1, 2017 Restated	
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	
5 Deferred Loan against acquisition of Lease hold Land is availed at interest rate of 14% under the scheme floated by the Directorate of Industries, Government of Uttar Pradesh. Loan repayment shall be performed on a half yearly basis for a period of 6 years from 1 st July 2016 up to 1 st Jan 2022. Total loan availed was ₹6.17 crore and outstanding for the year ended March 31, 2019 was ₹ 3.09 crore (Previous year March 31,2018 ₹ 4.11 crore and previous year March 31, 2017 ₹ 5.15 crore) with current maturity disclosed separately in note no. 26 at ₹ 1.03 crore (Previous year March 31,2018 ₹ 1.03 crore and previous year March 31, 2017 ₹ 1.03 crore) .				
6 Deferred Sales Tax Loan of a subsidiary is availed interest free under the scheme floated by the Directorate of Industries, Government of Andhra Pradesh. Loan repayment shall be performed on an annual basis 14 years from the year of collection, commencing from March 2014 up to March 2021. Total loan availed was ₹ 4.67 crore and outstanding for the year ended March 31, 2019 was ₹2.41 crore (Previous year 2018 ₹ 3.11 crore and Previous year 2017 ₹ 2.93 crore) with current maturity disclosed separately in note 26 at ₹1.23 crore (Previous year 2018 ₹ 0.85 crore and Previous year 2017 ₹ 0.35crore)				
7 Non-Convertible Redeemable Preference Shares having a par value of ₹ 10 per share. Each eligible Shareholder is entitled for 8% dividend on par value of shares.				
8 The Group does not have any default as on the Balance Sheet date in repayment of loan or interest.				

Note 20 : Non Current Financial Liabilities - Others

		Amount ₹ in Crore		
Particulars	As at March 31, 2019	As at March 31, 2018 Restated	As at April 1, 2017 Restated	
(I) Put Option Liability	-	-	35.33	
(III) Other Liabilities	1.01	0.49	-	
	1.01	0.49	35.33	

Note 21 : Non Current Provisions

		Amount ₹ in Crore		
Particulars	As at March 31, 2019	As at March 31, 2018 Restated	As at April 1, 2017 Restated	
I Defined Benefit Obligation	24.50	22.26	13.89	
II Other Long Term Benefit	2.88	3.07	3.22	
	27.38	25.33	17.11	

Notes to the Consolidated Financial Statements

Note 22 : Deferred Tax Liabilities (Net)

Amount ₹ in Crore			
Particulars	As at March 31, 2019	As at March 31, 2018 Restated	As at April 1, 2017 Restated
(I) Liabilities			
(a) Property, plant and equipment	219.30	181.34	169.44
(b) Biological Assets	8.96	0.08	0.11
(c) Brought forward Losses	0.70	0.59	0.20
(d) Other provisions	64.44	68.30	72.00
	293.40	250.31	241.75
(II) Assets			
(a) Provision for Retirement Benefits	3.00	1.30	1.62
(b) Provision for Doubtful Debts / Advances	6.81	5.77	3.25
(c) MAT Credit Entitlement	5.22	-	7.63
(d) Investments	-	0.76	-
	15.03	7.83	12.50
Deferred Tax Liabilities (Net Of Assets) (refer note 44)	278.37	242.48	229.25

Note 23 : Other Non Current Liabilities

Amount ₹ in Crore			
Particulars	As at March 31, 2019	As at March 31, 2018 Restated	As at April 1, 2017 Restated
(I) Others			
Deferred Grant	20.41	14.05	15.24
Others	0.91	0.91	-
	21.32	14.96	15.24

Notes to the Consolidated Financial Statements

Note 24 : Current Financial Liabilities Borrowings

Amount ₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018 Restated	As at April 1, 2017 Restated
(I) Secured Borrowings			
(a) Term Loan from Bank (Refer Note 1 below)	11.73	-	-
(b) Loans Repayable on Demand			
(i) From Banks (Refer Note 1 below)	804.36	805.85	802.19
(c) Other Loans			
(i) Cash Credit (Refer Note 2 below)	119.46	146.59	481.85
(ii) Buyer's Credit (Refer Note 3 below)	-	6.46	1.00
(iii) Working Capital Loan	-	-	14.54
(II) Unsecured Borrowings			
(a) Term Loans			
(i) From Banks (Refer Note 4 below)	1,386.39	1,273.04	675.33
(b) Loans Repayable on Demand			
(i) From Banks (Refer Note 5 below)	1,363.08	759.88	660.75
(ii) Bank Overdraft repayable on demand (Refer Note 6 below)	176.03	643.30	255.20
(c) Other Loans			
(i) Commercial Papers (Refer Note 7 below)	1,696.00	1,603.41	2,574.49
(ii) Working Capital Loan (Refer Note 8 below)	53.12	51.03	97.32
(iii) Cash Credit	0.36	22.22	-
(iv) Buyer's Credit (Refer Note 3 below)	31.94	-	-
(v) Others	-	-	29.64
	5,642.47	5,311.78	5,592.31

Notes:

1 Loan repayable on demand includes

- (i) Secured Working Capital Demand Loan of ₹ 800 Crore (Previous Year 2018: ₹ 800 Crore, Previous Year 2017: ₹ 800 Crore) availed from Bank secured by hypothecation of Current Assets of the Company, hypothecation of work-in-progress of Godrej Projects Development Limited (wholly owned subsidiary), mortgage of Immovable property (including all fit-outs therein) of the Company at Unit No 5C, on the 5th Floor in Godrej One (along with car parking spaces) at Pirojshanagar, Vikhroli East, Mumbai and hypothecation of Current Assets excluding work-in-progress of Godrej Projects Development Limited (wholly owned subsidiary) is provided as collateral security.
- (ii) Working capital facilities sanctioned by banks under consortium arrangement are secured by hypothecation of stocks and book debts.
- (iii) Foreign currency loans of a subsidiary from Banks are at an interest rate of LIBOR + 75 bps and are repayable in 30 days.

- 2 (i) Cash Credit availed from Bank is secured by hypothecation of the Current Assets of the Company, hypothecation of work-in-progress of Godrej Projects Development Limited (formerly known as Godrej Projects Development Private Limited) (wholly owned subsidiary), mortgage of Immovable property of the Company at Unit No 5C, on the 5th Floor in Godrej One (along with car parking spaces) at Pirojshanagar, Vikhroli East, Mumbai and hypothecation of Current Assets excluding work-in-progress of Godrej Projects Development Limited (formerly known as Godrej Projects Development Private Limited) (wholly owned subsidiary) is provided as collateral security and payable on demand.

Notes to the Consolidated Financial Statements

Note 24 : Current Financial Liabilities Borrowings (Contd.)

- (ii) Cash Credit from banks having a balance of ₹ 11.00 crore (previous year 2018 ₹ 11.00 crore and previous year 2017 ₹ 21.42 crore) are repayable on demand and carries interest at the rate of 1 Year MCLR + 25 to 55 bps and 8.60% per annum (Previous year 2018 1 Year MCLR + 35 to 110 bps and Previous year 2017 1 Year MCLR + 35 to 110 bps) . The cash credit from Bank is secured against inventories and receivables.
- 3 Buyers credit are at an interest rate of 3 month LIBOR + 40 to 100 bps and are repayable within 6 months.
- 4 Unsecured Loans from Bank

Particulars	Amount ₹ in Crore		
	As at March 31, 2019	As at March 31, 2018 Restated	As at April 1, 2017 Restated
Loan carries interest rate from 8.45%p.a. to 8.95p.a. repayable by April 2019	460.00	-	-
Loan carries interest rate at 1 month MCLR repayable by April 2019	55.00	-	-
Loan carries interest rate of 7.99%. repayable by May 2019	150.00	-	-
Loan carries interest rate at 1 month MCLR repayable by May 2019	100.00	-	-
Loan carries interest rate at 6 month MCLR+0.05% repayable by May 2019	25.00	-	-
Loan carries interest rate at 3 month MCLR repayable by May 2019	25.00	-	-
Loan carries interest rate at 3 month MCLR + 0.25 % p.a.repayable by May 2019	150.00	-	-
Loan carries interest rate at 6 month MCLR repayable by June 2019	75.00	-	-
Loan carries interest rate at 6 month+0.05% MCLR repayable by June 2019	155.00	-	-
Loan carries interest rate at 6 month+0.05% MCLR repayable by July 2019	50.00	-	-
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 month MCLR repayable by June 2018	-	160.00	-
Loan carries interest rate from 7.55%p.a. to 7.88p.a. repayable by June 2018	-	150.00	-
Loan carries interest rate at 3 month MCLR + 0.25 % p.a.repayable by June 2018	-	65.00	-
Loans from Banks are at an interest rate of LIBOR + 75 bps and are repayable in 30 days.	-	37.99	-
Loan carries interest rate of 9.25%	16.00	20.00	10.00
Loan carries interest rate at 1 month MCLR repayable by May 2017	-	-	90.00
Loan carries interest rate at 1 month MCLR + 0.05% p.a. repayable by April 2017	-	-	30.00
Loan carries interest rate at 3 month MCLR repayable by May 2017	-	-	50.00
Loan carries interest rate at 3 month MCLR + 0.10 % p.a.repayable by April 2017	-	-	75.00
Loan carries interest rate at 3 month MCLR repayable by June 2017	-	-	130.00
Loan carries interest rate at 1 month MCLR repayable by April 2017	-	-	90.00
Loan carries interest rate of 5.95% to 9.35% (Previous Year 2018 5.96% to 13.60% and Previous Year 2017 5.96% to 13.60%) repayable on different dates up to three months from the date of financial statements	125.39	205.04	200.33

Notes to the Consolidated Financial Statements

Note 24 : Current Financial Liabilities Borrowings (Contd.)

5 Loans repayable on demand

Amount ₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018 Restated	As at April 1, 2017 Restated
Other loans carrying interest rate 7.85% to 9.00%	1,271.51	-	-
Other loans carrying interest rate 7.85% to 8.00%	-	697.84	598.60
Loan carries interest at 5% repayable within 6 months	91.58	57.14	62.15
Buyers credit are at an interest rate of 3 month LIBOR + 40 to 100 bps and are repayable within 6 months.	-	4.90	-

6 Overdraft facilities having balance of ₹ 176.43 crore (previous year 2018 ₹ 626.30 crore and previous year 2017 ₹ 255.20 crore) carries interest rate of 7.85% to 9.00% .

7 Commercial Papers

Amount ₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018 Restated	As at April 1, 2017 Restated
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 7.16% p.a. to 7.58% p.a. repayable during the period April to June 2019.	940.00	-	-
Commercial Papers carries interest at 6.03% to 6.59% repayable during the period April to June 2017.	-	-	910.00
Commercial Papers carries interest at 7.48% to 7.91% p.a. repayable during the period April to June 2018	656.00	938.41	1,389.49
Commercial Papers carries interest at 5.95% to 8.85% repayable during the period April to June 2017.	-	-	275.00
Commercial Paper carries interest rate of 6.73% to 8.49% p.a. repayable during the period April to June 2019	100.00	-	-
Commercial Paper carries interest rate of 6.15% to 7.25% p.a. repayable during the period April to June 2018	-	50.00	-

8 Working capital loan (Rupee) from banks carries interest rate of 6.35% to 8.45% (Previous year 2018 - 7.50% to 7.85% and Previous year 2017 at interest rates linked to MCLR). These loans are repayable on different dates up to December 23, 2019

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

Note 25 : Current Financial Liabilities - Trade Payables

Particulars	As at March 31, 2019	As at March 31, 2018 Restated	As at April 1, 2017 Restated
(I) Trade Payables			
(a) Outstanding dues of Micro and Small Enterprises (Refer Note 1 below)	38.23	19.97	20.95
(b) Outstanding dues of creditors other than Micro and Small Enterprises	974.90	1,028.83	1,142.18
(II) Acceptances	942.78	579.63	528.10
	1,955.91	1,628.43	1,691.23

Note

1 Disclosure of outstanding dues of Micro and Small Enterprises under Trade Payables is based on the information available with the Group 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, 2019, to Micro, Small and Medium Enterprises on account of principal or interest.

Notes to the Consolidated Financial Statements

Note 26 : Current Financial Liabilities- Others

Amount ₹ in Crore			
Particulars	As at March 31, 2019	As at March 31, 2018 Restated	As at April 1, 2017 Restated
(I) Current Maturities of Long Term Debts			
(a) Secured			
Term Loan from Bank	10.86	10.76	10.43
Term Loan from Others	-	20.51	1.26
(b) Unsecured			
Term Loan from Bank	249.99	582.85	407.13
Term Loan from Others	41.28	38.07	33.33
	302.13	652.19	452.15
(II) Current Maturities of Deferred payment liabilities (refer note 19.5)	1.03	1.03	1.03
(III) Current Maturities of Deferred Sales Tax Liability (refer note 19.6)	1.23	0.85	1.38
(IV) Interest Accrued but not due	25.39	7.27	11.36
(V) Unpaid Dividends	0.50	0.44	0.45
(VI) Unpaid Matured Deposits			
(a) Principal Amount	1.00	1.63	2.81
(b) Interest accrued	0.03	0.06	0.09
	1.03	1.69	2.90
(VII) Others			
(a) Non Trade Payable	125.79	181.90	105.08
(b) Advance Share of Profit from Joint Ventures	18.62	25.41	41.76
(c) Deposits	94.84	91.51	72.55
(d) Forward Cover Contracts Payable	4.81	-	2.92
(e) Derivative Liability	1.06	0.09	2.23
(f) Put Option Liability	18.48	36.96	-
(g) Others	266.54	241.64	139.81
	530.15	577.51	364.35
	861.46	1,240.98	833.62

Notes to the Consolidated Financial Statements

Note 27 : Other Current Liabilities

Amount ₹ in Crore			
Particulars	As at March 31, 2019	As at March 31, 2018 Restated	As at April 1, 2017 Restated
(I) Other Advances			
(a) Amount received against Sale of Flats / Units and Advances from Customers	1,525.22	2,652.57	2,423.49
(II) Others			
(a) Other Liabilities	27.02	41.82	43.70
(b) Statutory Liabilities	79.14	82.57	61.70
(c) Deferred Grant	1.21	1.13	1.13
	1,632.59	2,778.09	2,530.02

Note 28 : Current Provisions

Amount ₹ in Crore			
Particulars	As at March 31, 2019	As at March 31, 2018 Restated	As at April 1, 2017 Restated
(I) Provision for Employee Benefits			
a) Defined Benefit Obligation	8.11	5.42	4.89
b) Other Long Term Benefit	8.70	11.44	5.31
(II) Others			
a) Provision for Sales Return (Refer note 1 below)	33.75	25.27	20.74
b) Provision for Tax	4.66	2.93	-
c) Others	6.00	1.50	-
	61.22	46.56	30.94

Amount ₹ in Crore			
Particulars	As at March 31, 2019	As at March 31, 2018 Restated	As at April 1, 2017 Restated
1 Movement of provision for sales return			
Opening Provision	25.27	20.74	16.60
Add : Provision made for the year	146.67	138.63	123.13
Less: Utilised during the year	137.97	133.80	118.99
Less: Reversed during the year	0.22	0.30	-
Closing Provision	33.75	25.27	20.74

The Group makes a provision on estimated sales return based on historical experience. The Sales returns are generally expected within a year.

2. Others include provision made during the year for Legal Cases. The same is expected to be settled in 1-3 Years. (Utilised: ₹ Nil (Previous Year 2018: ₹ Nil, Previous Year 2017: ₹ Nil), Accrued: ₹ 0.25 Crore (Previous Year 2018: ₹ 1.50 Crore, Previous Year 2017: ₹ Nil)).

Notes to the Consolidated Financial Statements

Note 29 : Revenue From Operations

		Amount ₹ in Crore	
Particulars		Year ended March 31, 2019	Year ended March 31, 2018 Restated
I	Sale of Products	10,926.38	8,828.80
II	Sale of Services	63.75	103.91
III	Other Operating Revenue		
(a)	Export Incentives	28.88	25.93
(b)	Rental Income	11.26	6.75
(c)	Processing Charges	1.04	4.10
(d)	Sale of Scrap	2.49	28.54
(e)	Dividend Income	0.38	0.22
(f)	Other Income from Customers of Property Business	77.33	83.09
(g)	Others	28.54	42.98
		11,140.05	9,124.32
	Fair value of Biological Assets	(0.08)	(0.09)
		11,139.97	9,124.23

1 Disaggregation of revenue from contracts with customers

The Company derives revenue from the sale of products in the following major segments:

Sale of Products	Year ended March 31, 2019
Chemicals	1,640.41
Animal Feeds	3,046.47
Veg Oils	1,113.75
Estate and Property Development	2,652.02
Dairy	1,160.03
Crop Protection	978.46
Others	335.24
	10,926.38

2 Reconciliation of revenue from contracts with customers

Particulars	Year ended March 31, 2019
Revenue from contracts with customers as per the contract price	11,058.49
Adjustments made to contract price on account of :-	
a) Less: Discounts / Rebates / Incentives	(272.39)
b) Less: Sales Returns /Credits / Reversals	(1.33)
c) Add: Significant financing component	141.41
d) Any other adjustments	0.20
Revenue from contracts with customers as per the statement of Profit and Loss	10,926.38

3 Geographical disaggregation

Particulars	Year ended March 31, 2019
Sales in India	9,815.63
Sales outside India	1,110.75

4 Refer note 56 (b) for significant changes in contract assets and contract liabilities balances and 56 (c) for note on performance obligation.

Notes to the Consolidated Financial Statements

Note 30 : Other Income

Particulars	Amount ₹ in Crore	
	Year ended March 31, 2019	Year ended March 31, 2018 Restated
I Interest Income	238.36	144.31
II Gain on Foreign Exchange Translation	1.41	4.26
III Profit on sale of Property, Plant and Equipment	25.22	0.27
IV Profit on Sale of Current Investments	66.04	210.99
V Changes in fair value of financial assets of FVTPL	95.62	158.98
VI Profit on Sale of Non Current Investments	-	0.33
VII Claims Received	1.26	3.07
VIII Liabilities no longer required written back	18.26	3.81
IX Recovery of Bad Debts written off	0.82	0.59
X Royalty & Technical Knowhow	1.30	1.44
XI Grant amortization	1.30	1.49
XII Miscellaneous Income	33.66	31.67
	483.25	561.22

Note 31a : Cost of Material Consumed

Particulars	Amount ₹ in Crore	
	Year ended March 31, 2019	Year ended March 31, 2018 Restated
I Raw Material Consumed		
Inventory at the Commencement of the year	546.04	526.19
Add : Purchases (Net)	5,710.78	5,034.81
	6,256.82	5,561.00
Less : Inventory at the Close of the year	(637.83)	(546.04)
Total Raw Material Consumed	5,618.99	5,014.94
II Packing Material Consumed		
Inventory at the Commencement of the year	4.35	3.41
Add : Purchases (Net)	53.42	49.59
	57.77	53.00
Less : Inventory at the Close of the year	(2.91)	(4.35)
Total Packing Material Consumed	54.86	48.65
Total Material Consumed (I+II)	5,673.85	5,063.59

Notes to the Consolidated Financial Statements

Note 31b : Cost of Sale - Property Development

Particulars	Amount ₹ in Crore	
	Year ended March 31, 2019	Year ended March 31, 2018 Restated
Land/Development Rights	53.38	243.04
Construction, Material & Labour	251.62	473.87
Architect Fees	2.23	18.98
Other Cost	98.01	127.71
Finance Cost	148.12	246.65
Total Cost of Sale - Property Development	553.36	1,110.25

Note 32 : Changes in Inventories of Finished Goods, Stock in Trade and Work in Progress

Particulars	Amount ₹ in Crore	
	Year ended March 31, 2019	Year ended March 31, 2018 Restated
I Inventory at the Commencement of the year		
Finished Goods	294.59	263.57
Stock in Trade	75.05	91.23
Work in Progress	3,794.25	5,239.77
Total Inventory at the Commencement of the year	4,163.89	5,594.57
Consumption of Poultry Stock and stock under cultivation	-	0.23
Add:		
Transferred on acquisition of control	114.35	-
Less :		
Transferred to Expenses	(0.10)	(0.32)
Transferred to Property Plant and Equipment	-	(12.79)
Transferred to Capital WIP	-	(69.66)
Transferred to Investment Property	-	(2.59)
Transferred on loss of control	-	(476.72)
Recovery of cost towards area	-	(616.94)
II Inventory at the End of the year		
Finished Goods	(315.29)	(294.59)
Stock in Trade	(121.86)	(75.05)
Work in Progress	(2,261.00)	(3,794.25)
Total Inventory at the End of the year	(2,698.15)	(4,163.89)
Changes in Inventories (I-II)	1,579.99	251.89

Notes to the Consolidated Financial Statements

Note 33 : Employee Benefit Expense

Amount ₹ in Crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018 Restated
I Salaries and Wages	548.20	502.65
II Contribution to Provident and Other Funds	30.92	27.09
III Expenses on Employee Stock Option Scheme	8.79	9.12
IV Staff Welfare Expense	39.01	35.30
	626.92	574.16

Note 34 : Finance Costs

Amount ₹ in Crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018 Restated
I Interest	562.56	482.21
Less : Transferred to Construction work-in-progress and Capital work-in-progress	(158.02)	(163.94)
Less: Recovery of Finance Cost	-	(8.20)
Net Interest	404.54	310.07
II Exchange Differences regarded as an adjustment to Borrowing Costs	-	0.32
III Other Borrowing Costs	111.79	102.76
	516.33	413.15

Note 35 a : Depreciation and Amortisation Expenses

Amount ₹ in Crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018 Restated
I Depreciation on Property, Plant and Equipment	165.02	167.43
II Depreciation on Investment Property	2.31	2.02
III Amortisation on Intangible Assets	9.89	10.07
Less : Transfer from General Reserve (Refer note. 18 IV (i))	(4.25)	(4.25)
	172.97	175.27

Notes to the Consolidated Financial Statements

Note 35 b : Other Expenses

Particulars	Amount ₹ in Crore	
	Year ended March 31, 2019	Year ended March 31, 2018 Restated
I Consumption of Stores and Spares	38.89	39.52
II Power and Fuel	215.44	184.08
III Processing Charges	113.96	112.84
IV Rent (Refer note 1 below)	69.33	58.02
V Rates & Taxes	25.27	33.88
VI Repairs and Maintenance		
(a) Machinery	25.10	27.87
(b) Buildings	19.82	14.89
(c) Other Assets	50.93	10.11
VII Insurance	7.57	6.79
VIII Freight	75.72	81.15
IX Commission	38.23	4.82
X Advertisement and Publicity	131.58	135.49
XI Selling and Distribution Expenses	12.45	13.37
XII Bad Debts Written Off	18.67	8.21
XIII Provision / (Write back) for Doubtful Debts and Advances	26.31	7.01
XIV Loss on Foreign Exchange Translation	8.18	2.52
XV Loss on Sale of Property, Plant and Equipment	10.32	1.66
XVI Changes in fair value of financial assets at FVTPL	9.88	-
XVII Research Expense	3.97	2.34
XVIII Legal and Professional fees	72.78	63.05
XIX Corporate Social Responsibility	7.50	5.17
XX Miscellaneous Expenses	280.93	372.34
	1,262.83	1,185.13

Note :

- Rental expenses of the holding company amounting to ₹ 6.96 crore (previous year ₹ 7.06 crore) are netted off with rental income in respect of certain premises in the same building.

Note 36 : Exceptional Items

Particulars	Amount ₹ in Crore	
	Year ended March 31, 2019	Year ended March 31, 2018 Restated
I Profit / (Loss) on sale of Strategic Investments	88.30	-
II Gain on cancellation of an agreement for supply of products	-	19.33
III Loss on account of inventory write off	-	(7.28)
	88.30	12.05

Exceptional items for the year ended March 31, 2019 relates to remeasurement gain on fair valuation of existing stake in Joint venture and Associate. On 27th March 2019 Godrej Agrovet Limited has increased its stake and acquired control of Godrej Tyson Foods Limited and Godrej Maxximilk Private Limited (which was earlier a Joint Venture and Associate respectively).

On obtaining control, Godrej Agrovet Limited has remeasured the existing stake at fair value and has recognised the remeasurement gain in the consolidated statement of profit and loss in accordance with the Indian Accounting Standards. Exceptional Items of the Financial year ended March 31, 2018 comprises gain recognised by a subsidiary company on cancellation of an agreement for supply of product with one of its customer of ₹ 19.33 crores and loss due to inventory written off by the subsidiary company aggregating ₹ 7.28 crore.

Notes to the Consolidated Financial Statements

Note 37 : Earnings Per Share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

		Amount ₹ in Crore	
Particulars	Year ended March 31, 2019	Year ended March 31, 2018 Restated	
(a) Calculation of weighted average number of equity shares - Basic			
(i) Number of equity shares at the beginning of the year (in units)	336,272,731	336,139,786	
(ii) Number of equity shares issued during the year (in units)	111,636	132,945	
(iii) Number of equity shares outstanding at the end of the year (in units)	336,384,367	336,272,731	
(iv) Weighted average number of equity shares outstanding during the year (in units)	336,360,336	336,244,991	
(b) Calculation of weighted average number of equity shares - Diluted			
(i) Number of potential equity shares at the beginning of the year (in units)	336,492,111	336,482,336	
(ii) Number of potential equity shares at the end of the year (in units)	336,541,942	336,486,056	
(iii) Weighted average number of potential equity shares outstanding during the year (in units)	336,537,466	336,484,969	
(c) Net Profit Attributable to Owners of the Company	589.53	337.83	
Less : Impact of Court approved Scheme on Net Profit	(1.61)	(1.61)	
Adjusted Net Profit Attributable to Owners of the Company	587.92	336.22	
(i) Basic Earnings Per Share of ₹ 1 each	17.48	10.00	
(ii) Diluted Earnings Per Share of ₹ 1 each	17.47	9.99	

Notes to the Consolidated Financial Statements

Note 38 : Contingent Liabilities

Particulars	Amount ₹ in Crore		
	As at March 31, 2019	As at March 31, 2018 Restated	As at April 1, 2017 Restated
I Claims against the Group not acknowledged as debts			
(a) Excise duty / Service Tax demands relating to disputed classification, post manufacturing expenses, assessable values, etc. which the Group has contested and is in appeal at various levels.	249.64	210.60	215.70
(b) Customs Duty demands relating to lower charge, differential duty, classification, etc.	3.92	5.00	4.93
(c) Sales Tax demands relating to purchase tax on Branch Transfer / disallowance of high seas sales, etc. at various levels.	58.61	54.67	112.50
(d) Octroi demand relating to classification issue on import of Palm Stearine and interest thereon.	0.29	0.29	0.29
(e) Stamp duties claimed on certain properties which are under appeal by the Group.	1.82	1.82	21.84
(f) Income tax demands against which the Company has preferred appeals.	163.10	96.18	101.64
(g) Industrial relations matters under appeal.	0.52	0.47	2.62
(h) Claims not acknowledged as debts represent cases filed by parties in the Consumer forum, Civil Court and High Court and disputed by the Group as advised by our advocates. In the opinion of the management the claims are not sustainable	71.14	69.94	75.64
(i) Others.	5.61	7.15	1.68
II Surety Bonds			
(a) Surety Bonds given by the Holding Company in respect of refund received from excise authority for exempted units of associate company (Refer Note 1 below)	33.11	26.88	26.88
(b) Bonds issued by Group on behalf of related party	1.21	1.21	1.21
III Other money for which the Group is Contingently liable			
(a) Case / Claim filed by Processors for claiming various expenses	178.32	175.42	196.46
IV Contingent liabilities relating to interest in Associates	208.61	212.44	173.59

Notes

- (1) The Corporate surety bond of ₹ 33.11 crore (₹ 26.88 crore as on March 31, 2018 and March 31, 2017) is in respect of refund received from excise authority for exempted units (North East) of Godrej Consumer Products Limited, an associate company.
- (2) The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its consolidated financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

It is not practicable to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

Notes to the Consolidated Financial Statements

Note 39 : Commitments

			Amount ₹ in Crore	
Particulars		As at March 31, 2019	As at March 31, 2018 Restated	As at April 1, 2017 Restated
I	Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for.	110.16	70.83	123.30
II	Outstanding Export Obligation under EPCG Scheme	34.72	39.36	38.96
III	Uncalled liability on partly paid shares / debentures (*)	0.00	0.00	-
IV	Contracts for Purchase of Raw Material	113.90	75.43	65.39
V	Commitments relating to interest in Associates	5.98	7.67	12.43

* Amount less than ₹ 0.01 crore

Notes

- One of the Subsidiary Company enters into construction contracts for Civil, Elevator, External Development, MEP work etc. with its vendors. The total amount payable under such contracts will be based on actual measurements and negotiated rates, which are determinable as and when the work under the said contracts are completed.
- One of the Subsidiary Company has entered into development agreements with owners of land for development of projects. Under the agreements the company is required to pay certain payments/ deposits to the owners of the land and share in built up area/ revenue from such developments in exchange of undivided share in land as stipulated under the agreements.

Note 40 : Information on Subsidiaries, Joint Ventures and Associates:

(a) The subsidiary Companies considered in the Consolidated Financial Statements are :

Sr. No.	Name of the Company	Place of business / Country of incorporation	Percentage of Holding		
			As at March 31, 2019	As at March 31, 2018 Restated	As at April 1, 2017 Restated
Companies					
Subsidiaries of Godrej Industries Limited					
1	Godrej Agrovet Limited	India	58.15%	57.99%	63.67%
2	Godrej Properties Limited	India	54.25%	57.31%	57.37%
3	Natures Basket Limited	India	100%	100%	100%
4	Ensemble Holdings & Finance Limited	India	100%	100%	100%
5	Godrej International Limited	Isle of Man	100%	100%	100%
6	Godrej International Trading & Investments Pte. Ltd.	Singapore	100%	100%	100%
7	Godrej One Premises Management Private Limited	India	58.00%	58.00%	39.72%
Subsidiaries of Godrej Agrovet Limited					
8	Godvet Agrochem Limited	India	100%	100%	100%
9	Astec Lifesciences Limited	India	57.45%	57.45%	55.53%
10	Creamline Dairy Products Limited	India	51.91%	51.91%	51.91%
11	Godrej Maximilk Private Limited (subsidiary with effect from March 27, 2019)	India	62.97%	-	-
12	Godrej Tyson Foods Limited (subsidiary with effect from March 27, 2019)	India	51.00%	-	-

Notes to the Consolidated Financial Statements

Note 40 : Information on Subsidiaries, Joint Ventures and Associates (Contd.):

Sr. No.	Name of the Company	Place of business / Country of incorporation	Percentage of Holding		
			As at March 31, 2019	As at March 31, 2018 Restated	As at April 1, 2017 Restated
Subsidiaries of Godrej Properties Ltd.					
13	Godrej Real Estate Private Limited (merged with Godrej Properties w.e.f. April 01, 2017)	India	-	-	100%
14	Godrej Buildcon Private Limited (merged with Godrej Projects Development Limited w.e.f December 01, 2018)	India	-	100%	100%
15	Godrej Project Development Private Limited	India	100%	100%	100%
16	Godrej Garden City Properties Private Limited	India	100%	100%	100%
17	Godrej Hillside Properties Private Limited	India	100%	100%	100%
18	Godrej Home Developers Private Limited	India	100%	100%	100%
19	Godrej Investment Advisers Private Limited (ceased to be Subsidiary from June 21, 2017)	India	-	-	100%
20	Godrej Prakriti Facilities Private Limited	India	100%	100%	100%
21	Godrej Highrises Properties Private Limited	India	100%	100%	100%
22	Godrej Green Homes Limited (classified as Joint Venture w.e.f March 17, 2018)	India	-	-	100%
23	Godrej Genesis Facilities Management Private Limited	India	100%	100%	100%
24	Godrej Fund Management Pte. Ltd. (100% subsidiary from January 25, 2016) (100% Subsidiary of Godrej Investment Advisers Private Limited) (ceased to be Subsidiary from June 21, 2017)	Singapore	-	-	100%
25	Prakritiplaza Facilities Management Private Limited (Incorporated on July 28, 2016)	India	100%	100%	100%
26	Godrej Vikhroli Properties India Limited (Converted to Company on January 25, 2017) (merged with Godrej Properties Limited w.e.f. April 1, 2017)	India	-	100%	100%
27	Citystar Infra Projects Limited	India	100%	100%	100%
28	Godrej Residency Private Limited (Incorporated on March 16, 2017)	India	100%	100%	100%
29	Godrej Redevelopers (Mumbai) Private Limited (Classified as Subsidiary w.e.f. October 30, 2017)	India	100%	-	-
30	Godrej Properties Worldwide Inc., USA	USA	100%	100%	-
31	Godrej Landmark Redevelopers Private Limited (w.e.f. March 15, 2019)	India	100%	-	-
32	Godrej Skyline Developers Private Limited	India	-	-	100%

Notes to the Consolidated Financial Statements

Note 40 : Information on Subsidiaries, Joint Ventures and Associates (Contd.):

Sr. No.	Name of the Company	Place of business / Country of incorporation	Percentage of Holding		
			As at March 31, 2019	As at March 31, 2018 Restated	As at April 1, 2017 Restated
Limited Liability Partnership (LLP) (held through Godrej Properties Limited)					
1	Mahalunge Township Developers LLP (formerly known as Godrej Land Developers LLP) (Classified as Joint Venture w.e.f. Feb 01, 2019)	India	-	100%	100%
2	Godrej Project Developers & Properties LLP	India	100%	100%	100%
3	Godrej Highrises Realty LLP	India	100%	100%	100%
4	Godrej Skyview LLP	India	100%	100%	100%
5	Godrej Green Properties LLP	India	100%	100%	100%
6	Maan-Hinge Township Deveopers LLP (formerly known as Godrej Projects (Pune) LLP) (classified as Joint Venture w.e.f February 01, 2019)	India	100%	100%	100%
7	Godrej Projects (Soma) LLP	India	100%	100%	100%
8	Godrej Projects North LLP (formerly known as Godrej Projects (Blue Jay) LLP)	India	100%	100%	100%
9	Godrej Athenmark LLP (incorporated on April 20, 2017)	India	100%	100%	100%
10	Godrej Vestamark LLP (incorporated on April 20, 2017)	India	100%	100%	100%
11	Godrej Irishmark LLP (w.e.f April 20, 2017 to January 23, 2018)	India	-	-	100%
12	Manjari Housing Projects LLP (formerly known as Godrej Avamark LLP) (classified as Joint Venture w.e.f February 01, 2019)	India	100%	100%	100%
13	Godrej Developers & Properties LLP (Classified as Joint Venture w.e.f. October 30, 2017)	India	-	-	100%
14	Godrej Projects North Star LLP (formerly known as Godrej Century LLP) (Classified as Joint Venture w.e.f. September 27, 2017)	India	-	-	100%
15	Godrej Highview LLP (Classified as Joint Venture w.e.f. June 15, 2017)	India	-	-	100%
16	Godrej City Facilities Management LLP (w.e.f. March 18, 2019)	India	100.00%	-	-
17	Embellish Houses LLP (w.e.f February 13, 2019)	India	100.00%	-	

Notes to the Consolidated Financial Statements

Note 40 : Information on Subsidiaries, Joint Ventures and Associates (Contd.):

(b) Interests in Joint Ventures :

Sr. No.	Name of the Company	Place of business / Country of incorporation	Percentage of Holding		
			As at March 31, 2019	As at March 31, 2018 Restated	As at April 1, 2017 Restated
Companies					
Joint Venture partner of Godrej Agrovet Limited					
1	ACI Godrej Agrovet Private Limited	Bangladesh	50%	50%	50%
2	Godrej Tyson Foods Limited (Upto March 26,2019)	India	-	49%	49%
Joint Venture partner of Godrej Properties Limited					
3	Wonder Space Properties Private Limited	India	25.10%	25.10%	25.10%
4	Wonder City Buildcon Private Limited	India	25.10%	25.10%	25.10%
5	Godrej Home Constructions Pvt Ltd	India	25.10%	25.10%	25.10%
6	Godrej Realty Private Limited	India	51%	51%	51%
7	Godrej Landmark Redevelopers Private Limited (Classified as Subsidiary w.e.f. March 15, 2019)	India	-	51%	51%
8	Godrej Redevelopers (Mumbai) Private Limited	India	51%	51%	51%
9	Godrej Greenview Housing Pvt Limited	India	20%	20%	20%
10	Wonder Projects Development Private Limited	India	20%	20%	20%
11	Godrej Real View Developers Private Limited	India	20%	20%	20%
12	Pearlite Real Properties Private Limited	India	49%	49%	49%
13	Godrej Skyline Developers Private Limited	India	26%	26%	100%
14	Godrej Green Homes Limited (Considered as Subsidiary till March 16, 2018)	India	50%	50%	-
15	Ashank Macbricks Private Limited (w.e.f. July 31, 2018)	India	20%	-	-
Limited Liability Partnership (LLP)					
1	Mosiac Landmarks LLP	India	1%	1%	1%
2	A R Landcraft LLP	India	40%	40%	40%
3	Prakhhyat Dwellings LLP	India	42.50%	42.50%	42.50%
4	Bavdhan Realty @ Pune 21 LLP	India	45%	45%	45%
Control through Majority Voting Rights					
5	Dream World Landmarks LLP	India	40%	40%	40%
6	Oxford Realty LLP	India	35%	35%	35%
7	Godrej SSPDL Green Acres LLP , Formerly known as SSPDL Green Acres LLP	India	37%	37%	37%
8	Oasis Landmarks LLP	India	38%	38%	38%
9	M S Ramaiah Ventures LLP	India	49.50%	49.50%	49.50%
10	Caroa Properties LLP	India	35%	35%	35%
11	Godrej Construction Projects LLP	India	34%	34%	34%
12	Godrej Housing Projects LLP	India	50%	50%	50%
13	Amitis Developers LLP	India	46%	46%	46%
14	Godrej Property Developers LLP	India	32%	32%	32%
15	Godrej Highview LLP (w.e.f. June 15, 2017)	India	40%	40%	-

Notes to the Consolidated Financial Statements

Note 40 : Information on Subsidiaries, Joint Ventures and Associates (Contd.):

Sr. No.	Name of the Company	Place of business / Country of incorporation	Percentage of Holding		
			As at March 31, 2019	As at March 31, 2018 Restated	As at April 1, 2017 Restated
16	Godrej Irismark LLP (w.e.f. January 24, 2018)	India	50.00%	28.66%	-
17	Godrej Projects North Star LLP (formerly known as Godrej Century LLP) (w.e.f. September 26, 2017)	India	55%	55.00%	-
18	Godrej Developers & Properties LLP (w.e.f. October 30, 2017)	India	37.50%	37.50%	-
19	Roseberry Estate LLP (w.e.f. September 18, 2018)	India	49%	-	-
20	Suncity Infrastructures (Mumbai) LLP (w.e.f. October 10, 2018)	India	50%	-	-
21	Sai Srushti Onehub Projects LLP (w.e.f January 31, 2018)	India	21.70%	75%	-
22	Maan-Hinge Township Deveopers LLP (Incorporated on February 05, 2017) (formerly known as Godrej Projects (Pune) LLP) (Considered as subsidiary till January 31, 2019)	India	40%	-	-
23	Manjari Housing Projects LLP (formerly known as Godrej Avamark LLP) (Considered as subsidiary till January 31, 2019)	India	40%	-	-
24	Mahalunge Township Developers LLP (incorporated on April 22, 2015) (formerly known as Godrej Land Developers LLP) (Considered as subsidiary till January 31, 2019)	India	40%	-	-

(c) Investment in Associates :

Sr. No.	Name of the Company	Country of Incorporation	Percentage of Holding		
			As at March 31, 2019	As at March 31, 2018 Restated	As at April 1, 2017 Restated
1	Godrej Consumer Products Limited	India	23.75%	23.76%	23.76%
2	Personalitree Academy Limited (Associate of Ensemble Holdings & Finance Limited)	India	25.49%	25.49%	25.49%
3	Al Rahaba International Trading LLC (Associate of Godrej Agrovet Limited)	U.A.E	24%	24%	24%
4	Godrej Maximilk Private Limited (Associate of Godrej Agrovet Ltd. upto March 26, 2019)	India	-	49.90%	-

Notes to the Consolidated Financial Statements

Note 41 : Disclosures of Joint Ventures and Associates :

1 Equity accounted investees:

Financial information of Joint Ventures and Associates that are material to the Group is provided below :

Name of the entity	Place of business / Country of incorporation	% of ownership interest	Relationship	Accounting method	Amount ₹ in Crore		
					Carrying Amounts		
					March 31, 2019	March 31, 2018	April 01, 2017
Godrej Consumer Products Limited	India	23.75%	Associate	Equity method	2,703.21	2,448.13	2,251.30
Godrej Tyson Foods Limited	India	49%	Joint Venture	Equity method	-	88.94	84.65
(Joint venture upto March 26, 2019)				Equity method			
ACI Godrej Agrovet Private Limited	Bangladesh	50%	Joint Venture	Equity method	73.65	67.97	62.73
Al Rahaba International Trading Limited Liability Company	U.A.E	24%	Associate	Equity method	-	-	0.20
Godrej Maxximilk Private Limited.	India	26%	Associate	Equity method	-	4.14	-
(Associate upto March 26, 2019)				Equity method			
Personalitree Academy Ltd.	India	25.49%	Associate	Equity method	-	-	-
Total equity accounted investments					2,776.86	2,609.18	2,398.88
Omnivore India Capital Trust	India		Investment entity	Equity method	42.85	34.18	27.88

2 Summary financial information of material Joint Venture and Associates not adjusted for the percentage ownership held by the Company, is as follows:

	Godrej Consumer Products Limited			ACI Godrej Agrovet Private Limited		
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Ownership	23.75%	23.76%	23.76%	50%	50%	50%
Cash and cash equivalent	862.21	898.02	895.05	5.83	8.60	3.35
Other current assets	3,826.20	4,269.66	3,483.00	163.83	137.81	111.86
Total current assets	4,688.41	5,167.68	4,378.05	169.66	146.41	115.21
Total non-current assets	9,481.67	8,795.03	8,658.48	159.53	178.40	200.05
Total assets	14,170.08	13,962.71	13,036.53	329.19	324.81	315.26
Current liabilities						
Financial liabilities (excluding trade payables and provisions)	1,098.79	1,425.90	1,255.19	99.32	129.72	80.80
Other liabilities	2,792.99	2,738.90	2,092.17	64.47	19.63	31.74
Total current liabilities	3,891.78	4,164.80	3,347.36	163.79	149.35	112.54
Non Current liabilities						
Financial liabilities (excluding trade payables and provisions)	2,822.33	3,134.27	4,019.49	18.86	32.39	58.61
Other liabilities	189.47	405.33	367.73	-	6.23	4.92
Total non current liabilities	3,011.80	3,539.60	4,387.22	18.86	38.62	63.53
Total liabilities	6,903.58	7,704.40	7,734.58	182.65	187.97	176.07
Net assets	7,266.50	6,258.31	5,301.95	146.54	136.84	139.19
Groups' share of net assets	1,725.79	1,486.97	1,259.74	73.27	68.42	69.60
Adjustment on Consolidation	-	-	-	-	-	-
Carrying amount of interest in Associate / Joint Venture	2,703.21	2,448.13	2,251.30	73.65	67.97	62.73

Notes to the Consolidated Financial Statements

Note 41 : Disclosures of Joint Ventures and Associates (Contd.):

Amount ₹ in Crore

	Godrej Consumer Products Limited		ACI Godrej Agrovet Private Limited	
	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
Revenues	10,221.07	9,865.90	654.86	675.35
Interest income	93.27	75.25	0.19	71.27
Depreciation and amortisation	169.98	155.68	19.93	19.94
Interest expense	160.74	160.74	11.23	9.08
Income tax expense	(256.20)	404.70	4.93	8.68
Profit for the year	2,341.53	1,634.18	10.67	13.03
Other comprehensive income	138.51	36.95	-	(2.01)
Total comprehensive income	2,480.04	1,671.13	10.67	11.02
Group's share of profit as per JV / Associate Books	513.22	358.62	5.34	6.52
Add: Adjustments on Consolidation	33.02	4.92	-	-
Group's share of profit	546.24	363.54	-	-
Group's share of Other comprehensive income	32.90	8.78	-	(1.01)
Group's share of Total comprehensive income	579.13	372.32	5.34	5.51

Aggregate information for those joint ventures and associate that are not material to the Group are as under:

Amount ₹ in Crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018 Restated
(i) Investment In Joint Ventures		
Profit For the Year	(21.66)	(89.42)
Other Comprehensive Income for the year	0.00	-
Total Comprehensive Income	(21.66)	(89.42)
Group's share of total comprehensive income	13.95	(36.55)
(ii) Investment In Associate		
Profit For the Year *	0.00	0.00
Other Comprehensive Income for the year	0.00	0.00
Total Comprehensive Income	0.00	0.00
Group's share of total comprehensive income	0.00	0.00

* ₹ 0.00 represents amount less than ₹ 0.01 Crore

Notes to the Consolidated Financial Statements

Note 42 : Financial Information of subsidiaries that have material non-controlling interests

1 Subsidiaries that have material non-controlling interests is provided below:

Name of the entity	Place of business / country of incorporation	Ownership interest held by the group			Ownership interest held by non-controlling interest			Principal activities
		As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	
Godrej Agrovet Limited	India	58.15%	57.99%	63.67%	41.85%	42.01%	36.33%	Animal Feeds, Agri Inputs, Vegetable Oil, Dairy, Integrated Poultry business, Cultivation of Seeds
Godrej Properties Limited	India	54.25%	57.31%	57.37%	45.75%	42.69%	42.63%	Estate and Property Development

2 The following table summarises Financial Information of subsidiaries that have material non-controlling interests, before any inter-company eliminations

(i) Summarised Statement of Profit and Loss

Amount ₹ in Crore

	Godrej Agrovet Limited		Godrej Properties Limited	
	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018 (Restated)
Total Income	6,012.15	5,249.78	3,221.98	2,102.36
Profit for the year	329.04	229.21	253.15	86.91
Other Comprehensive Income	(0.92)	(6.21)	(0.23)	(2.81)
Profit allocated to non-controlling interests	138.05	87.60	115.86	37.10
OCI allocated to non-controlling interests	(0.39)	(2.61)	(0.10)	(1.20)
Dividends paid to non-controlling interests	36.16	35.00	-	-

(ii) Summarised Balance Sheet

Amount ₹ in Crore

	Godrej Agrovet Limited			Godrej Properties Limited		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	As at March 31, 2019	As at March 31, 2018 (Restated)	As at April 01, 2017 (Restated)
Non-current liabilities	300.43	207.66	242.47	512.25	511.93	481.50
Current liabilities	1,883.24	1,653.06	1,709.11	5,111.48	6,549.54	6,644.48
	2,183.67	1,860.72	1,951.58	5,623.73	7,061.47	7,125.98
Non-current assets	2,369.34	1,963.87	1,792.72	2,572.82	1,950.44	1,217.12
Current assets	1,864.27	1,577.50	1,421.71	5,519.92	6,321.43	7,030.75
	4,233.61	3,541.37	3,214.43	8,092.74	8,271.87	8,247.87
Net assets	2,049.94	1,680.65	1,262.85	2,469.01	1,210.40	1,121.89
Net assets attributable to non-controlling interest	857.90	842.12	620.67	1,129.57	451.90	478.26

Notes to the Consolidated Financial Statements

(iii) Summarised Cash Flow

Amount ₹ in Crore

	Godrej Agrovvet Limited		Godrej Properties Limited	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018 (Restated)
Cash flows from(used in) operating activities	447.74	353.82	478.02	802.21
Cash flows from(used in) investing activities	(237.22)	(252.80)	(980.55)	(620.82)
Cash flows from(used in) financing activities	(216.56)	(124.99)	969.79	(492.87)
Net increase /(decrease) in cash and cash equivalents	(6.04)	(23.97)	467.26	(311.48)

Note 43 : Goodwill and Other Intangible Assets with indefinite useful life

The Goodwill arises from the Group's Cash Generating Units as follows:

Amount ₹ in Crore

	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
CGUs of Godrej Agrovvet Limited	390.85	308.76	308.76
CGUs of Godrej Properties Limited	193.67	177.30	177.28
Others	14.25	14.25	14.25
	598.77	500.31	500.29

1 Godrej Agrovvet Limited

The recoverable amount of this CGU is the higher of its fair value less cost to sell and its value in use. The goodwill allocated to Agrovvet business pertains to a listed entity and accordingly, the fair value of the CGU is determined based on market capitalisation (level 1 fair value).

2 Godrej Properties Limited

The recoverable amount of this CGU is the higher of its fair value less cost to sell and its value in use. The goodwill allocated to estate & property development pertains to a listed entity and accordingly, the fair value of the CGU is determined based on market capitalisation (level 1 fair value).

Notes to the Consolidated Financial Statements

Note 44 : Income Tax Expense

Particulars	Amount ₹ in Crore	
	Year ended March 31, 2019	Year ended March 31, 2018 Restated
I Tax Expense recognised in the Consolidated Statement of Profit and Loss		
Current Income Tax	62.60	161.21
Adjustments in respect of earlier years	14.99	8.34
Deferred Income Tax Liability / (Asset), net		
Origination and reversal of temporary differences	158.49	(39.82)
Reduction in tax rate	0.05	-
Mat Credit	4.95	-
Increase in tax rate	-	0.70
Recognition of previously unrecognised tax losses	(18.86)	(17.92)
Deferred Tax Expense	144.63	(57.04)
Tax Expense For the Year	222.22	112.50
II Amounts recognised in other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit liability (asset)	(1.88)	(10.39)
Equity accounted investee's share of other comprehensive income	0.05	(0.99)
Income Tax	1.08	3.83
Items that will be reclassified to profit or loss		
Foreign operations – foreign currency translation differences	35.32	10.38
The effective portion of gains and loss on hedging instruments in a cash flow hedge	(2.87)	(3.50)
Income Tax	(0.12)	(0.19)
	31.58	(0.86)
III Amounts recognised in Equity		
Share based payments	-	-
Tax (expense) benefit	-	-
Share based payments (net of tax)	-	-
Amortisation of Intangibles as per Oil Palm Companies Merger Scheme approved by Bombay High Court	4.25	4.25
Tax (expense) benefit on above	(1.48)	(1.48)
Amortisation of Intangibles as per Oil Palm Companies Merger Scheme approved by Bombay High Court (net of tax)	2.77	2.77
	2.77	2.77
IV Reconciliation of effective tax rate		
Profit Before Tax	1,085.95	596.86
Tax using the Company's domestic tax rate	375.49	202.30
Tax effect of		
Tax impact of income not subject to tax	(37.90)	(99.42)
Tax effects of amounts which are not deductible for taxable income	5.25	146.92
Previously unrecognised tax losses and unabsorbed depreciation now recouped to reduce deferred tax expense	(18.86)	(17.92)
Deferred tax assets not recognized because realization is not probable	83.05	6.13
Additional allowance for tax purpose	(5.61)	(5.85)
Change in recognised deductible temporary differences	(8.79)	2.81
Adjustment for current tax of prior years	14.99	8.34
Tax on share of (profit)/loss of equity accounted investees	(146.29)	(119.40)
Utilization of MAT credit during the year	(5.64)	-
Effect of different tax rate	(3.16)	6.85
Additional tax paid on book profits	-	4.32
Others	(20.37)	(22.28)
Undistributed earnings of subsidiaries and equity accounted investees	(9.95)	(0.31)
	222.22	112.50

Notes to the Consolidated Financial Statements

Note 44 : Income Tax Expense (Contd.)

V Movement in deferred tax balances

Amount ₹ in Crore

Particulars	Deferred tax asset March 31, 2018	Deferred tax liability March 31, 2018	Net balance April 1, 2018	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Acquired in business combinations	Other	Net balance March 31, 2019	Deferred tax asset March 31, 2019	Deferred tax liability March 31, 2019
Deferred tax asset											
Property, plant and equipment	(104.81)	(181.34)	(286.15)	(87.38)	-	0.83	(17.54)	-	(390.24)	(170.94)	(219.30)
Indexation benefit on land and shares	0.87	-	0.87	0.07	-	-	-	-	0.94	0.94	-
Investments	(2.53)	0.76	(1.77)	(12.55)	-	-	-	-	(14.31)	(14.31)	-
Inventories	39.14	-	39.14	(8.18)	-	-	-	-	30.96	30.96	-
Employee benefits	8.06	1.30	9.36	2.03	0.38	-	-	-	11.77	8.77	3.00
Equity-settled share-based payments	1.63	-	1.63	0.22	-	-	-	-	1.85	1.85	-
MAT Credit Entitlement	20.90	-	20.90	6.33	-	-	4.52	0.03	31.78	26.55	5.23
Biological Assets	-	(0.08)	(0.08)	0.03	-	-	(8.85)	-	(8.90)	0.07	(8.96)
Provision for Doubtful Debts / Advances	8.22	5.77	13.99	22.99	-	-	-	-	36.98	30.17	6.81
Brought forward Losses	564.39	(0.59)	563.80	(166.28)	-	-	2.47	-	399.99	400.69	(0.70)
Unabsorbed Depreciation	92.92	-	92.92	71.54	-	-	-	-	164.46	164.46	-
Other provisions	143.98	(68.30)	75.68	26.56	(0.10)	-	1.97	1.98	106.09	170.52	(64.44)
Tax assets (Liabilities)	772.77	(242.48)	530.29	(144.63)	0.28	0.83	(17.42)	2.01	371.36	649.73	(278.37)
Set off tax											
Net tax assets	772.77	(242.48)	530.29	(144.63)	0.28	0.83	(17.42)	2.01	371.36	649.73	(278.37)

Amount ₹ in Crore

Particulars	Deferred tax asset April 01, 2017	Deferred tax liability March 31, 2018	Net balance April 1, 2017	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Acquired in business combinations	Other	Net balance March 31, 2018	Deferred tax asset March 31, 2018	Deferred tax liability March 31, 2018
Deferred tax asset											
Property, plant and equipment	(128.98)	(169.44)	(298.42)	10.98	-	1.28	-	-	(286.15)	(104.81)	(181.34)
Indexation benefit on land and shares	2.65	-	2.65	(1.78)	-	-	-	-	0.87	0.87	-
Investments	0.43	-	0.43	(2.20)	-	-	-	-	(1.77)	(2.53)	0.76
Inventories	61.76	-	61.76	(22.62)	-	-	-	-	39.14	39.14	-
Employee benefits	3.77	1.62	5.39	2.47	1.50	-	-	-	9.36	8.06	1.30
Equity-settled share-based payments	1.28	-	1.28	0.35	-	-	-	-	1.63	1.63	-
MAT Credit Entitlement	20.89	7.63	28.52	(7.63)	-	-	-	0.01	20.90	20.90	-
Biological Assets	-	(0.11)	(0.11)	0.03	-	-	-	-	(0.08)	-	(0.08)
Provision for Doubtful Debts / Advances	6.39	3.24	9.63	4.36	-	-	-	-	13.99	8.22	5.77
Brought forward Losses	471.40	(0.20)	471.20	92.60	-	-	-	-	563.80	564.39	(0.59)
Unabsorbed Depreciation	117.76	-	117.76	(24.84)	-	-	-	-	92.92	92.92	-
Other provisions	139.67	(72.00)	67.68	5.33	1.75	-	-	0.92	75.68	143.98	(68.30)
Tax assets (Liabilities)	697.02	(229.25)	467.77	57.05	3.25	1.28	-	0.93	530.29	772.77	(242.48)
Set off tax											
Net tax assets	697.02	(229.25)	467.77	57.05	3.25	1.28	-	0.93	530.29	772.77	(242.48)

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

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

Notes to the Consolidated Financial Statements

Note 45 : Leases

I Operating Leases Granted by the Company

The Group's significant leasing arrangements are in respect of operating leases for Commercial premises. Lease income from operating leases is recognized on a straight-line basis over the period of lease. The particulars of the premises given under operating leases are as under:

The Group has recognised ₹ 57.46 Crore (Previous Year 2018: ₹ 50.48 Crore) during the year towards minimum lease payments and ₹ 6.66 Crore (Previous Year 2018: ₹ 3.91 Crore) towards minimum lease receipt in the Consolidated Statement of Profit and Loss.

Particulars	Amount ₹ in Crore		
	As at March 31, 2019	As at March 31, 2018 Restated	As at April 01, 2017 Restated
Future Lease Income			
- Within one year	13.75	13.40	10.28
- Later than one year and not later than five years	26.43	37.79	20.11
- Later than five years	46.36	53.47	51.41

II Lease Taken by the Company

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

Particulars	Amount ₹ in Crore		
	As at March 31, 2019	As at March 31, 2018 Restated	As at April 01, 2017 Restated
Future Lease Commitments			
- Within one year	46.98	36.07	43.74
- Later than one year and not later than five years	114.05	91.50	104.19
- Later than five years	68.05	6.05	16.28

III Finance Lease

The Group assessed one of its arrangements as an embedded lease transaction and determined the same as finance lease. Accordingly, Property, plant and equipment have been derecognised and finance lease receivable have been accounted at present value of minimum lease payments and resultant difference have been charged to retained earnings. Revenue elements identified as fixed charges towards leasing as per the agreement which are covered under minimum lease receivable definition for finance lease accounting is adjusted partly against finance lease receivable to the extent of principal amount and partly recognised as finance income.

At March 31, the future minimum lease receivable under finance lease arrangement as follows.

	Future value of minimum lease receivables	Unearned finance income	Present value of minimum lease receivables
Less than one year	-	-	-
Previous Year 2018	-	-	-
Previous Year 2017	1.09	0.53	0.56
Between one and five years	-	-	-
Previous Year 2018	-	-	-
Previous Year 2017	4.36	1.19	3.16
More than five years	-	-	-
Previous Year 2018	-	-	-
Previous Year 2017	-	-	-

Notes to the Consolidated Financial Statements

Note 46 : Employee Benefits

I DEFINED CONTRIBUTION PLAN

Provident Fund :

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

II DEFINED BENEFIT PLAN

Gratuity :

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

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

Provident Fund :

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

The Group has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. These administered rates are determined annually predominantly considering the social rather than economic factors and the actual return earned by the Group has been higher in the past years. The actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the below provided assumptions there is no shortfall as at March 31, 2019.

Amount ₹ in Crore

Particulars	March 31, 2019	March 31, 2018
Plan assets at period end, at fair value	224.67	209.47
Provident Fund Corpus	218.30	203.83
Valuation assumptions under Deterministic Approach:		
Weighted Average Yield	8.49%-8.72%	8.61%
Weighted Average YTM	8.54%-8.93%	8.60%-8.66%
Guaranteed Rate of Interest	8.65%	8.55%

Pension :

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

Notes to the Consolidated Financial Statements

Note 46 : Employee Benefits (Contd.)

III The amounts recognised in the Group's Consolidated financial statements as at the year end are as under :

Amount ₹ in Crore						
	As at March 31, 2019	Gratuity As at March 31, 2018	As at April 01, 2017	As at March 31, 2019	Pension As at March 31, 2018	As at April 01, 2017
a) Change in Present Value of Obligation						
Present value of the obligation at the beginning of the year	76.39	67.19	60.05	0.53	0.53	0.46
Current Service Cost	6.92	5.42	4.21	-	-	-
Past Service Cost	-	0.38	-	-	-	-
Interest Cost	5.93	5.00	4.76	-	-	-
Contribution by Plan Participants						
Actuarial (Gain) / Loss on Obligation due to demographic assumptions	(0.64)	0.49	0.75	0.17	-	-
Actuarial (Gain) / Loss on Obligation due to experience adjustments	2.94	5.51	1.29	-	-	-
Actuarial (Gain) / Loss on Obligation due to financial assumptions	0.47	2.07	5.96	-	0.10	0.21
Effect of Liability Transfer in / out	(0.40)	0.25	0.03	-	-	-
Benefits Paid	(9.52)	(9.92)	(9.86)	(0.16)	(0.10)	(0.14)
Acquisitions	2.91	-	-	-	-	-
Present value of the obligation at the end of the year	85.00	76.39	67.19	0.54	0.53	0.53
b) Change in Plan Assets						
Fair value of Plan Assets at the beginning of the year	51.62	50.66	46.72	-	-	-
Return on Plan Assets	2.31	2.27	4.30	-	-	-
Actuarial (Gain) / Loss on Plan Assets	0.32	0.04	(0.43)	-	-	-
Contributions by the Employer	6.53	5.92	7.88	-	-	-
Interest Cost	1.70	1.27	-	-	-	-
Effect of Liability Transfer in / out	0.01	0.24	-	-	-	-
Benefits Paid	(7.74)	(8.70)	(8.67)	-	-	-
Acquisitions	2.63	-	-	-	-	-
Fair value of Plan Assets at the end of the year	56.74	51.62	50.66	-	-	-
c) Amounts Recognised in the Balance Sheet :						
Present value of Obligation at the end of the year	85.00	76.39	67.19	-	-	-
Fair value of Plan Assets at the end of the year	56.74	51.62	50.66	-	-	-
Net Obligation at the end of the year	28.26	24.78	16.53	-	-	-
d) Amounts Recognised in the statement of Profit and Loss :						
Current Service Cost	6.92	5.42	4.21	-	-	-
Interest cost on Obligation	5.93	5.00	4.76	-	-	-
Return on Plan Assets	(2.31)	(2.27)	(4.30)	-	-	-
Net Cost Included in Personnel Expenses	10.54	8.15	4.67	-	-	-
e) Amounts Recognised in Other Comprehensive Income (OCI):						
Actuarial (Gain) / Loss on Obligation For the Period	2.78	8.06	6.63	-	-	-
Return on Plan Assets, Excluding Interest Income	0.34	0.01	0.95	-	-	-
Net (Income) / Expense For the Period Recognised in OCI	3.12	8.07	7.58	-	-	-
f) Actual Return on Plan Assets	1.99	2.23	4.73	-	-	-
g) Actuarial Assumptions						
i) Discount Rate	7.07-7.79% P.A.	7.69-7.88% P.A.	7.39%-12% P.A.	7.78% P.A.	7.78% P.A.	7.39% P.A.
ii) Expected Rate of Return on Plan Assets	7.39% P.A.	7.78%- 7.88% P.A.	7.39%- 8.07% P.A.	-	-	-
iii) Salary Escalation Rate	5.00-9.50% P.A.	5.00-9.50% P.A.	4%-7.50% P.A.	-	-	-
iv) Employee Turnover	For service 4 yrs & Below 15.00 % p.a. & For service 5 yrs and above 2.00- 2.80 % p.a.	For service 4 yrs and Below 8.50%- 15.00 % p.a. & For service 5 yrs and above 2.00-2.80 % p.a.	1% P.A.	1.00% P.A.	1.00% P.A.	1.00% P.A.
v) Mortality	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

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

Notes to the Consolidated Financial Statements

Note 46 : Employee Benefits (Contd.)

IV Sensitivity analysis

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

Particulars	Amount ₹ in Crore					
	March 31, 2019		March 31, 2018		April 01, 2017	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(4.36)	5.15	(5.07)	5.87	(7.58)	9.12
Future salary growth (1% movement)	5.18	(4.65)	5.88	(5.17)	9.14	(7.69)
Rate of employee turnover (1% movement)	0.71	(0.92)	0.66	(0.88)	3.99	(5.11)

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

V Plan assets comprise the following

Amount ₹ in Crore

Particulars	March 31, 2019	March 31, 2018	April 01, 2017
Insurer managed fund (100%)	56.74	51.62	50.66

VI Expected future benefit payments of Gratuity

Amount ₹ in Crore

March 31, 2020	16.88
March 31, 2021	7.39
March 31, 2022	8.79
March 31, 2023	7.65
March 31, 2024	12.54
Thereafter	45.32

Note 46 : Employee Stock Benefit Plans

(i) Employee Stock Option Plans of Godrej Industries Limited

In December 2005, the Company had instituted an Employee Stock Option Plan I (GIL ESOP I) as approved by the Board of Directors and the Shareholders, for the allotment of 15,00,000 options, increased to 90,00,000 options on split of shares convertible into 90,00,000 equity shares of ₹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.

Notes to the Consolidated Financial Statements

Note 46 : Employee Stock Benefit Plans (Contd.)

The particulars of the plans and movements during the year are as under :

ESOP I

Particulars	Year ended March 31, 2019		Year ended March 31, 2018		Year ended March 31, 2017	
	No. of Options	Wt. average exercise price ₹ (*)	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 Granted During the Year	-	-	-	-	-	-
Options Exercised During the Year	-	-	158,250	405.75	1,645,000	420.84
Options Forfeited / Expired During the Year	-	-	46,000	409.16	200,250	423.73
Options Outstanding at the Year End	-	-	-	-	204,250	406.52

ESOP II

Particulars	Year ended March 31, 2019		Year ended March 31, 2018		Year ended March 31, 2017	
	No. of Options	Wt. average exercise price ₹ (*)	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 Granted During the Year	-	-	-	-	-	-
Options Exercised During the Year	-	-	-	-	230,500	377.99
Options Forfeited / Expired During the Year	-	-	-	-	-	-
Options Outstanding at the Year End	-	-	-	-	-	-

- (*) The Wt. 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 Nil).

The weighted average balance life of ESOP I options outstanding as on March 31, 2019 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.

(ii) Employee Stock Grant Scheme of Godrej Industries Limited

- 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 the Consolidated Financial Statements

Note 46 : 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, 2019:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2017	Description of the Inputs used
Dividend yield %	0.31%	0.30%	0.50%	Dividend yield of the options is based on recent dividend activity.
Expected volatility %	28%-31%	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 %	6.91% to 7.95%	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	1 to 3 years	
Weighted Average Market price on date of granting the options	564	578	347	

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

Particulars	Numbers			Weighted average Exercise Price (₹)	Weighted average Share Price (₹)
	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2017		
Options Outstanding at the Beginning of the Year	219,380	298,601	333,096		
Options Granted	58,767	103,828	160,395		
Options Vested	111,636	134,866	148,319		
Options Exercised	111,636	132,945	150,941	1.00	339.51
Options Lapsed / Forfeited	5,482	50,104	43,949		
Total Options Outstanding at the end of the year	161,029	219,380	298,601		

- (i) The weighted average exercise price of the options outstanding as on March 31, 2019 is ₹ 1 (Previous year 2018 ₹ 1 per share and Previous year 2017 ₹ 1 per share) and the weighted average remaining contractual life of the options outstanding as on March 31, 2019 is 0.73 years (Previous year 2018 0.79 years and Previous year 2017 0.83 years).

Notes to the Consolidated Financial Statements

Note 46 : Employee Stock Benefit Plans (Contd.)

2 Godrej Properties Limited Employee Stock Option Plans & Stock Grant Scheme

(i) Employee Stock Option Plans of Godrej Properties Limited

During the financial year ended March 31, 2008, the Company instituted an Employee Stock Option Plan (GPL ESOP) approved by the Board of Directors, Shareholders and the Remuneration Committee, which provided allotment of 885,400 options convertible into 885,400 Equity Shares of ₹ 5/- each to eligible employees of Godrej Properties Limited and its Subsidiary Companies (the Participating Companies) with effect from December 28, 2007.

The Scheme is administered by an Independent ESOP Trust which has purchased shares from Godrej Industries Limited (The Holding Company), equivalent to the number of options granted to the eligible employees of the Participating Companies.

Particulars	No. of Options			Weighted Average Exercise Price
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	
Options Outstanding at the beginning of the year	-	-	245,400	₹ 310 (plus interest till March 31, 2012)
Options granted	-	-	-	
Less : Forfeited / Lapsed / Idle/ Available for Reissue	-	-	245,400	
Options Outstanding at the year end	-	-	-	₹ 310 (plus interest till March 31, 2012)

The exercise period of the GPL ESOP has expired on December 27, 2016 and consequently all the unexercised options were rendered lapsed. The GPL ESOP now stands terminated and the shares held by the Trust have been sold during the year.

(ii) Employee Stock Grant Scheme of Godrej Properties Limited

The Company instituted an Employee Stock Grant Scheme (GPL ESGS) approved by the Board of Directors, shareholders and the Remuneration Committee.

a) Details of Stock Grants are as under:

Particulars	No. of Options			Weighted average Exercise Price (₹)	Weighted average Share Price (₹)
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017		
Options Outstanding at the beginning of the year	181,859	214,537	254,597		
Options granted	58,635	88,546	122,127		
Less: Options exercised	78,585	115,436	104,326	5.00	712.74
Less : Option lapsed	27,996	5,788	57,861		
Options Outstanding at the year end	133,913	181,859	214,537		

Notes to the Consolidated Financial Statements

Note 46 : Employee Stock Benefit Plans (Contd.)

- b) The weighted average exercise price of the options outstanding as at March 31, 2019 is ₹ 5 per share (Previous Year 2018: ₹ 5 per share) and the weighted average remaining contractual life of the options outstanding as at March 31, 2019 is 0.38 years (Previous Year 2018: 0.38 years)
- c) The fair value of the employee share options has been measured using the Black-Scholes Option Pricing Model. The weighted average fair value of the options granted is ₹ 593.60 (Previous year 2018 ₹ 414.32).

The following table lists the average inputs to the model used for the plan for the year ended March 31, 2019:

Particulars	For the year March 31, 2019	For the year March 31, 2018	For the year March 31, 2017	Description of the Inputs used
Dividend yield %	-	-	-	- Dividend yield of the options is based on recent dividend activity.
Expected volatility %	32% - 41%	32% - 42%	29 % - 43%	Expected volatility of the option is based on historical volatility, during a period equivalent to the option life, of the observed market prices of the Company's publicly traded equity shares.
Risk free Interest rate %	6.31% - 7.20%	6.31% - 8.57%	6.31 % - 8.57%	Risk-free interest rates are based on the government securities yield in effect at the time of the grant.
Expected life of share options	1 to 3 years	1 to 3 years	1 to 3 years	
Weighted Average Market price on date of granting the options	₹ 598.00	₹ 419.47	₹ 286.40	

- d) The expense arising from ESGS scheme during the year is ₹ 3.55 Crore (Previous Year 2018: ₹ 3.99 Crore)

3 Godrej Agrovet Limited Employee Stock Option Plans & Stock Grant Scheme

(i) Employee Stock Option Plans of Godrej Agrovet Limited

Employee Stock Option - Cash Settled

Godrej Agrovet Limited (GAVL) has participated in the Godrej Industries Limited Employee Stock Grant Scheme 2011 and on May 30, 2011 the Compensation Committee of the Company has approved the grant of stocks to certain eligible employees in terms of the Employee Stock Grant Scheme 2011. The grants would vest in three equal parts every year over the next three years. The exercise price is ₹ 1 per equity share as provided in the scheme. The Company has provided ₹1.09 crore (Previous Year ₹ 2.20 crore) for the aforesaid eligible employees for the current period.

Employee Stock Option - Equity Settled

The Company had set up the Employees Stock Grant Scheme 2018 (ESGS) pursuant to the approval by the Shareholders by way of postal ballot, the result of which was declared on June 20, 2018.

The ESGS Scheme is effective from April 1, 2018, (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 2018 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 Nomination and Remuneration Committee of the respective Company based on the employee's performance, level, grade, etc.

Notes to the Consolidated Financial Statements

Note 46 : Employee Stock Benefit Plans (Contd.)

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.

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 the Nomination and Remuneration 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.

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 Nomination and Remuneration Committee.

The Exercise Price of the shares has been fixed at ₹ 10 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, 2019:

Particulars	As at March 31, 2019	Description of the Inputs used
Dividend yield %	0.73%	Dividend yield of the options is based on recent dividend activity.
Expected volatility %	27%	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 %	7.174% to 7.744%	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	
Weighted Average Market price on date of granting the options	619.95	

The Status of the above plan is as under:

Particulars	Numbers As at March 31, 2019	Weighted average Exercise Price (₹)	Weighted average Share Price (₹)
Options Outstanding at the Beginning of the Year	-	10.00	362.72
Options Granted	43,599		
Options Vested	14,533		
Options Exercised	14,235		
Options Lapsed / Forfeited	894		
Options Lapsed / Forfeited to be re-granted	-		
Total Options Outstanding at the end of the year	28,470		

The weighted average exercise price of the options outstanding as on March 31, 2019 is ₹ 6.11.

Notes to the Consolidated Financial Statements

Note 46 : Employee Stock Benefit Plans (Contd.)

4 Astec Lifescience Limited Employee Stock Option Plans & Stock Grant Scheme

(i) Employee stock option scheme (ESOS,2015)

The Company has implemented Employees under Employee stock option scheme (ESOS, 2015) which was approved by the Shareholders at the 21st Annual General Meeting. The employee stock option scheme is designed to provide incentives to all the permanent employees to deliver long-term returns. Under the plan, participants are granted options which will vest in 4 years (40% in 1st year, 30% in 2nd year, 20% in 3rd year and 10% in 4th year) from the date of grant. Participation in the plan is at the discretion of the Compensation Committee / Board of Directors of the company.

Once vested, the options remains exercisable for a period of three years.

Options are granted at the market price on which the options are granted to the employees under ESOS 2015. When exercisable, each option is convertible into one equity share.

(ii) Employee stock option plan (ESOP,2012)

The company has implemented Employee Stock Option Plan (ESOP 2012) which was approved by the Shareholders at the Extra-Ordinary General Meeting of the company in the Year 2012. The employee stock option plan is designed to provide incentives to all the permanent employees to deliver long-term returns. Under the plan, participants are granted options which will vest in 4 years (40% in 1st year, 30% in 2nd year, 20% in 3rd year and 10% in 4th year) from the grant date. Participation in the plan is at the discretion of the Compensation Committee / Board of Directors of the company.

Once vested, the options remains exercisable for a period of seven years.

Options are granted under ESOP 2012 at an exercise price of ₹ 34/- each. When exercisable, each option is convertible into one equity share.

Set out below is a summary of options granted under both the plans:

Employee stock option plan (ESOP,2012)

Particulars	March 31, 2019		March 31, 2018		April 01, 2017	
	Average exercise price per share option (₹)	Number of options	Average exercise price per share option (₹)	Number of options	Average exercise price per share option (₹)	Number of options
Opening balance	34.00	37,200	34.00	50,000	34.00	121,000
Granted during the period	-	-	-	-	-	-
Exercised during the period	34.00	18,500	34.00	12,800	34.00	57,800
Lapsed during the period	-	-				13,200
Closing balance		18,700		37,200		50,000
Vested and exercisable		15,700		21,500		11,900

Notes to the Consolidated Financial Statements

Note 46 : Employee Stock Benefit Plans (Contd.)

Employee stock option scheme (ESOS, 2015)

Particulars	March 31, 2019		March 31, 2018		April 01, 2017	
	Average exercise price per share option (₹)	Number of options	Average exercise price per share option (₹)	Number of options	Average exercise price per share option (₹)	Number of options
Opening balance	387.35	40,000	387.35	50,000	-	-
Granted during the period	-	-	-	-	387.35	50,000
Exercised during the period	387.35	5,500	387.35	4,000	-	-
Lapsed during the period	-	-	387.35	6,000	-	-
Closing balance		34,500		40,000		50,000
Vested and exercisable		22,500		16,000		11,900

No options expired during the periods covered in the above tables.

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant date	Expiry date	Exercise price	March 31, 2019	March 31, 2018	April 01, 2017
			Share options	Share options	Share options
January 31, 2015	January 30, 2023	34.00	-	-	800
January 31, 2015	January 30, 2024	34.00	3,200	4,500	11,100
January 31, 2015	January 30, 2025	34.00	4,800	11,400	13,400
January 31, 2015	January 30, 2026	34.00	5,700	6,700	6,700
May 16, 2015	May 15, 2023	34.00	-	-	-
May 16, 2015	May 15, 2024	34.00	-	5,600	9,000
May 16, 2015	May 15, 2025	34.00	2,000	6,000	6,000
May 16, 2015	May 15, 2026	34.00	3,000	3,000	3,000
July 26, 2016	July 25, 2020	387.35	12,000	16,000	20,000
July 26, 2016	July 25, 2021	387.35	10,500	12,000	15,000
July 26, 2016	July 25, 2022	387.35	8,000	8,000	10,000
July 26, 2016	July 25, 2023	387.35	4,000	4,000	5,000
Total			53,200	77,200	100,000
Weighted average remaining contractual life of options outstanding at end of period			3.76	5.11	6.02

Fair value of options granted

The fair value of grant date of options granted during the year ended March 31, 2019 and March 31, 2018 is mentioned in the table below. The fair value at grant date is determined using the Black Scholes model which takes into account the exercise price, the term of option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

Notes to the Consolidated Financial Statements

Note 46 : Employee Stock Benefit Plans (Contd.)

Grant date	Expiry date	Exercise price	March 31, 2019 Share options	March 31, 2018 Share options	April 01, 2017 Share options
January 31, 2015	January 30, 2023	95.84	-	-	800
January 31, 2015	January 30, 2024	109.41	3,200	4,500	11,100
January 31, 2015	January 30, 2025	109.91	4,800	11,400	13,400
January 31, 2015	January 30, 2026	110.49	5,700	6,700	6,700
May 16, 2015	May 15, 2023	105.77	-	-	-
May 16, 2015	May 15, 2024	118.18	-	5,600	9,000
May 16, 2015	May 15, 2025	119.30	2,000	6,000	6,000
May 16, 2015	May 15, 2026	119.67	3,000	3,000	3,000
July 26, 2016	July 25, 2020	100.00	12,000	16,000	20,000
July 26, 2016	July 25, 2021	159.00	10,500	12,000	15,000
July 26, 2016	July 25, 2022	278.00	8,000	8,000	10,000
July 26, 2016	July 25, 2023	297.00	4,000	4,000	5,000
Total			53,200	77,200	100,000

The model inputs for options granted during the period ended March 31, 2018 included:

ESOS, 2015 granted on July 26, 2016

Options are granted for a consideration as mentioned in the below table and 40% of options vest after 1 year, 30% of options after 2 years, 20% of options after 3 years and 10% of options after 4 years. Vested options are exercisable for a period of 3 years after vesting.

Particulars	July 25, 2020	July 25, 2021	July 25, 2022	July 25, 2023
Exercise Price	₹ 387.35	₹ 387.35	₹ 387.35	₹ 387.35
Grant Date	July 26, 2016	July 26, 2016	July 26, 2016	July 26, 2016
Expiry Date	July 25, 2020	July 25, 2021	July 25, 2022	July 25, 2023
Share price at grant date	₹ 387.35	₹ 387.35	₹ 387.35	₹ 387.35
Expected price volatility of the company's shares	57%	66%	115%	109%
Expected dividend yield	0.00%	0.00%	0.00%	0.00%
Risk free interest rate	8.27%	8.17%	8.20%	8.32%

Notes to the Consolidated Financial Statements

Note 46 : Employee Stock Benefit Plans (Contd.)

The model inputs for options granted during the year ended March 31, 2016 included:

ESOP, 2012- Option B granted on May 16, 2015

Options are granted for a consideration as mentioned in the below table and 40% of options vest after 1 year, 30% of options after 2 years, 20% of options after 3 years and 10% of options after 4 years. Vested options are exercisable for a period of 7 years after vesting.

Particulars	May 15, 2023	May 15, 2024	May 15, 2025	May 15, 2026
Exercise Price	₹ 34/- (March 31, 2016 - ₹ 34/-)	₹ 34/- (March 31, 2016 - ₹ 34/-)	₹ 34/- (March 31, 2016 - ₹ 34/-)	₹ 34/- (March 31, 2016 - ₹ 34/-)
Grant Date	May 16, 2015	May 16, 2015	May 16, 2015	May 16, 2015
Expiry Date	May 15, 2023	May 15, 2024	May 15, 2025	May 15, 2026
Share price at grant date	₹ 138/-	₹ 138/-	₹ 138/-	₹ 138/-
Expected price volatility of the company's shares	71%	139%	121%	108%
Expected dividend yield	0.91%	0.91%	0.91%	0.91%
Risk free interest rate	8.30%	8.19%	8.21%	8.30%

The model inputs for options granted during the year ended March 31, 2015 included:

ESOP, 2012- Option A granted on January 31, 2015

Particulars	January 30, 2023	January 30, 2024	January 30, 2025	January 30, 2026
Exercise Price	₹ 34/- (March 31, 2016 - ₹ 34/-)	₹ 34/- (March 31, 2016 - ₹ 34/-)	₹ 34/- (March 31, 2016 - ₹ 34/-)	₹ 34/- (March 31, 2016 - ₹ 34/-)
Grant Date	January 31, 2015	January 31, 2015	January 31, 2015	January 31, 2015
Expiry Date	January 30, 2023	January 30, 2024	January 30, 2025	January 30, 2026
Share price at grant date	₹ 127.70	₹ 127.70	₹ 127.70	₹ 127.70
Expected price volatility of the company's shares	72%	143%	120%	108%
Expected dividend yield	0.78%	0.78%	0.78%	0.78%
Risk free interest rate	8.27%	8.17%	8.20%	8.32%

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

Expense arising from share based payment transactions

Total expenses arising from share-based payment transactions recognised in profit or loss as part of employee benefit expense were as follows:

(₹ in crore)		
Particulars	March 31, 2019	March 31, 2018
Employee stock option plan	0.18	0.34
TOTAL	0.18	0.34

Notes to the Consolidated Financial Statements

Note 47 : Segment Information

Amount ₹ in Crore

Information about primary business segments										Total	
	Chemicals		Animal Feed		Veg Oils		Estate & Property Development		Finance & Investments		Others
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	
(i) Revenue											
External Sales	1,665.52	1,660.09	3,046.47	2,575.98	1,123.79	927.15	3,254.60	2,125.56	104.84	22.73	367.93
Intersegment Sales	7.94	5.74	-	-	0.12	0.11	43.15	23.95	360.71	270.67	0.56
Total Sales	1,673.46	1,665.83	3,046.47	2,575.98	1,123.91	927.26	3,297.75	2,149.51	465.55	293.40	368.49
Less: Intersegment Sales	(7.94)	(5.74)	-	-	(0.12)	(0.11)	(43.15)	(23.95)	(360.71)	(270.67)	(0.56)
Total Revenue	1,665.52	1,660.09	3,046.47	2,575.98	1,123.79	927.15	3,254.60	2,125.56	104.84	22.73	367.93
(ii) Results											
Segment result before interest and tax	131.09	91.07	129.92	157.16	125.56	123.94	576.29	287.85	94.90	22.13	(61.09)
Unallocated expenses											
Finance Costs											
Profit Before Share of Profit of Equity Accounted Investors and Tax											
Taxes											
Share of Profit of Equity Accounted Investors (net of Income Tax)											
Profit after tax	1,391.01	1,369.81	1,114.17	961.99	594.93	494.87	8,557.33	8,715.74	3,086.54	2,819.01	757.64
Segment Assets											
Unallocated Assets											
Total Assets											
Segment Liabilities	412.93	402.99	1,027.78	694.55	123.88	150.74	5,631.88	7,057.42	2.29	4.85	310.32
Unallocated Liabilities											
Total Liabilities											
Cost incurred during the year to acquire segment assets	64.28	25.24	83.84	17.14	69.87	127.10	43.96	107.28	0.12	0.10	237.96
Cost incurred on unallocated assets											
Total Cost incurred during the year to acquire segment assets											
Segment Depreciation	32.56	46.12	30.93	29.67	18.60	14.90	25.63	29.37	1.39	1.49	12.69
Unallocated Depreciation											
Total Depreciation											

Information about Secondary Business Segments

Revenue by Geographical markets		Amount ₹ in Crore	
		Current Year	Previous Year
India		10,845.19	8,928.12
Outside India		866.33	776.66
Total		11,711.52	9,704.78

Carrying Amount of Segment assets

		Amount ₹ in Crore	
		Current Year	Previous Year
India		18,019.12	16,717.57
Outside India		321.58	277.43
Total		18,340.70	16,995.00

Notes :

- The Company has disclosed Business Segment as the primary segment. Segments have been identified taking into account the nature of the products, the different risks and returns, the organisational structure and the internal reporting system.
- Chemicals segment includes the business of production and sale of Oleochemicals and Surfactants such as Fatty Acids, Fatty Alcohols, Esters and Waxes, refined glycerine, Alpha Olefin Sulphonates, Sodium Lauryl Sulphate and Sodium Lauryl Ether Sulphate.
- Animal Feed segment includes the business of production and sale of compound feeds for cattle, poultry, shrimp and fish.
- Veg Oils segment includes the business of processing and bulk trading of refined vegetable oils & varaspati, international vegetable oil trading and Oil Palm Plantation.
- Estate & property development segment includes the business of development and sale of real estate and leasing and licensing of properties.
- Finance & Investments includes investments in associates companies and other investments.
- Dairy Business includes milk and milk products
- Crop protection business includes agri inputs.
- Others includes Integrated Poultry and tissue culture, Seeds business, energy generation through windmills and gourmet foods and fine beverages.
- Unallocable expenditure includes expenses incurred on common services at the corporate level and relate to the Group as a whole.
- The geographical segments consists of Sales in India which represent sales to customers located in India and Sales outside India represent sales to customers located outside India.
- Segment Revenue Reconciliation in terms of the measure reported to the Chief Operating Decision Maker:

Particulars		Amount ₹ in Crore	
		Current Year	Previous Year
Revenue from Operations		11,139.97	9,124.23
Other Income		483.25	561.22
Exceptional Items		88.30	-19.35
Total Segment Revenue		11,711.52	9,704.78

Notes to the Consolidated Financial Statements

Note 48 a : Related Party Information

a) Names of related parties and description of relationship

Parties where control exists

1 Vora Soaps Limited (Holding Co.) (up to 24.12.2018)

Companies under common ownership

- 2 Godrej & Boyce Manufacturing Company Limited
- 3 Godrej Seeds & Genetics Limited
- 4 Godrej South Africa Pty Limited
- 5 Laboratoria Cuenca S.A.

Other related parties with whom the Company had transactions during the year

Associate / Joint Venture Companies

- 6 Godrej Consumer Products Limited
 - 6.1 Godrej Global Mideast FZE, Sharjah
 - 6.2 PT Megasari Makmur, Indonesia
 - 6.3 Strength of Nature LLC, USA
 - 6.4 Godrej Household Products Bangladesh Private Limited, Bangladesh
 - 6.5 Godrej Household Products Bangladesh Private Limited, Sri Lanka
 - 6.6 Bhabhani Blunt Hairdressing Private Limited
- 7 Godrej Tyson Foods Limited (upto 26th March, 2019)
- 8 Godrej Maximilk Private Limited (up to March 26, 2019)
- 9 Alrahba International Trading LLC, Abu Dhabi
- 10 ACI Godrej Agrovat Private Limited, Bangladesh
- 11 Omnivore India Capital Trust
- 12 Godrej Realty Private Limited
- 13 Godrej Landmark Redevelopers Private Limited (up to March 19, 2019)
- 14 Godrej Redevelopers (Mumbai) Private Limited
- 15 Wonder Space Properties Private Limited
- 16 Wonder City Buildcon Private Limited
- 17 Godrej Home Constructions Private Limited
- 18 Godrej Greenview Housing Private Limited
- 19 Wonder Projects Development Private Limited
- 20 Godrej Real View Developers Private Limited
- 21 Pearlite Real Properties Private Limited
- 22 Godrej Skyline Developers Private Limited (effective from September 29, 2017)
- 23 Godrej Green Homes Limited (effective from March 17, 2018)
- 24 Godrej Property Developers LLP
- 25 Mosiac Landmarks LLP
- 26 Dream World Landmarks LLP
- 27 Oxford Realty LLP
- 28 Godrej SSPDL Green Acres LLP
- 29 Oasis Landmarks LLP
- 30 M S Ramaiah Ventures LLP
- 31 Caroa Properties LLP
- 32 Godrej Constructions Projects LLP
- 33 Godrej Housing Projects LLP
- 34 Amitis Developers LLP
- 35 A R Landcraft LLP
- 36 Prakhhyat Dwellings LLP
- 37 Bavdhan Realty @ Pune 21 LLP
- 38 Godrej Highview LLP (effective from June 15, 2017)
- 39 Godrej Irismark LLP (effective from January 24, 2017)
- 40 Godrej Projects North Star LLP (formerly known as Godrej Projects (Century) LLP) (effective from September 27, 2017)
- 41 Godrej Developers & Properties LLP (effective from October 30, 2017)
- 42 Sai Srushti Onehub Projects LLP (effective from January 31, 2018)

Notes to the Consolidated Financial Statements

Note 48 a : Related Party Information (Contd.)

- 43 Maan-Hinje Township Developers LLP (Formerly Known as Godrej Projects (Pune) LLP)
- 44 Manjari Housing Projects LLP (Formerly Known as Godrej Avamark LLP)
- 45 Ashank Macbricks Private Limited (effective August 3, 2018)
- 46 Suncity Infrastructures (Mumbai) LLP (effective October 10, 2018)
- 47 Mahalunge Township Developers LLP (formerly known as Godrej Land Developers LLP) (Classified as Joint Venture effective February 1, 2019)
- 48 Rosebery Estate LLP (effective from September 18, 2018)
- 49 Key Management Personnel**
 - 49.1 Mr. A. B. Godrej - Chairman
 - 49.2 Mr. N. B. Godrej - Managing Director
 - 49.3 Ms. T. A. Dubash - Executive Director & Chief Brand Officer
 - 49.4 Mr. N. S. Nabar - Executive Director & President (Chemicals)
 - 49.5 Mr. C. G. Pinto - Chief Financial Officer
 - 49.6 Ms. Nilufer Shekhawat - Company Secretary (up to October 31, 2018)
 - 49.7 Ms. Tejal Jariwala - Company Secretary (effective from November 12, 2018)
- 50 Non-Executive Directors**
 - 50.1 Mr. J.N. Godrej
 - 50.2 Mr. V.M. Crishna
 - 50.3 Mr. K.K. Dastur
 - 50.4 Mr. K.M. Elavia
 - 50.5 Mr. K.N. Petigara
 - 50.6 Mr. S.A. Ahmadullah
 - 50.7 Mr. A.B. Choudhury
 - 50.8 Mr. A.D. Cooper
 - 50.9 Ms. Rashmi Joshi (effective from March 15, 2019)
- 51 Relatives of Key Management Personnel**
 - 51.1 Ms. N. A. Godrej - Daughter of Mr. A. B. Godrej
 - 51.2 Mr. P. A. Godrej - Son of Mr. A. B. Godrej
 - 51.3 Ms. R. N. Godrej - Wife of Mr. N. B. Godrej
 - 51.4 Mr. B. N. Godrej - Son of Mr. N. B. Godrej
 - 51.5 Mr. S. N. Godrej - Son of Mr. N. B. Godrej
 - 51.6 Mr. H. N. Godrej - Son of Mr. N. B. Godrej
 - 51.7 Mr. A. D. Dubash - Husband of Ms. Tanya Dubash
 - 51.8 Master A. A. Dubash - Son of Ms. Tanya Dubash
 - 51.9 Master A. A. Dubash - Son of Ms. Tanya Dubash
 - 51.10 Ms. N. N. Nabar - Wife of Mr. N. S. Nabar
- 52 Enterprises over which key management personnel exercise significant influence**
 - 52.1 Anamudi Real Estates LLP
 - 52.2 Godrej Investments Private Limited
 - 52.3 Innovia Multiventures Private Limited
 - 52.4 TAD Family Trust
- 53 Enterprises over which relative of key management personnel exercise significant influence**
 - 53.1 Shata Trading & Finance Private Limited
 - 53.2 Shilawati Trading & Finance Private Limited
 - 53.3 NG Family Trust
 - 53.4 PG Family Trust
 - 53.5 HNG Family Trust
 - 53.6 Godrej Investment Advisers Private Limited
 - 53.7 Godrej Housing Finance Limited
 - 53.8 Mukteshwar Realty Private Limited
 - 53.9 Karukachal Developers Private Limited
 - 53.10 Eranthus Developers Private Limited
 - 53.11 Praviz Developers Private Limited
- 54 Post Employment Benefit Trust where reporting entity exercises significant influence**
 - 54.1 Godrej Industries Employees Provident Fund
 - 54.2 Godrej Industries Ltd Group Gratuity Trust

Notes to the Consolidated Financial Statements

Note 48 b : Related Party Information

b) Transactions with Related Parties

Nature of Transaction	Holding Company	Fellow Subsidiaries	Associate/ Joint Venture Companies	Companies under common ownership	Key Management Personnel	Relative of Key Management Personnel	Enterprises over which Key Management Personnel exercise significant influence	Enterprises over which Relative of Key Management Personnel exercise significant influence	Post Employment Benefit Trust	Amount ₹ in Crore	
										Total	
Sale of Goods *	-	-	64.73	4.94	-	-	269.26	-	-	338.93	
Previous Year	-	-	42.29	6.29	-	-	221.59	-	-	270.17	
Advance received	-	-	-	0.05	-	-	-	-	-	0.05	
Previous Year	-	-	14.05	-	-	-	-	-	-	14.05	
Loans & Advances given	-	-	716.12	-	-	-	-	-	-	716.12	
Previous Year	-	-	778.58	0.25	-	-	-	-	-	778.83	
Purchase of goods	-	-	10.74	0.41	-	-	0.08	-	-	11.23	
Previous Year	-	-	16.44	0.76	-	-	1.62	-	-	18.82	
Purchase of Property Plant and Equipment	-	-	3.16	1.41	-	-	-	-	-	4.57	
Previous Year	-	-	-	4.70	-	-	-	-	-	4.70	
Commission / Royalty received	-	-	0.24	-	-	-	-	-	-	0.24	
Previous Year *	-	-	0.20	-	-	-	-	-	-	0.20	
Commission / Royalty paid	-	-	0.15	-	-	-	-	-	-	0.15	
Previous Year *	-	-	0.00	-	-	-	-	-	-	-	
Licence fees / Service charges / Storage Income	-	-	7.79	0.01	-	-	0.01	0.03	-	7.84	
Previous Year *	0.00	-	7.60	-	-	-	0.02	-	-	7.62	
Other Income	-	-	1.78	-	-	-	0.09	-	-	1.87	
Previous Year *	-	-	1.86	-	-	-	0.05	-	-	1.91	
Recovery of establishment & Other Expenses	0.03	-	191.00	8.31	-	-	13.95	-	-	213.29	
Previous Year	0.06	-	125.35	4.67	-	-	6.54	-	-	136.62	
Rent, Establishment & other exps paid	-	-	10.76	20.64	-	0.96	6.41	1.93	-	40.70	
Previous Year	-	-	10.78	18.76	-	0.86	6.53	1.95	-	38.88	
Interest received	-	-	199.74	-	-	-	-	-	-	199.74	
Previous Year	-	-	147.96	-	-	-	-	-	-	147.96	
Dividend paid	33.93	-	-	93.38	1.42	3.50	0.69	2.59	-	135.51	
Previous Year	33.93	-	-	45.01	3.33	4.26	-	-	-	86.53	
Remuneration to Key Management Personnel											
Short term employee benefit	-	-	-	-	18.29	-	-	-	-	18.29	
Post employment benefit	-	-	-	-	0.70	-	-	-	-	0.70	
Share based payment	-	-	-	-	0.78	-	-	-	-	0.78	
Previous Year	-	-	-	-	-	-	-	-	-	-	
Short term employee benefit	-	-	-	-	15.52	-	-	-	-	15.52	
Post employment benefit	-	-	-	-	0.65	-	-	-	-	0.65	
Share based payment	-	-	-	-	0.76	-	-	-	-	0.76	
Remuneration	-	-	-	-	-	-	-	-	-	-	
Previous Year	-	-	-	-	-	0.09	-	-	-	0.09	
Sale of Investments	-	-	2.93	-	-	-	-	-	-	2.93	
Previous Year *	-	-	0.00	-	-	-	65.20	-	-	65.20	
Sale of Units	-	-	26.71	-	-	-	429.06	-	-	455.77	
Previous Year	-	-	16.27	0.43	-	-	205.17	-	-	221.87	
Intercompany Deposits Placed	-	-	10.54	-	-	-	-	-	-	10.54	
Previous Year	-	-	7.84	-	-	-	-	-	-	7.84	
Intercompany Deposits Refund Received	-	-	16.74	-	-	-	-	-	-	16.74	
Previous Year	-	-	-	-	-	-	-	-	-	-	
Other Deposits - Advanced during the year	-	-	-	-	-	-	-	-	-	-	
Previous Year	-	-	-	-	-	-	1.66	-	-	1.66	
Other Deposits accepted	-	-	0.26	-	-	-	-	-	-	0.26	
Previous Year	-	-	1.51	-	-	-	-	-	-	1.51	
Other Deposits refunded	-	-	0.12	-	-	-	-	-	-	0.12	
Previous Year	-	-	0.25	-	-	-	-	-	-	0.25	

Notes to the Consolidated Financial Statements

Note 48 b : Related Party Information (Contd.)

b) Transactions with Related Parties

Nature of Transaction	Holding Company	Fellow Subsidiaries	Associate/ Joint Venture Companies	Companies under common ownership	Key Management Personnel	Relative of Key Management Personnel	Enterprises over which Key Management Personnel exercise significant influence	Enterprises over which Relative of Key Management Personnel exercise significant influence	Post Employment Benefit Trust	Amount ₹ in Crore	
										Total	
Investment in equity / preference shares / LLP	-	-	520.78	-	-	-	7.13	-	-	-	527.91
Previous Year	-	-	94.72	-	-	-	-	-	-	-	94.72
Investment in Debenture	-	-	74.07	-	-	-	-	-	-	-	74.07
Previous Year	-	-	99.33	-	-	-	-	-	-	-	99.33
Share of profit (net) in Joint Venture & Associates	-	-	13.97	-	-	-	-	-	-	-	13.97
Previous Year	-	-	6.02	-	-	-	-	-	-	-	6.02
Loan repaid	-	-	763.46	-	-	-	-	-	-	-	763.46
Previous Year	-	-	550.21	-	-	-	-	-	-	-	550.21
Sale of Services	-	-	26.06	2.96	-	-	-	-	-	-	29.02
Previous Year	-	-	49.64	3.09	-	-	-	-	-	-	52.73
Sitting Fees	-	-	-	-	0.52	-	-	-	-	-	0.52
Previous Year	-	-	-	-	0.47	-	-	-	-	-	0.47
Income Received from Other Companies	-	-	0.32	0.02	-	-	-	-	-	-	0.34
Previous Year	-	-	1.26	-	-	-	-	-	-	-	1.26
Balance Outstanding as on March 31, 2019	-	-	1,150.25	1.83	-	-	0.08	-	-	-	1,152.16
Receivables	-	-	1,150.25	1.83	-	-	0.08	-	-	-	1,152.16
Previous Year 2018 *	-	0.00	1,061.05	2.81	-	-	2.31	-	-	-	1,066.17
Previous Year 2017	-	-	631.56	2.02	-	-	0.76	-	-	-	634.34
Payables	-	-	0.05	9.10	-	-	-	-	-	-	9.15
Previous Year 2018	-	-	0.13	10.69	-	-	-	-	-	-	10.82
Previous Year 2017 *	-	0.00	0.04	116.52	-	-	1.91	-	-	-	118.47
Guarantees outstanding	-	-	36.15	-	-	-	-	-	-	-	36.15
Previous Year 2018	-	-	121.27	-	-	-	-	-	-	-	121.27
Previous Year 2017	-	-	308.21	-	-	-	-	-	-	-	308.21
Debentures Outstanding	-	-	840.72	-	-	-	-	-	-	-	840.72
Previous Year 2018	-	-	686.56	-	-	-	-	-	-	-	686.56
Previous Year 2017	-	-	312.33	-	-	-	-	-	-	-	312.33
Outstanding Inter Corporate Deposit Receivable	-	-	-	-	-	-	-	-	-	-	-
Previous Year 2018	-	-	7.84	-	-	-	-	-	-	-	7.84
Previous Year 2017	-	-	-	-	-	-	-	-	-	-	-
Deposits Receivable	-	-	-	-	-	-	3.17	-	-	-	3.17
Previous Year 2018	-	-	-	-	-	-	3.16	-	-	-	3.16
Previous Year 2017	-	-	-	-	-	-	3.17	-	-	-	3.17
Advance received against Share of Profit	-	-	19.65	-	-	-	-	-	-	-	19.65
Previous Year 2018	-	-	-	-	-	-	-	-	-	-	-
Previous Year 2017	-	-	-	-	-	-	-	-	-	-	-
Debenture Interest Outstanding	-	-	131.78	-	-	-	-	-	-	-	131.78
Previous Year 2018	-	-	80.51	-	-	-	-	-	-	-	80.51
Previous Year 2017	-	-	87.49	-	-	-	-	-	-	-	87.49

* Amount less than ₹ 0.01 crores

Note : All related party transactions entered during the year were in ordinary course of the business and are on arm's length basis.

Notes to the Consolidated Financial Statements

Note 49 : Fair Value Measurement

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

I Accounting classification and fair values

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

Amount ₹ in Crore

March 31, 2019	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non Current								
Investments								
Debenture	372.14	-	490.06	862.20	-	372.14	-	372.14
Quoted Equity Shares	10.85	-	-	10.85	10.85	-	-	10.85
Unquoted Equity Shares	5.68	-	-	5.68	-	5.68	-	5.68
Others	0.01	-	0.43	0.44	-	-	0.01	0.01
Trade receivables			14.21	14.21	-	-	-	-
Loans								
Security Deposits	-	-	32.64	32.64	-	10.22	-	10.22
Deposits - Projects	-	-	28.57	28.57	-	-	-	-
Loans to Employees	-	-	0.88	0.88	-	-	-	-
Other financial assets	-	-	46.23	46.23	-	-	-	-
Current								
Current investments	1,052.10	-	-	1,052.10	1,052.10	-	-	1,052.10
Trade receivables	-	-	1,228.26	1,228.26	-	-	-	-
Cash and cash equivalents	-	-	756.01	756.01	-	-	-	-
Other bank balances	-	-	204.30	204.30	-	-	-	-
Loans								
Security Deposits	-	-	21.29	21.29	-	-	-	-
Others	-	-	1,030.46	1,030.46	-	-	-	-
Derivative asset	0.06	-	-	0.06	-	0.06	-	0.06
Other Current Financial Assets	0.25	-	377.08	377.33	-	0.25	-	0.25
	1,441.09	-	4,230.42	5,671.50	1,062.95	388.35	0.01	1,451.31
Financial liabilities								
Long term borrowings	-	-	1,260.58	1,260.58	-	501.18	-	501.18
Other Non current financial liabilities	-	-	1.01	1.01	-	-	-	-
Short term borrowings	-	-	5,642.47	5,642.47	-	-	-	-
Trade and other payables	-	-	1,955.91	1,955.91	-	-	-	-
Derivative liability	5.87	-	-	5.87	-	5.87	-	5.87
Other Current financial liabilities	-	-	855.58	855.58	-	-	-	-
	5.87	-	9,715.55	9,721.43	-	507.05	-	507.05

Notes to the Consolidated Financial Statements

Note 49 : Fair Value Measurement (Contd.)

Amount ₹ in Crore

March 31, 2018 Restated	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non Current								
Investments								
Debenture	344.52	-	341.81	686.33	-	344.52	-	344.52
Quoted Equity Shares	17.22	-	-	17.22	17.22	-	-	17.22
Unquoted Equity Shares	9.15	0.06	-	9.21	-	9.21	-	9.21
Others	0.01	-	5.37	5.38	-	-	0.01	0.01
Trade receivables	-	-	13.39	13.39	-	-	-	-
Loans								
Security Deposits	-	-	24.65	24.65	-	-	-	-
Deposits - Projects	-	-	83.81	83.81	-	-	-	-
Loans to Employees	-	-	1.07	1.07	-	-	-	-
Derivative asset	0.86	-	-	0.86	-	0.86	-	0.86
Other financial assets	-	-	13.17	13.17	-	-	-	-
Current								
Current investments	556.99	-	-	556.99	556.99	-	-	556.99
Trade receivables	-	-	1,001.60	1,001.60	-	-	-	-
Cash and cash equivalents	-	-	281.95	281.95	-	-	-	-
Other bank balances	-	-	222.31	222.31	-	-	-	-
Loans								
Security Deposits	-	-	4.26	4.26	-	-	-	-
Deposits - Projects	-	-	142.89	142.89	-	-	-	-
Others	-	-	867.52	867.52	-	-	-	-
Derivative asset	0.91	-	-	0.91	-	0.91	-	0.91
Other Current Financial Assets	0.59	0.21	276.02	276.82	-	0.80	-	0.80
	930.25	0.27	3,279.82	4,210.34	574.21	356.30	0.01	930.52
Financial liabilities								
Long term borrowings	-	-	952.29	952.29	-	500.25	-	500.25
Other Non current financial liabilities	-	-	0.49	0.49	-	-	-	-
Short term borrowings	-	-	5,311.78	5,311.78	-	-	-	-
Trade and other payables	-	-	1,628.43	1,628.43	-	-	-	-
Derivative liability	0.09	-	-	0.09	-	0.24	-	0.24
Other Current financial liabilities	-	-	1,240.89	1,240.89	-	-	-	-
	0.09	-	9,133.89	9,133.98	-	500.49	-	500.49

Notes to the Consolidated Financial Statements

Note 49 : Fair Value Measurement (Contd.)

Amount ₹ in Crore

April 1, 2017 Restated	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non Current								
Investments								
Debenture	-	-	312.34	312.34	-	312.34	-	312.34
Quoted Equity Shares	6.20	-	-	6.20	6.20	-	-	6.20
Unquoted Equity Shares	2.62	0.05	-	2.67	0.05	2.62	-	2.67
Others	4.58	-	-	4.58	-	4.58	-	4.58
Trade receivables	-	-	13.33	13.33	-	-	-	-
Loans								
Security Deposits	-	-	100.92	100.92	-	-	-	-
Loans to Employees	-	-	1.03	1.03	-	-	-	-
Other financial assets	-	-	7.77	7.77	-	-	-	-
Current								
Current investments	369.33	-	-	369.33	369.33	-	-	369.33
Trade receivables	-	-	886.38	886.38	-	-	-	-
Cash and cash equivalents	-	-	179.03	179.03	-	-	-	-
Other bank balances	-	-	55.90	55.90	-	-	-	-
Loans								
Security Deposits	-	-	165.38	165.38	-	171.57	-	171.57
Others	-	1.70	526.30	528.00	-	1.70	-	1.70
Derivative asset	2.38	-	-	2.38	-	2.38	-	2.38
Other Current Financial Assets	-	-	311.17	311.17	-	-	-	-
	385.11	1.75	2,559.55	2,946.42	375.58	495.19	-	870.78
Financial liabilities								
Long term borrowings	2.58	-	1,505.68	1,508.26	-	477.74	-	477.74
Short term borrowings	-	-	5,592.31	5,592.31	-	-	-	-
Trade and other payables	-	-	1,646.18	1,646.18	-	-	-	-
Other Non-Current financial liabilities	-	-	35.33	35.33	-	-	-	-
Derivative liability	5.15	-	-	5.15	-	5.15	-	5.15
Other Current financial liabilities	-	-	828.51	828.51	-	-	-	-
	7.73	-	9,677.75	9,685.48	-	482.89	-	482.89

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

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

Notes to the Consolidated Financial Statements

Note 49 : Fair Value Measurement (Contd.)

II Measurement of fair values

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

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

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

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

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

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

Notes to the Consolidated Financial Statements

Note 50 : Hedge accounting

The Group's risk management policy is to hedge its foreign currency exposure in accordance with the exposure limits advised from time to time. The group uses forward exchange contracts to hedge its currency risk. Such contracts are generally designated as cash flow hedges.

The forward exchange contracts are denominated in the same currency as the highly probable future transaction value, therefore the hedge ratio is 1:1. The Group's policy is for the critical terms of the forward exchange contracts to align with the hedged item.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The Group assesses whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in the cash flows of the hedged item using the hypothetical derivative method.

In these hedge relationships, changes in timing of the hedged transactions is the main source of hedge ineffectiveness.

I Disclosure of effects of hedge accounting on financial position as on March 31, 2019

Amount ₹ in Crore

Type of hedge	Nominal Value	Carrying amount of hedging instrument		Line item in the statement of financial position where the hedging instrument is included	Maturity date	Hedge ratio	Average strike price/ rate	Changes in fair value of the hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
		Assets	Liabilities						
Forward exchange contracts on outstanding borrowings	NA	NA	NA	NA	NA	NA	NA	NA	NA
	NA	NA	NA				NA	NA	NA

I Disclosure of effects of hedge accounting on financial position as on March 31, 2018

Amount ₹ in Crore

Type of hedge	Nominal Value	Carrying amount of hedging instrument		Line item in the statement of financial position where the hedging instrument is included	Maturity date	Hedge ratio	Average strike price/ rate	Changes in fair value of the hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
		Assets	Liabilities						
Forward exchange contracts on outstanding borrowings	37.69	0.21	-	Other Financial Assets - current	April 25, 2018	1:1	65.00	0.35	(0.35)
	37.69	0.21	-					0.35	(0.35)

Notes to the Consolidated Financial Statements

Note 50 : Hedge accounting (Contd.)

II Disclosure of effects of hedge accounting on financial performance for the Year ended March 31, 2019

Amount ₹ in Crore

Type of hedge	Change in the value of the hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or loss	Line item in the statement of profit or loss that includes the hedge ineffectiveness	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit or loss because of the reclassification
Cash flow hedge	NA	NA	NA	0.23	NA

II Disclosure of effects of hedge accounting on financial performance for the Year ended March 31, 2018

Amount ₹ in Crore

Type of hedge	Change in the value of the hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or loss	Line item in the statement of profit or loss that includes the hedge ineffectiveness	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit or loss because of the reclassification
Cash flow hedge	(0.23)	-	-	3.15	-

III The following table provides a reconciliation by risk category of components of equity and analysis of OCI items, net of tax, resulting from cash flow hedge accounting

Amount ₹ in Crore

Movements in cash flow hedging reserve	March 31, 2019	March 31, 2018
Opening balance	(0.23)	2.06
Add : Changes in fair value	0.35	(0.35)
Less : Amounts reclassified to profit or loss	-	3.15
Less: Deferred tax relating to the above	0.12	(1.21)
Closing balance	(0.00)	(0.23)

Notes to the Consolidated Financial Statements

Note 51 : Financial Risk Management

I Financial Risk Management objectives and policies

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

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

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

II Credit risk

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

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

Trade receivables and loans and advances.

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

The Group has a policy under which each new customer is analysed individually for creditworthiness before offering credit period and delivery terms and conditions. The Group's export sales are backed by letters of credit and insured through Export Credit Guarantee Corporation. The Group bifurcates the Domestic Customers into Large Corporates, Distributors and others for Credit monitoring. Customer credit risk in property business is managed by requiring customers to pay advances through progress billings before transfer of ownership, therefore, substantially eliminating the credit risk in this respect.

The Group maintains adequate security deposits for sales made to its distributors. For other trade receivables, the company individually monitors the sanctioned credit limits as against the outstanding balances. Cash terms and advance payments are required for customers of lower credit standing. Accordingly, the Group makes specific provisions against such trade receivables wherever required and monitors the same at periodic intervals.

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

The Group establishes an allowance for impairment that represents its estimate of expected losses in respect of trade receivables and loans and advances.

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

Particulars	March 31, 2019	Amount ₹ in Crore	
		March 31, 2018 Restated	April 01, 2017 Restated
More than 6 Months	273.29	84.95	173.90
Others	969.17	930.04	725.81
	1,242.46	1,014.99	899.71

The amounts reflected in the table above are not impaired as on the reporting date.

Notes to the Consolidated Financial Statements

Note 51 : Financial Risk Management (Contd.)

III Liquidity risk

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

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

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

Maturity profile of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date.

Amount ₹ in Crore

March 31, 2019	Contractual cash flows					
	Carrying amount	Total	within 12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	7,207.45	7,570.09	6,102.81	702.62	579.77	184.89
Trade and other payables	1,955.92	1,957.08	1,945.91	9.88	1.29	-
Other financial liabilities	537.92	537.92	537.41	0.51	-	-
Derivative financial liabilities						
Interest rate swaps	-	-	-	-	-	-
Forward exchange contracts used for hedging	19.55	19.55	19.55	-	-	-

Amount ₹ in Crore

March 31, 2018 Restated	Contractual cash flows					
	Carrying amount	Total	within 12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	6,890.41	7,168.17	6,127.71	346.89	693.57	-
Trade and other payables	1,591.57	1,594.73	1,556.81	28.70	9.23	-
Other financial liabilities	573.25	573.25	567.75	4.93	-	0.57
Derivative financial liabilities						
Interest rate swaps	-	0.28	0.16	0.09	0.03	-
Forward exchange contracts used for hedging	37.05	-	0.09	-	-	-

Notes to the Consolidated Financial Statements

Note 51 : Financial Risk Management (Contd.)

Amount ₹ in Crore

April 01, 2017 Restated	Carrying amount	Contractual cash flows				
		Total	within 12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	7,548.17	7,872.94	6,227.81	905.81	737.81	1.51
Trade and other payables	1,642.38	1,644.53	1,612.42	20.49	11.62	-
Other financial liabilities	445.34	447.65	440.84	6.81	-	-
Derivative financial liabilities						
Interest rate swaps	-	3.08	1.94	1.03	0.11	-
Forward exchange contracts used for hedging	5.15	5.15	5.15	-	-	-

IV Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates – 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 investments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

IV a Currency risk

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

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

The currency profile of financial assets and financial liabilities as at March 31, 2019, March 31, 2018 and April 01, 2017 are as below:

Amount ₹ in Crore

March 31, 2019	USD	EURO	SGD	GBP	AED
Financial assets					
Trade and other receivables	149.44	2.16	-	0.19	-
Less: Forward Contracts	(28.01)	-	-	-	-
	270.86	2.16	-	0.19	-
Financial liabilities					
Long term borrowings	87.49	-	-	-	-
Less: Forward Contracts	0.00	-	-	-	-
Short term borrowings	33.17	-	-	-	-
Trade and other payables	274.49	10.61	-	0.08	-
Other Current financial liabilities	0.32	-	-	-	-
Less: Forward Contracts	(43.33)	(10.24)	-	-	-
	352.14	0.37	-	0.08	-

Notes to the Consolidated Financial Statements

Note 51 : Financial Risk Management (Contd.)

Amount ₹ in Crore

March 31, 2018	USD	EURO	SGD	GBP	AED
Financial assets					
Trade and other receivables	160.75	3.05	-	-	6.05
Less: Forward Contracts	(56.52)	-	-	-	-
	104.23	3.05	-	-	6.05
Financial liabilities					
Long term borrowings	287.07	-	-	-	-
Less: Forward Contracts	(9.75)	-	-	-	-
Short term borrowings	49.39	-	-	-	-
Trade and other payables	738.23	23.62	0.12	0.07	-
Other Non-current financial liabilities	0.93	-	-	-	-
Less: Forward Contracts	(52.66)	(8.95)	-	-	-
	1,013.21	14.67	0.12	0.07	-

Amount ₹ in Crore

April 01, 2017	USD	EURO	SGD	GBP	AED
Financial assets					
Trade and other receivables	127.55	2.43	-	-	-
Less: Forward Contracts	(34.24)	-	-	-	-
	93.31	2.43	-	-	-
Financial liabilities					
Long term borrowings	548.28	-	-	-	-
Short term borrowings	1.00	-	-	-	-
Trade and other payables	161.50	45.04	-	0.07	-
Other Non-current financial liabilities	2.41	-	-	-	-
Less: Forward Contracts	(127.53)	(35.40)	-	-	-
	585.66	9.64	-	0.07	-

The following significant exchange rates have been applied during the year.

INR	Year-end spot rate		
	March 31, 2019	March 31, 2018	March 31, 2017
USD 1	69.15	65.18	64.86
EUR1	77.64	80.82	69.30
GBP1	90.57	92.26	80.99
AED1	18.86	18.94	17.66

Notes to the Consolidated Financial Statements

Note 51 : Financial Risk Management (Contd.)

Sensitivity analysis

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

Amount ₹ in Crore

March 31, 2019	Profit or loss and Equity	
	Strengthening	Weakening
USD - 1% Movement	(3.39)	3.39
EUR - 4% Movement	0.08	(0.08)
GBP - 3% Movement*	(0.00)	0.00
	(3.31)	3.31

Amount ₹ in Crore

March 31, 2018	Profit or loss and Equity	
	Strengthening	Weakening
USD - 1% Movement	(8.78)	8.78
EUR - 2% Movement	(0.46)	0.46
GBP - 2% Movement*	(0.00)	0.00
AED - 1% Movement*	(0.00)	0.00
	(9.24)	9.24

*Amounts less than 0.01 crore

IV b Interest rate risk

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

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

Exposure to interest rate risk

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

Amount ₹ in Crore

Borrowings	March 31, 2019	March 31, 2018 Restated	April 01, 2017 Restated
Fixed rate borrowings	5,250.30	4,328.41	3,935.16
Variable rate borrowings	1,945.33	2,569.96	3,618.60
	7,195.64	6,898.37	7,553.76

Fair value sensitivity analysis for fixed-rate instruments

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

Notes to the Consolidated Financial Statements

Note 51 : Financial Risk Management (Contd.)

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rate would have resulted in variation in the interest expense for the Group by the amounts indicated in the table below. Given that one of the subsidiary companies' capitalises interest to the cost of inventory to the extent permissible, the amounts indicated below may have an impact on reported profits over the lifecycle of projects to which such interest is capitalised. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the period.

Amount ₹ in Crore

Particulars	Profit or (loss)	
	100 bp increase	100 bp decrease
March 31, 2019		
Variable-rate instruments	(19.45)	19.45
Interest rate swaps	2.47	(2.47)
Cash flow sensitivity (net)	(16.98)	16.98
March 31, 2018		
Variable-rate instruments	(25.70)	25.70
Interest rate swaps	0.28	(0.28)
Cash flow sensitivity (net)	(25.42)	25.42

Note 52 : Capital Management

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

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

Amount ₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018 Restated	As at April 1, 2017 Restated
Non-Current Borrowings	1,260.58	952.29	1,508.26
Current Borrowings	5,642.47	5,311.78	5,592.31
Current maturity of long term debt	302.13	652.19	-
Gross Debt	7,205.18	6,916.26	7,100.57
Less - Cash and Cash Equivalents	(756.01)	(281.95)	(179.03)
Less - Other Bank Deposits	(204.30)	(222.31)	(55.90)
Less - Current Investments	(1,052.10)	(556.99)	(369.33)
Less - Other Bank Deposits	-	-	-
Adjusted Net debt	5,192.78	5,855.01	6,496.31
Total equity	4,349.65	3,334.36	2,688.98
Adjusted Net debt to equity ratio	1.19	1.76	2.42

Notes to the Consolidated Financial Statements

Note 53 : Master netting or similar agreements

The following table presents the recognised financial instruments that are offset, or subject to enforceable master netting arrangements and other similar agreements but not offset, as at March 31, 2019 March 31, 2018 and April 01, 2017.

Amount ₹ in Crore

Particulars	Effects of offsetting on the balance sheet			Related amounts not offset		
	Gross Amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subject to master netting arrangements	Financial instrument collateral	Net amount
March 31, 2019						
Financial assets						-
Derivative instruments	0.06	-	0.06	-	-	0.06
Financial liabilities						
Derivative instruments	-	-	-	-	-	-

Amount ₹ in Crore

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

Amount ₹ in Crore

Particulars	Effects of offsetting on the balance sheet			Related amounts not offset		
	Gross Amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subject to master netting arrangements	Financial instrument collateral	Net amount
April 01, 2017						
Financial assets						-
Derivative instruments	2.38	-	2.38	2.38	-	-
Financial liabilities						
Derivative instruments	2.92	-	2.92	(2.38)	-	0.54

Offsetting arrangements

Derivatives

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

Notes to the Consolidated Financial Statements

Note 54 : Additional Information required under Schedule III to the Companies Act, 2013 of entities consolidated as Subsidiaries / Limited Liability Partnership / Associates / Joint Ventures.

Name of the entity	Net Assets - total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
	As % of Consolidated net assets	Amount ₹ in Crore	As % of Consolidated profit or loss	Amount ₹ in Crore	As % of consolidated OCI	Amount ₹ in Crore	As % of TCI	Amount ₹ in Crore
1	2	3	4	5	6	7	8	9
Parent								
Godrej Industries Limited	24.88%	1,631.69	(10.50%)	(90.73)	(2%)	(0.60)	(10.20%)	(91.33)
Subsidiaries								
Indian								
Godrej Agrovet Limited	12.59%	825.94	33.61%	290.28	(3.82%)	(1.21)	32.29%	289.08
Godvet Agrochem Limited	0.18%	11.94	0.07%	0.59	0.00%	-	0.07%	0.59
Astec Lifesciences Limited	4.92%	322.68	4.37%	37.77	0.62%	0.19	4.24%	37.96
Creamline Dairy Products Limited	7.13%	467.65	0.99%	8.58	(1.23%)	(0.39)	0.91%	8.19
Godrej Tyson Foods Limited	4.53%	297.41	0.28%	2.39	0.11%	0.04	0.27%	2.42
Godrej Maximilk Private Limited	0.12%	7.81	(0.28%)	(2.42)	0.00%	-	(0.27%)	(2.42)
Godrej Properties Limited	40.51%	2,657.05	24.24%	209.35	(1.05%)	(0.33)	23.35%	209.02
Godrej Projects Development Limited	1.05%	68.61	7.03%	60.74	0.00%	-	6.78%	60.74
Godrej Garden City Properties Private Limited	0.11%	7.34	0.17%	1.49	0.00%	-	0.17%	1.49
Godrej Hillside Properties Private Limited	0.00%	0.09	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Godrej Home Developers Private Limited	0.00%	0.11	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Godrej Prakriti Facilities Private Limited	0.01%	0.56	0.02%	0.17	0.00%	-	0.02%	0.17
Prakritiplaza Facilities Management Private Limited	0.00%	0.01	0.00%	0.00	0.00%	-	0.00%	0.00
Godrej Highrises Properties Private Limited	0.00%	(0.12)	(0.02%)	(0.16)	0.00%	-	(0.02%)	(0.16)
Godrej Genesis Facilities Management Private Limited	0.01%	0.42	0.01%	0.05	0.00%	-	0.01%	0.05
Citystar Infra Projects Limited	0.00%	(0.02)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Godrej Residency Private Limited	0.00%	(0.02)	0.00%	(0.02)	0.00%	-	0.00%	(0.02)
Mahalunge Township Developers LLP (formerly known as Godrej Land Developers LLP) (Considered as subsidiary till January 31, 2019)	0.00%	-	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Godrej Highrises Realty LLP	(0.01%)	(0.42)	(0.05%)	(0.41)	0.00%	-	(0.05%)	(0.41)
Godrej Project Developers & Properties LLP	0.00%	(0.02)	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
Godrej Skyview LLP	0.00%	(0.02)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Godrej Green Properties LLP	0.00%	(0.01)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Maan-Hinge Township Developers LLP (formerly known as Godrej Projects (Pune) LLP)(Considered as subsidiary till January 31, 2019)	0.00%	-	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Godrej Projects (Soma) LLP	0.00%	(0.01)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Godrej Projects North LLP	0.00%	(0.01)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Godrej Athenmark LLP	0.00%	(0.03)	0.00%	(0.02)	0.00%	-	0.00%	(0.02)
Godrej Vestamark LLP	(0.01%)	(0.40)	(0.05%)	(0.39)	0.00%	-	(0.04%)	(0.39)
Godrej City Facilities Management LLP (w.e.f. March 18, 2019)	0.00%	(0.00)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Embellish Houses LLP (w.e.f February 13, 2019)	0.00%	(0.00)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Godrej Properties Worldwide, USA (w.e.f August 10, 2017)	0.05%	3.12	(0.04%)	(0.35)	0.31%	0.10	(0.03%)	(0.25)
Godrej Landmark Redevelopers Private Limited (w.e.f. March 15, 2019)	1.50%	98.57	(0.05%)	(0.44)	0.00%	-	(0.05%)	(0.44)
Manjari Housing Projects LLP (formerly known as Godrej Avamark LLP) (Considered as subsidiary till January 31, 2019)	0.00%	-	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Nature's Basket Limited	0.03%	1.68	(9.06%)	(78.28)	1.61%	0.51	(8.69%)	(77.77)
Ensemble Holdings and Finance Limited	2.24%	147.16	0.38%	3.24	0.00%	-	0.36%	3.24
Godrej One Premises Management Private Limited	0.00%	0.01	0.00%	-	0.00%	-	0.00%	0.00
Foreign								
Godrej International Ltd.	1.85%	121.55	0.52%	4.45	0.00%	-	0.50%	4.45
Godrej International Trading & Investment Pte. Ltd.	0.36%	23.29	0.67%	5.80	0.00%	-	0.65%	5.80
Associates (Investment as per equity method)								

Notes to the Consolidated Financial Statements

Note 54 : Additional Information required under Schedule III to the Companies Act, 2013 of entities consolidated as Subsidiaries / Limited Liability Partnership / Associates / Joint Ventures. (Contd.)

Name of the entity	Net Assets - total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
	As % of Consolidated net assets	Amount ₹ in Crore	As % of Consolidated profit or loss	Amount ₹ in Crore	As % of consolidated OCI	Amount ₹ in Crore	As % of TCI	Amount ₹ in Crore
Indian								
Godrej Consumer Products Limited	24.96%	1,636.84	63.24%	546.24	104.21%	32.91	65%	579.15
Foreign								
Al Rahaba International Trading LLC	(0.07%)	(4.32)	(2.36%)	(20.36)	-	-	(2%)	(20.36)
Joint Ventures (as per proportionate consolidation / Investment as per equity method)								
Indian								
Omnivore India Capital Trust	0.65%	42.85	0.79%	6.81	0%	-	0.76%	6.81
Godrej Realty Private Limited	0.00%	-	(0.04%)	(0.37)	0%	-	(0.04%)	(0.37)
Godrej Landmark Redevelopers Private Limited (Upto March 14, 2019)	0.00%	-	5.85%	50.51	0%	0.00	5.64%	50.51
Godrej Redevelopers (Mumbai) Private Limited	0.00%	-	(0.31%)	(2.65)	-	-	(0.30%)	(2.65)
Wonder Space Properties Private Limited	0.00%	-	(0.02%)	(0.17)	-	-	(0.02%)	(0.17)
Wonder City Buildcon Private Limited	0.00%	-	(0.06%)	(0.53)	-	-	(0.06%)	(0.53)
Godrej Home Constructions Private Limited	0.00%	-	(0.72%)	(6.25)	-	-	(0.70%)	(6.25)
Godrej Greenview Housing Private Limited	0.00%	-	(0.21%)	(1.86)	-	-	(0.21%)	(1.86)
Wonder Projects Development Private Limited	0.00%	-	(0.22%)	(1.89)	-	-	(0.22%)	(1.89)
Godrej Real View Developers Private Limited	0.00%	-	(0.34%)	(2.96)	-	-	(0.34%)	(2.96)
Pearlite Real Properties Private Limited	0.00%	-	(0.78%)	(6.74)	-	-	(0.75%)	(6.74)
Godrej Skyline Developers Private Limited	0.00%	-	(0.41%)	(3.51)	-	-	(0.39%)	(3.51)
Godrej Green Homes Limited	0.00%	-	(0.03%)	(0.25)	-	-	(0.03%)	(0.25)
Godrej Property Developers LLP	0.00%	-	0.00%	(0.01)	-	-	0.00%	(0.01)
Mosaic Landmarks LLP	0.00%	-	0.00%	0.03	-	-	0.00%	0.03
Dream World Landmarks LLP	0.00%	-	1.47%	12.73	-	-	1.42%	12.73
Oxford Realty LLP	0.00%	-	(0.56%)	(4.79)	-	-	(0.54%)	(4.79)
Godrej SSPDL Green Acres LLP	0.00%	-	0.12%	1.00	-	-	0.11%	1.00
Oasis Landmarks LLP	0.00%	-	1.28%	11.09	-	-	1.24%	11.09
M S Ramaiah Ventures LLP	0.00%	-	0.00%	(0.02)	-	-	0.00%	(0.02)
Caroa Properties LLP	0.00%	-	(0.55%)	(4.75)	-	-	(0.53%)	(4.75)
Godrej Construction Projects LLP	0.00%	-	(0.09%)	(0.79)	-	-	(0.09%)	(0.79)
Godrej Housing Projects LLP	0.00%	-	(0.27%)	(2.37)	-	-	(0.26%)	(2.37)
Amitis Developers LLP	0.00%	-	(0.11%)	(0.99)	-	-	(0.11%)	(0.99)
A R Landcraft LLP	0.00%	-	(1.17%)	(10.13)	-	-	(1.13%)	(10.13)
Prakhhyat Dwellings LLP	0.00%	-	(0.02%)	(0.14)	-	-	(0.02%)	(0.14)
Bavdhan Realty @ Pune 21 LLP	0.00%	-	0.00%	(0.00)	-	-	0.00%	(0.00)
Godrej Highview LLP	0.00%	-	(0.72%)	(6.23)	-	-	(0.70%)	(6.23)
Godrej Irismark LLP	0.00%	-	(0.02%)	(0.13)	-	-	(0.01%)	(0.13)
Godrej Projects North Star LLP	0.00%	-	0.00%	(0.03)	-	-	0.00%	(0.03)
Godrej Developers & Properties LLP	0.00%	-	(0.30%)	(2.60)	-	-	(0.29%)	(2.60)
Sai Srushti Onehub Projects LLP	0.00%	-	(0.52%)	(4.50)	-	-	(0.50%)	(4.50)
Roseberry Estate LLP (w.e.f. September 18, 2018)	0.00%	-	0.00%	(0.02)	-	-	0.00%	(0.02)
Maan-Hinge Township Developers LLP (formerly known as Godrej Projects (Pune) LLP)(w.e.f. February 01, 2019)	0.00%	-	0.00%	(0.00)	-	-	0.00%	(0.00)
Ashank Macbricks Private Limited (w.e.f. July 31, 2018)	0.00%	-	0.00%	(0.01)	-	-	0.00%	(0.01)
Suncity Infrastructures (Mumbai) LLP (w.e.f. October 10, 2018)	0.00%	-	0.00%	(0.00)	-	-	0.00%	(0.00)
Mahalunge Township Developers LLP (formerly known as Godrej Land Developers LLP) (w.e.f. February 01, 2019)	0.00%	-	0.00%	(0.00)	0%	0.00	0.00%	(0.00)
Manjari Housing Projects LLP (formerly known as Godrej Avamark LLP) (w.e.f. February 01, 2019)	0.00%	-	0.00%	0.00	-	-		
Foreign								
ACI Godrej Agrovet Private Limited	1.12%	73.65	0.62%	5.33	1.09%	0.35	0.63%	5.68
Inter-company Elimination & Consolidation Adjustments	(28.73%)	(1,884.03)	(15.81%)	(136.55)	0%	0.01	(15.25%)	(136.54)
TOTAL	100.00%	6,558.58	100%	863.73	100%	31.58	100%	895.31

Notes to the Consolidated Financial Statements

Note 55 : Amalgamation of Vora Soaps Limited with the Company

On December 14, 2018, the National Company Law Tribunal ("NCLT"), Mumbai bench vide its Order approved the Scheme of Amalgamation of Vora Soaps Limited (VSL) with the Company. Consequent to the said Order and filing of the final certified Orders with the Registrar of Companies, Maharashtra on December 24, 2018, the Scheme has become effective from the Appointed Date of December 14, 2017.

The financial statements for the year ended March 31, 2018 have been restated pursuant to the hearing of the scheme with effect from the appointed date of December 14, 2017.

The effect of restatement on the Total Comprehensive Income, Equity and Cash flow has been given in the table below.

(a) Purchase Consideration

The Company has issued 19,39,04,681 fully paid Equity Shares as a consideration to the Equity and Preference shareholders of Vora Soaps Limited.

(b) Identifiable assets acquired and liabilities assumed

The following table summaries the recognised amounts of assets acquired and liabilities assumed at the date of acquisition

	Amount ₹ in Crore
Particulars	Amount
Non Current Investment	11,588.71
Non Current Other financial assets	1.54
Current Investments	12.78
Cash and cash equivalents	0.27
Other Bank Balance	20.00
Fair value of assets acquired	11,623.30
Other Financial Liabilities	20.00
Other current liability	0.09
Current and deferred tax liabilities	0.06
Fair value of liabilities acquired	20.15
Deferred tax Impact	-
Total identifiable net assets acquired	11,603.15

(c) Goodwill / (Capital Reserve)

Amount ₹ in Crore

Particulars	Amount
Fair Value of Consideration	11,588.71
Less: Net Identifiable Assets Acquired	11,603.15
Total identifiable net assets acquired	(14.44)

Notes to the Consolidated Financial Statements

Note : 56

(a) First time Adoption of IND AS 115 - Revenue from Contracts with Customers

IND AS 115 - Revenue from Contracts with Customers has been notified by Ministry of Corporate Affairs (MCA) on March 28, 2018 and is effective from accounting period beginning on or after April 01, 2018. The adoption of the standard did not have any material impact on the financial results of the Company and its subsidiaries except in the case of Godrej Properties Limited (a subsidiary). The said subsidiary company has applied full retrospective approach in adopting the new standard (for all contracts other than completed contracts) and accordingly restated the previous period numbers as per point in time (Projected Completion Method) of revenue recognition. Accordingly, the previous period numbers of the Consolidated Financial results have been restated.

Reconciliation of Networth Reported (for entities to whom IND AS is applicable) to IND AS 115 - Revenue from Contracts with Customers and amalgamation of Vora Soaps Limited.

Particulars	Note	Amount ₹ in Crore	
		March 31, 2018 Other Equity	April 01, 2017 Other Equity
Net Worth as per Signed Financial Statements		5,705.77	4,670.21
Capital Reserve on merger		14.44	-
Surplus for the period 14 th December 18 to 31 st March 19		0.11	-
Adjustments on account of application of IND AS 115 :			
Change in Profit before tax due to 115	(a)	(1,099.96)	(1,289.48)
Deferred tax on IND AS 115 adjustments (Credit)		(71.28)	(407.69)
Net Worth as per IND AS 115		4,691.64	3,788.42

Reconciliation of Total Comprehensive Income Reported (for entities to whom IND AS is applicable) to IND AS 115 - Revenue from Contracts with Customers and amalgamation of Vora Soaps Limited

Particulars	Note	Amount ₹ in Crore	
		March 31, 2018	
Total Comprehensive income as per Signed Financial Statements		630.24	
Attributable to :			
a) Owners of the Company		424.51	
b) Non-Controlling Interest		205.73	
Interest Income from 14 th December 17 to 31 st March 18		0.27	
Other Expense from 14 th December 17 to 31 st March 18		(0.04)	
Income Tax		(0.12)	
Adjustments on account of application of IND AS 115 :			
Change in Revenue	(a)	(283.65)	
Change in Cost of Sales		(104.86)	
Change in other Expenses		(3.23)	
Change in Share of Profit of joint ventures and associate		(42.57)	
Deferred tax on IND AS 115 adjustments (Credit)		(71.28)	
Total Comprehensive Income (restated)		483.50	
Attributable to :			
a) Owners of the Company		340.97	
b) Non-Controlling Interest		142.53	

Notes to the Consolidated Financial Statements

Note : 56 (a) First time Adoption of IND AS 115 - Revenue from Contracts with Customers (Contd.)

Reconciliation of Earnings per share for the year ended on 31 March 2018

Amount ₹ in Crore

Particulars	As reported	Adjustments on account of adoption of Ind AS 115	Adjustments on account of amalgamation of Vora Soaps Ltd.	Post adoption of Ind AS 115
Net Profit Attributable to Owners of the Company	421.37	(83.66)	0.11	337.83
Less : Impact of Court approved Scheme on Net Profit	(1.61)	-	-	(1.61)
Adjusted Net Profit Attributable to Owners of the Company	419.76	(83.66)	0.11	336.22
Weighted average number of equity shares outstanding (basic)	336244991			336244991
Basic Earnings Per Share (₹)	12.48			10.00
Weighted average number of equity shares outstanding (diluted)	336484969			336484969
Diluted Earnings Per Share (₹)	12.47			12.47

Under Ind AS 18, related interpretations and Guidance Note on Accounting for Real Estate Transactions (for entities to whom Ind AS is applicable), revenue was recognised based on percentage of completion method. On transition to Ind AS 115, the Group recognises revenue when it determines the satisfaction of performance obligation at a point in time. Revenue is recognised upon transfer of promised products to customer in an amount that reflects the consideration which the Group expects to receive in exchange for those products. In determining the said transaction price, the Group has adjusted the promised amount of consideration for the effects of the time value of money where the contracts with customers contains a significant financing component.

Reconciliation of Statement of Cash Flows for the year ended March 31, 2018

Amount ₹ in Crore

Particulars	Note	Amount as per Signed Financial Statements	Effects of transition to IND AS- 115	Effects of amalgamation of Vora Soaps Ltd.	Amount Restated
Net Cash flow from Operating Activities		1,690.03	(0.90)	(0.13)	1,689.01
Net Cash flow from Investing Activities	(a)	(1,017.56)	0.90	0.83	(1,015.83)
Net Cash flow from Financing Activities		(959.26)	-	-	(959.26)
Net Increase in Cash and Cash Equivalent		(286.79)	0.00	0.70	(286.09)
Cash and Cash Equivalent as on April 1, 2017		(75.52)	0.00	-	(75.52)
Cash and Cash Equivalents on account of amalgamation		-	-	0.26	0.26
Cash and Cash Equivalent as on March 31, 2018		(362.31)	0.00	0.96	(361.35)

Notes to the Consolidated Financial Statements

Note : 56 (a) First time Adoption of IND AS 115 - Revenue from Contracts with Customers (Contd.)

Reconciliation of financial line item as previously reported to post adoption of Ind AS 115

Amount ₹ in Crore

Particulars	As at date of transition April 01, 2017			As at March 31, 2018		
	As reported	Adjustments on account of adoption of Ind AS 115	Post adoption of Ind AS 115	As reported	Adjustments on account of adoption of Ind AS 115	Post adoption of Ind AS 115
Assets						
Non-current assets						
Investment in Joint Ventures and Associate	2480.28	(62.69)	2,417.59	2899.72	(66.59)	2,833.13
Deferred tax assets (net)	289.32	407.69	697.01	293.68	479.09	772.77
Current assets						
Inventories	5020.34	1,196.03	6,216.37	3429.29	1,389.71	4,819.00
Financial assets						
(i) Trade receivables	905.86	(19.48)	886.38	1043.91	(42.31)	1,001.60
(i) Loans	735.69	(42.31)	693.38	1101.22	(86.55)	1,014.67
Other current assets	282.89	110.01	392.90	421.20	124.87	546.07
Equity and liabilities						
Equity						
Other equity						
- Retained earnings	1602.83	(505.38)	1097.45	1874.97	(588.92)	1,286.05
Non-controlling interest	1474.59	(376.41)	1098.18	1796.88	(439.66)	1,357.22
Liabilities						
Current liabilities						
Financial liabilities						
(i) Other financial liabilities	858.35	(24.73)	833.62	1166.08	74.90	1,240.98
Other current liabilities	556.48	1,973.54	2,530.02	639.24	2,138.85	2,778.09

(b) Significant changes in contract asset and contract liabilities balances are as follows:

Amount ₹ in Crore

Particulars	March 31, 2019	March 31, 2018 (Restated)
Contract asset		
At the beginning of the reporting period	89.49	86.34
Cumulative catch-up adjustments to revenue affecting contract asset	(13.66)	3.15
Significant change due to business combination	-	-
At the end of the reporting period	75.83	89.49
Contract liability		
At the beginning of the reporting period	2,633.75	2,390.91
Cumulative catch-up adjustments affecting contract liability	(1,143.89)	172.64
Significant financing component	(40.98)	70.20
Significant change due to business combination	35.55	-
At the end of the reporting period	1,484.43	2,633.75

Notes to the Consolidated Financial Statements

Note : 56

(c) Performance obligation for Property Development

The Group is also engaged in the business of real estate construction, development and other related activities.

All the Contracts entered with the customers consists of a single performance obligation thereby the consideration allocated to the performance obligation is based on standalone selling prices.

Revenue is recognised upon transfer of control of residential and commercial units to customers for an amount that reflects the consideration which the Group expects to receive in exchange for those units. The trigger for revenue recognition is normally completion of the project or receipt of approvals on completion from relevant authorities or intimation to the customer of completion, post which the contract becomes non-cancellable by the parties.

The revenue is measured at the transaction price agreed under the contract. In certain cases, the Group has contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group adjusts the transaction price for the effects of a significant financing component.

Any costs incurred that do not contribute to satisfying performance obligations are excluded from the Group's input methods of revenue recognition as the amounts are not reflective of our transferring control of the system to the customer. Significant judgment is required to evaluate assumptions related to the amount of net contract revenues, including the impact of any performance incentives, liquidated damages, and other forms of variable consideration.

If estimated incremental costs on any contract, are greater than the net contract revenues, the Group recognises the entire estimated loss in the period the loss becomes known.

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as at March 31, 2019 is ₹ 1,903.21 Crore, which will be recognised as revenue over a period of 1-3 years and ₹ 280.50 Crore which will be recognised over a period of 1-4 years.

The Group applies practical expedient in paragraph C5(d) of Ind AS 115 and does not disclose information about the amount of the transaction price allocated to the remaining performance obligation and an explanation of when the entity expects to recognise that amount as revenue for all reporting periods presented before the date of initial application.

Note 57. Business Combinations

During the year the group has made business acquisitions as given below

I. Godrej Maxximilk Private Limited.

A. Acquisition of subsidiary

On March 27, 2019, the subsidiary company Godrej Agrovet Limited has acquired 13,310 equity shares of Godrej Maxximilk Pvt. Ltd (GMPL) for a consideration of ₹ 0.21 crores. Pursuant to this acquisition, the shareholding in GMPL rose to 51.00 % and it became a subsidiary of the Company.

Taking control of Godrej Maxximilk will enable the Group to add value through its association with Indian dairy farmers and in-depth knowledge of agri-businesses & rural marketing. GMPL will also get leverage through the Godrej Agrovet brand, which has strong recall with dairy farmers through the cattle feed business. If the acquisition had occurred on 1 April, 2018, management estimates that consolidated revenue would have been ₹5873.64 crore and consolidated profit would have been ₹ 346.80 Crore. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on date of acquisition would have been same if the acquisition had occurred on 1 April, 2018.

Notes to the Consolidated Financial Statements

Note 57. Business Combinations (Contd.)

B. Details of purchase consideration, net assets acquired and goodwill

Amount ₹ in Crore

Particulars	Amount
Cash Paid	0.22
Equity shares acquired	13,310
Total consideration transferred	0.22

Identifiable assets acquired and liabilities assumed

The following table summaries the recognised amounts of assets acquired and liabilities assumed at the date of acquisition

Amount ₹ in Crore

Particulars	Amount
Property, plant and equipment	22.39
Capital work-in-progress	0.03
Biological assets other than bearer plants (Cattle)	4.13
Deferred tax assets	1.85
Other non-current assets	0.10
Inventories	1.06
Trade Receivables	0.42
Cash and cash equivalents	0.07
Loans Others	0.02
Loans and Advances to Employees	0.01
Other current assets	0.05
Fair value of assets acquired	30.15
Borrowings	(16.00)
Trade payables	(1.90)
Other financial liabilities	(11.59)
Other current Liabilities	(0.05)
Intercompany deposits	(1.64)
Fair value of liabilities acquired	(31.18)
Deferred tax on acquisition	-
Total identifiable net assets/ (liabilities) acquired	(1.03)

The gross contractual amounts and the fair value of trade and other receivables acquired is ₹ 0.45 crores. None of the trade and other receivables are credit impaired and it is expected that the full contractual amounts will be recoverable.

C. Goodwill

Amount ₹ in Crore

Particulars	Amount
Consideration transferred	0.22
Non-controlled interest in the acquired entity	(0.49)
Fair value of previously held equity interest	5.08
Add: Net identifiable liabilities acquired	1.03
Goodwill	5.84

Goodwill on acquisition comprises the value of expected synergies arising from the acquisition and long-standing relationships with farmers, which does not meet the criteria for recognition as an intangible asset under Ind AS 38 and hence, has not been separately recognised. No amount of Goodwill is expected to be deductible for tax purpose.

Notes to the Consolidated Financial Statements

Note 57. Business Combinations (Contd.)

The fair value of non-controlling interest has been estimated as proportion of net assets acquired.

The remeasurement to fair value of the Group's existing 49.90% interest in GMPL resulted in a gain of ₹ 3.37 crore, which has been recognised in exceptional income.

D. Purchase consideration - Cash outflow	Amount ₹ in Crore
Particulars	Amount
Outflow of cash to acquire subsidiary, net of cash acquired	
Cash consideration	0.22
Less: Balances acquired	
Cash and cash equivalents	(0.07)
Net outflow of cash - investing activities	0.15

II. Godrej Tyson Foods Limited

A. Acquisition of subsidiary

On March 27, 2019, the subsidiary company Godrej Agrovet Limited has acquired 2,188 equity shares of Godrej Tyson Foods Limited (GTFL) for a consideration of ₹ 3.95 crores. Pursuant to this acquisition, the shareholding in GTFL rose to 51.00 % and it become a subsidiary of the Company.

Taking control of GTFL will enable the Group to add value through its association with Indian poultry farmers and in-depth knowledge of agri-businesses & rural marketing. GTFL will also get leverage through the Godrej Agrovet brand, which has strong recall with poultry farmers through the poultry feed business. If the acquisition had occurred on 1 April, 2018, management estimates that consolidated revenue would have been ₹ 6084.75 crore and consolidated profit would have been ₹ 351.20 Crore. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on date of acquisition would have been same if the acquisition had occurred on 1 April, 2018.

B. Details of purchase consideration, net assets acquired and goodwill

	Amount ₹ in Crore
Particulars	Amount
Cash Paid	3.95
Equity shares acquired	2,188
Total consideration transferred	3.95

Acquisition-related cost

The group incurred acquisition related cost of ₹0.08 crore on legal fees. These costs have been included in "administrative expenses"

Notes to the Consolidated Financial Statements

Note 57. Business Combinations (Contd.)

Identifiable assets acquired and liabilities assumed

The following table summaries the recognised amounts of assets acquired and liabilities assumed at the date of acquisition

	Amount ₹ in Crore
Particulars	Amount
Property, plant and equipment	192.05
Capital work-in-progress	0.21
Intangible assets	3.67
Brands	16.57
Biological assets other than bearer plants	10.19
Long-term loans and advances - Others	3.41
Long-term loans and advances - to employees	0.04
Others	0.02
Non-current tax assets (net)	1.99
Other non-current assets	0.69
Biological assets other than bearer plants	52.98
Inventories	23.35
Trade receivables	23.55
Cash and cash equivalents	3.92
Bank balance other than above	0.06
Short-term loans and advances - to employees	0.17
Others	0.18
Other current assets	9.47
Fair value of assets acquired	342.52
Long term borrowings	(23.00)
Deferred tax liabilities (net)	(7.35)
Other non current liabilities	(2.35)
Short-term borrowings	(14.29)
Trade payables	(18.07)
Other financial liabilities	(27.36)
Employee Payable	(0.10)
Other current liabilities	(3.04)
Short-term provisions	(0.55)
Fair value of liabilities acquired	(96.10)
Deferred tax on acquisition	(13.19)
Total identifiable net assets/ (liabilities) acquired	233.23

The gross contractual amounts and the fair value of trade and other receivables acquired is ₹ 26.96 crores. None of the trade and other receivables are credit impaired and it is expected that the full contractual amounts will be recoverable.

Notes to the Consolidated Financial Statements

Note 57. Business Combinations (Contd.)

C. Goodwill	Amount ₹ in Crore
Particulars	Amount
Consideration transferred	3.95
Non-controlled interest in the acquired entity	114.28
Fair value of previously held equity interest	179.18
Less: Net identifiable assets acquired	(233.23)
Goodwill	64.18

Goodwill on acquisition comprises the value of expected synergies arising from the acquisition and long-standing relationships with farmers, which does not meet the criteria for recognition as an intangible asset under Ind AS 38 and hence, has not been separately recognised. No amount of Goodwill is expected to be deductible for tax purpose.

The fair value of non-controlling interest has been estimated as proportion of net assets acquired.

The remeasurement to fair value of the Group's existing 49.90% interest in GTFL resulted in a gain of ₹ 84.93 crore, which has been recognised in exceptional income.

D. Purchase consideration - Cash outflow

Particulars	Amount ₹ in Crore
Outflow of cash to acquire subsidiary, net of cash acquired	
Cash consideration	3.95
Less: Balances acquired	
Cash and cash equivalents	(3.92)
Net outflow of cash - investing activities	0.03

III. Acquisition of Godrej Landmark Redevelopers Private Limited

i) Acquisition of Godrej Landmark Redevelopers Private India Limited (GLRPL) with Godrej Properties Limited (GPL):

On March 15, 2019, the Group acquired 49 percent of the voting shares of GLRPL Limited, a engaged primarily in the business of real estate construction, development and other related activities. As a result, the Group's equity interest in GLRPL increased from 51 percent to 100 percent, giving it control of GLRPL.

(a) Consideration transferred

The following table summarises the acquisition date fair value of major class of consideration transferred:

Particulars	Amount ₹ in Crore
Consideration paid in cash	42.73
Total consideration	42.73

(b) Acquisition-related costs

The Group incurred acquisition-related costs of ₹ 0.01 Crore on legal fees and due diligence costs. These costs have been included in legal and professional fees under other expenses.

Notes to the Consolidated Financial Statements

Note 57. Business Combinations (Contd.)

(c) Identifiable assets acquired and liabilities assumed

The following table summarises the acquisition date fair value of assets acquired, fair value of the consideration transferred and Capital Reserve:

		Amount ₹ in Crore
Description		Amount
Property, plant and equipment		0.03
Intangible assets		0.02
Non-current financial assets		0.10
Deferred tax assets (Net)		1.29
Income tax assets (Net)		5.17
Inventories		106.24
Current financial asstes		47.86
Other Current Non Financial Assets		41.93
Current financial liabilities		(51.61)
Other Current Non Financial Liabilities		(48.01)
Current Tax Liabilities (Net)		(4.01)
Net Assets		99.01

Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired are as per Rule 11UA(1)(c)(b) and 11UA(2)(a) of the Income-tax Rules, 1962 prescribed under Section 56 of the Income-tax Act, 1961.

(d) Capital Reserve

Capital Reserve arising from the acquisition has been determined as follows

		Amount ₹ in Crore
Description		Amounts
Consideration transferred (refer note (a) above)		42.73
Fair value of pre-existing equity interest in GLRPL		50.74
Fair value of net identifiable assets (refer note (c) above)		99.01
Capital reserve		5.54

- (e) From the date of acquisition, GLRPL contributed ₹ (13.27) Crore of revenue from operations and ₹ 0.44 Crore of loss to the Group. If the acquisition had taken place at the beginning of the year, the Group's revenue from operations would have increased by ₹ 762.27 Crore and profit would have increased by ₹ 46.69 Crore.

Notes to the Consolidated Financial Statements

Note : 58 Dividend On Equity Shares

Particulars	Amount ₹ in Crore	
	Year ended March 31, 2019	Year ended March 31, 2018
(a) Proposed Dividend *	38.69	58.85
(₹ 1.15 per share (115%) (Previous Year ₹ 1.75 per Share (175%))	38.69	58.85

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

Note : 59

The Government of India introduced the Goods and Services Tax (GST) with effect from July 1, 2017. Consequently revenue from operations for the period July 1, 2017 to March 31, 2018 is net of GST.

Note : 60

The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 have not been made since the requirement does not pertain to financial year ended 31 March 2019.

Note : 61

- Managerial Remuneration paid to the directors for the current year ended March 31, 2019 exceeded the permissible limits as prescribed under section 197 read with Schedule V of the Companies Act, 2013 by ₹ 7.96 crore. The Company is in the process of obtaining approval from its shareholders at the forthcoming annual general meeting for such excess remuneration paid. Managerial Remuneration paid for the previous year ended March 31, 2018 exceeded the permissible limits as prescribed under Schedule V of the Companies Act 2013 by ₹ 7.48 crore (March 31, 2017 ₹ 4.54 crore). Post notification of Section 67 of the Companies (Amendment) Act, 2017 (which corresponds to Section 197 of the Companies Act, 2013), the Company has obtained approval of the shareholders by a special resolution for payment of the excess remuneration.
- During the current year, the managerial remuneration paid by Godrej Properties Limited to its Executive Chairman and the Managing Director & CEO is in excess of the limits laid down under Section 197 of the Companies Act, 2013 read with Schedule V to the Act by ₹ 5.81 crore. The subsidiary is in the process of obtaining approval from its shareholders at the forthcoming annual general meeting for such excess remuneration paid.
- Godrej Agrovet Limited, a subsidiary company, had paid remuneration to its Managing Director during the Financial year ended March 31, 2017 which is in excess of the limits given under Section 197 of the Companies Act, 2013 read with Schedule V of the Act by ₹ 86.61 crore. The company has obtained necessary approvals for the same, in accordance with the Companies (Amendment) Act, 2017.

Note : 62

There are no significant subsequent events that would require adjustments or disclosures in the Consolidated 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

A. B. Godrej
 Chairman
 DIN : 00065964

N. B. Godrej
 Managing Director
 DIN : 00066195

Vijay Mathur
 Partner
 M.No. : 046476

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

Clement Pinto
 Chief Financial Officer

Tejal Jariwala
 Company Secretary

Mumbai, May 13, 2019

**STANDALONE
FINANCIAL
STATEMENTS**

Independent Auditors' Report

To the Members of Godrej Industries Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Godrej Industries Limited ("the Company"), which comprise the standalone Balance Sheet as at 31 March 2019, and the standalone Statement of Profit and Loss (including other comprehensive income), standalone statement of Change in Equity and standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and in the context of the overriding effect of the accounting treatment for the Appointed date in the Scheme of Amalgamation of Vora Soaps Limited with the Company approved by the National Company Law Tribunal vis-à-vis the treatment that would have been applicable otherwise, as described in Note 46 to the standalone financial statements, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 47 to the standalone financial statements, relating to remuneration paid to two Directors during the year ended 31 March 2019, which is in excess of the limits prescribed under Section 197 read with Schedule V of the Companies Act, 2013 by ₹ 7.96 crores, and is subject to the approval of the shareholders. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditors' Report

Description of Key Audit Matter

Revenue recognition

See Note 27 to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
Revenue is recognised when the control of the products being sold has been transferred to the customer. We have identified recognition of revenue as a key audit matter as revenue is a key performance indicator and there is a risk of revenue being fraudulently overstated through manipulation on the timing of transfer of control arising from pressure to achieve performance targets as well as meeting external expectations.	Our audit procedures included: Assessing the appropriateness of the revenue recognition accounting policies, by comparing with applicable accounting standards. Testing the design, implementation and operating effectiveness of the Company's general IT controls and key IT/manual application controls over the Company's systems which govern recording of revenue in the general ledger accounting system. Performing substantive testing (including year-end cut-off testing) by selecting samples of revenue transactions recorded during the year (and before and after the financial year end) by verifying the underlying documents, which included sales invoices/contracts and shipping documents. We assessed manual journals posted to revenue to identify unusual items. Considering the adequacy of the Company's disclosures in respect of revenue.

Impairment Evaluation of Investment in Subsidiaries and Associate

See Note 4 to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
The carrying amount of the investments in subsidiaries and associate held at cost less impairment represents 51 % of the Company's total assets. We do not consider the valuation of these investments to be at a high risk of significant misstatement, or to be subject to a significant level of judgement, except for the investment valuations based on discounted cash flows which involve significant estimates and judgement, due to the inherent uncertainty involved in forecasting and discounting future cash flows. Further due to their materiality in the context of total assets of the Company, this is considered to be significant to our overall audit strategy and planning.	Our audit procedures included: For subsidiaries and associate which are listed entities, comparing the carrying amount of investments with the Company's share of market value of such subsidiaries and associate to identify whether there were in excess of their carrying amount; For subsidiaries which are unlisted entities, comparing the carrying amount of investments with the relevant subsidiaries' balance sheet to identify whether their net assets, being an approximation of their minimum recoverable amount, were in excess of their carrying amount and assessing whether those subsidiaries have historically been profit-making;

Independent Auditors' Report

Description of Key Audit Matter (Continued)

Impairment Evaluation of Investment in Subsidiaries (Continued)

See Note 4 to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
	For the investments where the carrying amount exceeded the net asset value, comparing the carrying amount of the investment with the expected value of the business based on a suitable multiple of the subsidiaries' earnings or discounted cash flow analysis; Testing and challenging the assumptions used in the discounted cash flow analysis based on our knowledge of the Company and the markets in which the subsidiaries operate with the assistance of our valuations team; Considering the adequacy of disclosures in respect of investments in subsidiaries and associate.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit and 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) specified 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 of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are 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.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Independent Auditors' Report

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

Independent Auditors' Report

Report on Other Legal and Regulatory Requirements (Continued)

- (A) 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 standalone Balance Sheet, the standalone Statement of Profit and Loss (including other comprehensive income), the standalone Statement of Change in Equity and the standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 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 standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' 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 as at 31 March 2019 on its financial position in its standalone financial statements - Refer Note 25 to the standalone 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 standalone 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 in these standalone financial statements since they do not pertain to the financial year ended 31 March 2019.
- (C) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:
- In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act, except for remuneration paid to two Directors during the year ended 31 March 2019, which is in excess of the limits prescribed under Section 197 read with Schedule V of the Companies Act, 2013 by ₹ 7.96 crores, and is subject to the approval of the shareholders. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act except as mentioned above. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

Our opinion is not modified in respect of this matter.

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

Place: Mumbai
Date: 13 May 2019

Vijay Mathur
Partner
Membership No: 046476

Annexure A to the Independent Auditor's Report - 31 March 2019

(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 of the standalone 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 substantially been 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 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 Companies Act, 2013 ('the Act'). Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and Section 186 of the Act, in respect of making investments as applicable. The Company has not granted any loans and guarantees or provided any security to the parties covered under Section 185 and Section 186 of the Act.
- (v) The Company has not accepted any deposits from the public in accordance with the provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by 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.
- (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, duty of customs, 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 2019 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 and goods and service tax which have not been deposited with the appropriate authorities on account of any dispute other than those mentioned in Annexure I to this report.
- (viii) According to the information and explanations given to us and based on the records examined by us, there has been no default in the repayment of dues to banks. The Company does not have any dues to financial institutions, Government or debenture holders.
- (ix) According to the information and explanations given to us and records examined by us, 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, further public offer (including debt instruments) during the year.

Annexure A to the Independent Auditor's Report - 31 March 2019

- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records, the Company has paid/provided for managerial remuneration to two Directors during the year ended 31 March 2019, which is in excess of the limits given under Section 197 read with Schedule V of the Companies Act, 2013 by ₹ 7.96 crores and is subject to the approval of the shareholders.
- (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 to the Company.
- (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 financial statements as required by applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/ W – 100022

Vijay Mathur

Partner

Membership No: 046476

Mumbai
13 May 2019

Annexure A to the Independent Auditor's Report - 31 March 2019

Annexure I

(₹ in Crores)

Name of Statute	Nature of Dues	Amount Demanded (₹ In crores)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise duty	1.47	2005-06, 2009-10, 2014- 15, 2011-14, 2012-13,2013-14	Commissioner (Appeals)
Central Excise Act, 1944	Excise duty	0.67	2009-10, 2010-11, 2012-14,2013-14, 2013-15, 2014-15,2015-16	Assistant Commissioner
Central Excise Act, 1944	Excise duty	3.75	2008-11, 2009-13,2010-11, 2013-16	CESTAT
The Customs Act, 1962	Customs duty	2.63	2010-11	Commissioner (Appeals)
VAT Acts of Various States	VAT	0.02	1997-98	Sales Tax Officer
VAT Acts of Various States	VAT	1.29	2006-07, 2007-08, 2008-09, 2009-10,2010-11,2011-12	Joint Commissioner
VAT Acts of Various States	VAT	10.90	2005-06	Joint Commissioner (Appeals)
VAT Acts of Various States	VAT	1.84	2003-04, 2006-07	High Court
VAT Acts of Various States	VAT	31.99	2002-03, 2003-04	Supreme Court
Octroi	Octroi	0.24	1997-2003	Tribunal
Octroi	Octroi	0.03	1997-98	Deputy Commissioner
Octroi	Octroi	0.02	1998-99, 2000-01	Supreme Court
Stamp Duty	Stamp duty	1.82	2000-01	Controlling Revenue Authority
Income-tax Act, 1961	Income tax	42.28	AY 2006-2007, AY 2007-2008, AY 2008-2009, AY 15-16, AY 16-17	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

Annexure B to the Independent Auditors' report on the standalone financial statements of Godrej Industries Limited for the year ended 31 March 2019.

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 1(A) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Godrej Industries Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to standalone financial statements were established and maintained and whether 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone 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 with reference to standalone financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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 with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Mumbai
13 May 2019

Vijay Mathur
Partner
Membership No: 046476

Balance Sheet as at March 31, 2019

Amount ₹ in Crore

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018 (Restated)
ASSETS			
Non Current Assets			
Property, Plant and Equipment	3	1,328.46	1,360.07
Capital Work in Progress		8.72	7.66
Investment Property	3a	151.94	132.02
Other Intangible Assets	3b	2.37	1.78
Financial Assets			
Investments in Subsidiaries and Associates	4	2,696.06	2,828.20
Other Investments	4a	0.02	0.02
Loans	5	3.72	3.74
Other Financial Assets	6	10.90	12.09
Deferred Tax Assets (Net)	7	0.94	0.87
Other Tax Assets (Net)		28.48	12.81
Other Non Current Assets	8	18.58	16.27
Current Assets			
Inventories	9	300.86	299.91
Financial Assets			
Investments	10	-	-
Trade Receivables	11	177.03	117.89
Cash & cash equivalents	12a	514.18	61.03
Other Bank balances	12b	2.11	13.91
Loans	13	0.17	0.17
Other Financial Assets	14	13.81	37.22
Other Current Assets	15	61.98	79.29
TOTAL ASSETS		5,320.33	4,984.95
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	16	33.64	33.63
Other Equity	17	1,598.05	1,781.48
Total Equity		1,631.69	1,815.11
LIABILITIES			
Non Current Liabilities			
Financial Liabilities			
Borrowings	18	625.00	405.49
Provisions	19	8.73	7.04
Current Liabilities			
Financial Liabilities			
Borrowings	20	2,286.58	1,682.75
Trade Payables	21		
Outstanding dues of Micro and Small Enterprises		8.43	8.86
Outstanding dues of Creditors other than Micro and Small Enterprises		345.35	343.43
Other Financial Liabilities	22	365.05	682.02
Other Current Liabilities	23	36.58	35.32
Provisions	24	4.87	4.83
Current Tax Liabilities (Net)		8.05	0.10
Total Liabilities		3,688.64	3,169.84
TOTAL EQUITY & LIABILITIES		5,320.33	4,984.95
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

A. B. Godrej
Chairman
DIN : 00065964

N. B. Godrej
Managing Director
DIN : 00066195

Vijay Mathur
Partner
M.No. : 046476

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

Clement Pinto
Chief Financial Officer

Tejal Jariwala
Company Secretary

Mumbai, May 13, 2019

Statement of Profit and Loss for the Year Ended March 31, 2019

Amount ₹ in Crore

Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018 (Restated)
Revenue from Operations	27	2,143.99	1,986.32
Other Income	28	41.79	33.70
Total Income		2,185.78	2,020.02
Expenses			
Cost of Materials Consumed	29	1,289.35	1,278.94
Purchases of Stock in Trade		0.80	7.81
Changes in Inventories of Finished Goods, Stock in Trade and Work in Progress	30	7.65	13.29
Excise Duty		-	27.99
Employee Benefits Expenses	31	130.17	133.55
Finance Costs	32	239.59	212.43
Depreciation and Amortisation Expense		54.30	68.58
Other Expenses	33	310.93	287.93
Total Expenses		2,032.79	2,030.52
Profit / (Loss) Before Exceptional Items and Tax		152.99	(10.50)
Exceptional Items	34	(243.79)	267.38
(Loss) / Profit Before Tax		(90.80)	256.88
Tax Expense			
Current Tax		-	4.44
Deferred Tax		(0.07)	1.77
Tax Liability of earlier years		-	9.16
Total Tax Expenses		(0.07)	15.37
(Loss) / Profit After Tax for the Year		(90.73)	241.51
Other Comprehensive Income			
Items that will not be reclassified to Profit or Loss			
Remeasurements of defined benefit plans		(0.60)	(0.28)
Income Tax on Items that will not be reclassified to Profit or Loss		-	-
		(0.60)	(0.28)
Total Comprehensive Income for the Year		(91.33)	241.23
Earnings Per Equity Share (Face Value ₹ 1 each)	35		
Basic		(2.70)	7.18
Diluted		(2.70)	7.18
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
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DIN : 06521655

Clement Pinto
Chief Financial Officer

Tejal Jariwala
Company Secretary

Mumbai, May 13, 2019

Statement of Changes in Equity for the Year Ended March 31, 2019

Equity Share Capital

Particulars	As at March 31, 2019		As at March 31, 2018 (Restated)	
	No. of Shares	Amount ₹ in Crore	No. of Shares	Amount ₹ in Crore
Balance at the beginning of the year	336,272,731	33.63	336,139,786	33.61
Changes in equity share capital during the year	111,636	0.01	132,945	0.02
Balance at the end of the year	336,384,367	33.64	336,272,731	33.63

Other Equity

Amount ₹ in Crore

Particulars	Other Equity (Restated)						Total
	Retained Earnings	General Reserve	Capital Redemption Reserve	Securities Premium	Capital Reserve	Employee Stock Grant Outstanding	
Balance at April 01, 2017	541.87	52.70	31.46	939.21	9.88	6.70	1,581.82
Profit for the year	241.51	-	-	-	-	-	241.51
Other Comprehensive Income (net of tax) - Remeasurements of the defined benefit plans	(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)
Addition on account of amalgamation (Refer Note 46)	-	-	-	-	14.44	-	14.44
Balance at March 31, 2018 (Restated)	723.10	52.70	31.46	943.70	24.32	6.20	1,781.48
Loss for the year	(90.73)	-	-	-	-	-	(90.73)
Other Comprehensive Income (net of tax) - Remeasurements of the defined benefit plans	(0.60)	-	-	-	-	-	(0.60)
Transfer from Employee Stock Option Grant	-	-	-	4.48	-	(4.48)	-
Exercise of Stock Grant (Net of Deferred Stock Grant Expense)	-	-	-	-	-	3.97	3.97
Utilisation for issue of Shares during the year pursuant to Scheme of Amalgamation (Refer Note 46)	-	-	-	(35.42)	-	-	(35.42)
Final Dividend paid	(58.87)	-	-	-	-	-	(58.87)
Dividend Distribution Tax (DDT)	(1.78)	-	-	-	-	-	(1.78)
Balance at March 31, 2019	571.12	52.70	31.46	912.76	24.32	5.69	1,598.05

A description of the purposes of each Reserve within Equity shall be disclosed in the Note 17

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

Tejal Jariwala

Company Secretary

Mumbai, May 13, 2019

Cash Flow Statement For The Year Ended March 31, 2019

		Amount ₹ in Crore	
Particulars	Year ended March 31, 2019	Year ended March 31, 2018 (Restated)	
1 Cash Flow From Operating Activities:			
(Loss) / Profit Before Tax	(90.80)	256.88	
Adjustments for:			
Depreciation and Amortisation	54.30	68.58	
Unrealised Foreign Exchange gain	(1.28)	(3.76)	
Profit on Sale of Investments	(4.09)	(268.69)	
(Profit) / Loss on Sale, Write off and Provision of Property, Plant & equipments (Net)	0.17	(0.19)	
Write Off of Fixed Assets	0.26	-	
Provision for Impairment of Investment	243.79	-	
Interest Income	(1.13)	(1.34)	
Interest & Finance Charges	239.59	212.43	
Employee Share based Payments	2.81	2.16	
Provision for Doubtful Debts and Sundry Balances (net)	0.18	0.08	
Operating Profit Before Working Capital Changes	443.80	266.15	
Adjustments for :			
Increase/ (Decrease) in Non-financial Liabilities	2.39	15.76	
Increase/ (Decrease) in Financial Liabilities	11.64	59.10	
(Increase)/ Decrease in Inventories	(0.95)	(3.29)	
(Increase)/ Decrease in Non-financial Assets	15.02	(50.76)	
(Increase)/ Decrease in Financial Assets	(13.30)	4.77	
Cash Generated from Operations	458.60	291.73	
Direct Taxes Paid	(7.72)	(7.37)	
Net Cash Generated from Operating Activities	450.88	284.36	
2 Cash Flow from Investing Activities:			
Purchase / Adjustment of Property, Plant & equipments, Investment Property & Intangibles	(74.01)	(61.52)	
Proceeds from Sale of Property, Plant & equipments	0.32	0.99	
Purchase of Investments	(2,642.98)	(1,356.85)	
Proceeds from Sale of Investments	2,535.42	1,580.27	
Intercompany Deposits / Loans (net)	(0.19)	6.81	
Interest Received	1.13	1.11	
Expense of Amalgamation	(35.42)	-	
Net Cash Generated from / (used in) Investing Activities	(215.73)	170.80	
3 Cash Flow from Financing Activities:			
Proceeds from issue of Equity shares	1.85	1.85	
Proceeds from Non Current Borrowings	500.00	35.00	
Net Proceeds from Current Borrowings	632.15	265.91	
Repayment of Non Current Borrowings	(613.35)	(437.44)	
Interest & Finance Charges Paid	(242.00)	(211.74)	
Dividend Paid	(58.87)	(58.85)	
Tax on Distributed Profits	(1.78)	(1.15)	
Net Cash (used in) / Generated from Financing Activities	218.00	(406.42)	

Amount ₹ in Crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018 (Restated)
Net Increase in Cash and Cash Equivalents	453.15	48.74
Cash and Cash Equivalents (Opening Balance)	61.03	12.01
Add: Cash & Cash equivalents Acquired during the year	-	0.28
Cash and Cash Equivalents (Closing Balance)	514.18	61.03

Notes :

(Amount ₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018 (Restated)
1 Cash and Cash Equivalents		
Balances with Banks		
(a) Current Accounts	483.18	59.88
(b) Deposits having maturity less than 3 months	30.38	0.80
Cheques, Drafts on Hand	0.27	-
Cash on Hand	0.35	0.35
Cash and Cash Equivalents	514.18	61.03
2 Reconciliation of Liabilities arising from Financing activities		(Amount ₹ in Crore)

Particulars	As at March 31, 2018 (Restated)	Cash Flow	Non Cash Changes	As at March 31, 2019
Non Current Borrowings	1,000.61	(113.35)	(28.68)	908.32
Current Borrowings	1,704.65	632.15	-	2,287.06
Total Borrowings	2,705.26	518.80	(28.68)	3,195.38
Particulars	As at March 31, 2017	Cash Flow	Non Cash Changes	As at March 31, 2018 (Restated)
Non Current Borrowings	1,424.11	(402.44)	(21.06)	1,000.61
Current Borrowings	1,438.74	265.91	-	1,704.65
Total Borrowings	2862.85	(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.

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

A. B. Godrej
Chairman
DIN : 00065964

N. B. Godrej
Managing Director
DIN : 00066195

Vijay Mathur
Partner
M.No. : 046476

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

Clement Pinto
Chief Financial Officer

Tejal Jariwala
Company Secretary

Mumbai, May 13, 2019

Notes to the Standalone Financial Statements

Note 1 : General Information

1 Corporate Information

Godrej Industries Limited ("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. Vora Soaps Limited was amalgamated with the Company effective from December 14, 2017.

The Company is domiciled in India and is listed on BSE Limited (BSE) and The National Stock Exchange of India Limited (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 aspects with the Indian Accounting Standards (hereinafter referred to as the "Ind As") as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and other generally accepted accounting principles in India.

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 services 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, 2019 were approved for issue in accordance with the resolution of the Board of Directors on May 13, 2019.

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 37) 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 the Standalone Financial Statements

- Impairment of Property, Plant and Equipments and Investments
- 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 standards and amendments to Ind ASs which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2019:

(a) Ind AS 116 Leases

Ind AS 116 is applicable for financial reporting periods beginning on or after April 1, 2019 and replaces existing lease accounting guidance, namely Ind AS 17. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The nature of expenses related to those leases will change as Ind AS 116 replaces the operating lease expense (i.e., rent) with depreciation charge for ROU assets and interest expense on lease liabilities. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. The Group is in the process of analysing the impact of new lease standard on its financial statements.

The Company is proposing to use the "Modified Retrospective Approach" for transitioning to Ind AS 116. Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted.

(b) Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

Notes to the Standalone Financial Statements

(c) Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

(d) Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

(e) Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

(f) Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Company does not currently have any long-term interests in associates and joint ventures to which equity method is not applied.

(g) Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Company will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

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 the 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".

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

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 the Standalone Financial Statements

2 Investment Property

(i) Recognition and measurement

Investment Property comprises 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 of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the 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 recognised for an asset in earlier accounting periods which no longer exists or may have decreased, such impairment loss is reversed in the Statement of Profit and Loss only, to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

Notes to the Standalone Financial Statements

5 Investments in Subsidiaries, Associate and Jointly Controlled Entities

Investments in subsidiaries, associate 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, associate 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 the Standalone Financial Statements

(iii) Trade Receivables and Loans:

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

(iv) Debt Instruments

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

- (a) Measured at amortised cost: Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.
- (b) Measured at fair value through other comprehensive income: Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'Other Income' in the Statement of Profit and Loss.
- (c) Measured at fair value through profit or loss: A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'Other Income' in the Statement of Profit and Loss.

(v) Equity Instruments

All investments in equity instruments classified under financial assets are initially measured at fair value and 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 recognized 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 Assets

Expected credit losses are recognized 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.

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

Notes to the Standalone Financial Statements

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 are 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 cashflows 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 recognized 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 the Standalone Financial Statements

14 Revenue Recognition

Revenue from contracts with customers

Sales are recognised when goods are supplied and control over the Goods sold is transferred to the buyer which is on despatch / delivery 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.

Other Operating Revenue

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.

Export Incentives are accrued when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with such incentives.

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.

Other Income

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 recognized 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) and Cashflow. The PLVR amount is related to actual improvement made in EVA or PBT and Cashflow 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 recognized immediately in Other Comprehensive Income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in Statement of Profit and Loss. When the benefits of a plan are changed or when a

Notes to the Standalone Financial Statements

plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in Statement of Profit and Loss. The Company recognizes 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 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 Foreign Exchange Transactions

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

Notes to the 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 gains 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.

21 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.

22 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 the Standalone Financial Statements

Note 3 : Property, Plant and Equipment

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, 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
Additions	-	-	15.23	58.04	0.42	2.86	1.86	0.70	0.27	79.38
Disposals / Adjustments	-	-	38.60	24.27	-	1.40	0.15	-	-	64.42
Balance as at March 31, 2019	0.52	23.07	719.22	696.72	21.35	31.61	16.12	21.46	0.97	1,531.04
Accumulated Depreciation										
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	-	(0.01)	0.45	(0.43)	-	0.21	0.07	-	(0.01)	0.28
Balance upto March 31, 2018	-	0.81	45.71	72.67	5.58	10.67	10.62	9.75	0.20	156.01
Additions	-	0.27	15.96	23.10	2.09	3.92	1.89	3.87	0.12	51.22
Disposals / Adjustments	-	-	1.50	2.09	-	0.93	0.13	-	-	4.65
Balance upto March 31, 2019	-	1.08	60.17	93.68	7.67	13.66	12.38	13.62	0.32	202.58
Net Carrying Amount										
Balance as at April 01, 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	22.26	696.88	590.28	15.35	19.48	3.79	11.01	0.50	1,360.07
Balance as at March 31, 2019	0.52	21.99	659.05	603.04	13.68	17.95	3.74	7.84	0.65	1,328.46

Notes :

1. Refer Note No 26 for disclosure of contractual commitments for the acquisition of Property, Plant and Equipment.
2. No Property, Plant and Equipment is pledged as security by the Company.
3. Additions to Property, Plant and Equipments includes ₹19.18 crore (previous year ₹0.18 crore) on account of Exchange Differences 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 - ₹ 88.90 crore (previous year- ₹ 90.40 crore)]
5. Addition to Accumulated Depreciation for Plant & Machinery includes provision for impairment of ₹ 0.27 crore (previous year Nil)

Notes to the Standalone Financial Statements

Note 3a : Investment Property

Amount ₹ in Crore

Particulars	Freehold Land	Buildings	Total
Gross Carrying Amount			
Balance as at April 01, 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
Additions	-	-	-
Disposals / Adjustments	-	(23.67)	(23.67)
Balance as at March 31, 2019	0.38	162.04	162.42
Accumulated Depreciation			
Balance upto April 01, 2017	-	4.14	4.14
Additions	-	2.59	2.59
Disposals / Adjustments	-	-	-
Balance upto March 31, 2018	-	6.73	6.73
Additions	-	2.30	2.30
Disposals / Adjustments	-	(1.45)	(1.45)
Balance upto March 31, 2019	-	10.48	10.48
Net Carrying Amount			
Balance as at April 01, 2017	0.38	125.82	126.20
Balance as at March 31, 2018	0.38	131.64	132.02
Balance as at March 31, 2019	0.38	151.56	151.94
Fair Value			
As at April 01, 2017	4.15	219.75	223.90
As at March 31, 2018	4.15	189.94	194.09
As at March 31, 2019	4.15	174.72	178.87

Notes :

- Information regarding income and expenditure of Investment Property

Amount ₹ in Crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018 (Restated)
Rental income derived from investment properties	7.98	9.05
Direct operating expenses	5.45	5.75
Gains arising from investment properties before depreciation	2.53	3.30
Less - Depreciation	0.85	2.59
Gains arising from investment properties	1.68	0.71

Notes to the Standalone Financial Statements

2. The Company's investment properties consist of 15 properties in India. The Management has determined that the investment property consists of two classes of assets - Land and Building - based on the nature, characteristics and risks of each property.
3. The Company has no restriction on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.
4. The fair valuation is based on current prices in the active market for similar properties. The main inputs 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 Amount ₹ in Crore

Particulars	Freehold Land	Buildings	Total
Opening balance as at April 01, 2017	4.15	219.75	223.90
Fair value differences	-	(38.22)	(38.22)
Purchases	-	8.41	8.41
Opening balance as at April 01, 2018	4.15	189.94	194.09
Fair value differences	-	(38.89)	(38.89)
Purchases / Transfer from Property, Plant & Equipments	-	23.67	23.67
Closing balance as at March 31, 2019	4.15	174.72	178.87

Note 3b : Other Intangible Assets

Amount ₹ in Crore

Particulars	Computer Software
Gross Carrying Amount	
Balance as at April 01, 2017	1.28
Additions	1.37
Disposals / Adjustments	-
Balance as at March 31, 2018	2.65
Additions	1.37
Disposals / Adjustments	-
Balance as at March 31, 2019	4.02
Accumulated Depreciation	
Balance upto April 01, 2017	0.38
Additions	0.49
Disposals / Adjustments	-
Balance upto March 31, 2018	0.87
Additions	0.78
Disposals / Adjustments	-
Balance upto March 31, 2019	1.65
Net Carrying Amount	
Balance as at April 01, 2017	0.90
Balance as at March 31, 2018	1.78
Balance as at March 31, 2019	2.37

Notes to the Standalone Financial Statements

Note 4 : Investments in Subsidiaries and Associate

Amount ₹ in Crore

Particulars	Note	Face Value	As at March 31, 2019		As at March 31, 2018 (Restated)	
			Number	Amount	Number	Amount
Investment in Equity Instruments (Fully Paid up unless stated otherwise)						
(a) Quoted Investments (at cost)						
(i) Subsidiaries						
Godrej Properties Limited		₹ 5	123,027,510	747.00	122,681,066	726.78
Godrej Agrovet Limited		a ₹ 10	111,666,300	340.48	111,357,225	325.64
(ii) Associate						
Godrej Consumer Products Limited		₹1	242,812,860	1,366.21	161,875,240	1,366.21
(b) Unquoted Investments (at cost)						
(i) Subsidiaries						
Ensemble Holdings & Finance Limited		b ₹ 10	6,574,597	23.19	6,574,597	23.19
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
Natures Basket Limited		c ₹ 10	445,830,000	443.79	369,230,000	367.19
Less : Provision for Impairment in the Value of Investment				(243.79)		-
				200.00		367.19
Godrej One Premises Management Private Limited*		₹ 10	1,400	0.00	1,400	0.00
				2,696.06		2,828.20
Aggregate Amount of Quoted Investments				2,453.68		2,418.63
Aggregate Amount of Unquoted Investments				486.17		409.57
Aggregate Amount of Impairment in Value of Investments				(243.79)		-
Market Value of Quoted Investments				32,389.68		33,687.03

* Amount less than ₹ 0.01 crore.

Notes

- a During the previous 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 (Refer Note No. 34)
- b The Board of Directors of the Company have approved the demerger of the Investment Business of Ensemble Holdings and Finance Limited (a subsidiary of the Company) into the Company and the related Scheme of Arrangement ('Scheme') between Ensemble Holdings and Finance Limited and the Company. The Scheme has been filed with NSE and BSE and the Company will proceed with other necessary formalities in this regard, pending which no effects have been given in these Standalone Financial Statements.
- c The Company has recorded an impairment loss of ₹ 243.79 crore on an investment in a subsidiary being the excess of its carrying amount over the estimated recoverable amount considering the current and future business outlook.(Refer Note No. 34)

Notes to the Standalone Financial Statements

Note 4a : Non Current Financial Assets - Other Investments

Amount ₹ in Crore

Particulars	Note	Face Value	As at March 31, 2019		As at March 31, 2018 (Restated)	
			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 the Standalone Financial Statements

Note 5 : Non Current Financial Assets - Loans

Amount ₹ in Crore

Particulars		As at March 31, 2019	As at March 31, 2018 (Restated)
1	Security Deposits		
(a)	Unsecured and Considered Good	3.05	3.24
(b)	Credit Impaired	0.95	0.95
	Less : Allowance for Bad and Doubtful Deposit	(0.95)	(0.95)
		-	-
2	Other Loans		
(a)	Credit Impaired (Refer note 2 below)	10.33	10.33
	Less : Allowance for Bad and Doubtful Loans	(10.33)	(10.33)
		-	-
(b)	Unsecured and Considered Good		
	Loans to employees	0.67	0.50
		3.72	3.74

Notes

- There are no loans which have significant increase in credit risk.
- The Company had advanced an amount of ₹ 10.33 crore to certain individuals who also pledged certain equity shares as security against the said advance. The Company has enforced its security and lodged the shares for transfer in its name. The said transfer application was rejected and Company has preferred an appeal to the Company Law Board (CLB). The CLB rejected the application and advised the parties to approach the High Court. The Company had filed an appeal before the Honorable High Court against the order of the Company Law Board under section 10 F of the Companies Act, 1956 which was disposed of with the direction to keep the transfer of shares in abeyance till the arbitration proceedings between the parties are on. The Honorable Bombay High Court passed an interim order dated September 18, 2012, restraining the Company from *inter alia*, dealing, selling or creating third party rights, etc. in the pledged shares and referred the matter to arbitration. The Company had filed a Special Leave Petition (SLP) before the Supreme Court against this interim order of the Honorable Bombay High Court which the Supreme Court has dismissed and the matter is presently before the Arbitrator. Pleadings have been completed and the Award is awaited.

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

Amount ₹ in Crore

Particulars		As at March 31, 2019		As at March 31, 2018 (Restated)	
		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	0.67	0.67	0.50	0.50

Notes to the Standalone Financial Statements

Note 6 : Non Current Financial Assets - Others

Amount ₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018 (Restated)
1 Bank Deposit with more than 12 months maturity	1.11	1.57
2 Fair Value of Derivative Contracts	-	0.86
3 Secured		
(a) Interest Accrued on Loans (Refer Note 1 below)	3.15	3.15
Provision for Doubtful Interest Accrued	(3.15)	(3.15)
	-	-
4 Unsecured		
(a) Interest Accrued on Loans	1.03	1.03
Provision for Doubtful Interest Accrued	(1.03)	(1.03)
	-	-
5 Balances with Statutory Authorities	9.79	9.66
	10.90	12.09

Note

- 1 Interest on loans referred to in sub note (2) 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, in view of uncertainty of realisation.

Note 7 : Deferred Tax Assets (Net)

Amount ₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018 (Restated)
1 Liabilities		
(a) Written Down Value of Assets	177.98	109.79
2 Assets		
(a) Provision for Employee Benefits	1.60	1.76
(b) Provision for Doubtful Debts / Advances	8.43	6.31
(c) Other Provisions	9.76	9.07
(d) Unabsorbed Depreciation	158.19	92.65
(e) Indexation benefit on Land	0.94	0.87
	178.92	110.66
Deferred Tax Assets (net) - (Refer note 36)	0.94	0.87

Note 8 : Other Non Current Assets

Amount ₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018 (Restated)
1 Capital Advances	15.91	13.65
2 Other Advances		
(a) Deposits with Statutory Authorities	2.67	2.62
	18.58	16.27

Notes to the Standalone Financial Statements

Note 9 : Inventories

Amount ₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018 (Restated)
1 Raw Materials [includes Goods in transit ₹ 33.72 crore (previous year ₹ 29.42 crore)]	134.50	124.69
2 Packing Material	2.91	4.35
3 Work in Progress	75.88	89.81
4 Finished Goods [includes Goods in transit ₹ 22.43 crore, (previous year ₹ 15.94 crore)]	78.24	72.26
5 Stock in Trade	0.32	0.02
6 Stores and Spares	9.01	8.78
	300.86	299.91

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

Amount ₹ in Crore

Particulars	Note	Face Value	As at March 31, 2019	As at March 31, 2018 (Restated)
1 Other Investment				
(a) Unquoted Investment				
Optionally Convertible Loan Notes/Promissory Notes				
Boston Analytics Inc. (15%)	a	\$ 7,50,000	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	\$ 9,50,000	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 the Standalone Financial Statements

Note 11 : Current Financial Assets - Trade Receivables

Amount ₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018 (Restated)
1 Secured and Considered Good (Refer Note below)	10.42	7.36
2 Unsecured and Considered Good	166.61	110.53
3 Trade Receivables having significant increase in credit risk	-	-
4 Credit Impaired	3.11	2.97
Less : Allowance for Bad and Doubtful Debt	(3.11)	(2.97)
	-	-
	<u>177.03</u>	<u>117.89</u>

Note

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

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

Amount ₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018 (Restated)
1 Balances with Banks		
(a) Current Accounts	483.18	59.88
(b) Deposits having maturity less than 3 months	30.38	0.80
2 Cheques, Drafts on Hand	0.27	-
3 Cash on Hand	0.35	0.35
	<u>514.18</u>	<u>61.03</u>

Note 12 b : Current Financial Assets - Other Bank Balances

Amount ₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018 (Restated)
1 Deposits with more than 3 months but less than 12 months maturity	0.96	13.36
2 Other Bank Balances (Refer Notes below)	1.15	0.55
	<u>2.11</u>	<u>13.91</u>

Notes

Other Bank Balances include :

- 1 Fixed Deposit of ₹ 0.19 crore (previous year ₹ 0.19 crore) held by the bank as security against guarantees issued.
- 2 Balance of ₹ 0.35 crore (previous year ₹ 0.33 crore) unclaimed dividends.

Notes to the Standalone Financial Statements

Note 13 : Current Financial Assets - Loans

Amount ₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018 (Restated)
1 Unsecured Loans		
(a) Inter Corporate Deposit		
Considered Good	-	-
Considered Doubtful	5.77	5.77
Provision for Doubtful Deposit	(5.77)	(5.77)
	-	-
(b) Current Maturity of Long term Loans		
Considered Good	0.17	0.17
Considered Doubtful *	0.00	0.00
Provision for Doubtful Loan *	0.00	0.00
	0.17	0.17
	0.17	0.17

* Amount less than ₹ 0.01 crore.

Note

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

Amount ₹ in Crore

Particulars	As at March 31, 2019		As at March 31, 2018 (Restated)	
	Maximum Balance During the Year	Amount outstanding	Maximum Balance During the Year	Amount outstanding
1 Loans to Employees	0.17	0.17	0.17	0.17
2 Inter Corporate Deposit				
Tricom India Limited	5.77	5.77	5.77	5.77

Note 14 : Current Financial Assets - Others

Amount ₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018 (Restated)
1 Other Receivables	13.41	23.09
2 Fair Value of Derivative Contracts	0.06	0.01
3 Forward Cover Contracts Receivable	-	0.90
4 Interest Accrued on Loans and Deposits	0.04	0.02
5 Export Benefits Receivables	0.30	13.20
	13.81	37.22

Notes to the Standalone Financial Statements

Note 15 : Other Current Assets

Amount ₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018 (Restated)
1 Deposits		
(a) Deposits with Statutory Authorities	22.61	36.63
(b) Other Deposits	2.60	2.47
	25.21	39.10
2 Other Advances		
(a) Advance to Suppliers		
Considered Good	7.58	12.38
Considered Doubtful	0.74	0.74
Provision for Doubtful Advances	(0.74)	(0.74)
	7.58	12.38
(b) Employee Advance	0.02	0.02
(c) Prepaid and other advances	20.08	17.89
3 Export Benefits Receivables	9.09	9.90
	61.98	79.29

Notes to the Standalone Financial Statements

Note 16 : Equity

Amount ₹ in Crore

Particulars	As at March 31, 2019		As at March 31, 2018 (Restated)	
	Nos	Amount ₹ in Crore	Nos	Amount ₹ in Crore
1 Authorised Share Capital				
(a) Equity shares of ₹ 1 each	800,000,000	80.00	800,000,000	80.00
(b) Unclassified Shares of ₹ 10 each	100,000,000	100.00	100,000,000	100.00
		180.00		180.00
2 Issued, Subscribed and Paid up Share Capital				
Equity Shares of ₹ 1 each fully paid up	336,384,367	33.64	336,272,731	33.63
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	336,272,731	33.63	336,139,786	33.61
Issued during the year	111,636	0.01	132,945	0.02
Number of Shares outstanding at the end of the year	336,384,367	33.64	336,272,731	33.63
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
(b) Shareholders holding more than 5% of Equity Shares in the Company:				
Vora Soaps Limited - NIL% (previous year 57.66%)	-	-	193,904,681	19.39
Rishad Kaikhushru Naoroji & Others (Partners of RKN Enterprises)- 12.66% (previous year 3.81%)	42,583,272	4.26	12,806,300	1.28
Godrej Foundation - 13.38% (previous year Nil)	45,014,972	4.50	-	-
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 31/03/18	-	-	2,075	0.00

Notes to the Standalone Financial Statements

Particulars	As at March 31, 2019		As at March 31, 2018 (Restated)	
	Nos	Amount ₹ in Crore	Nos	Amount ₹ in Crore
(b) Employee Stock Grant vesting on 31/05/18	-	-	109,052	0.01
(c) Employee Stock Grant vesting on 30/09/18	-	-	807	0.00
(d) Employee Stock Grant vesting on 30/11/18	-	-	3,454	0.00
(e) Employee Stock Grant vesting on 31/05/19	90,785	0.01	72,234	0.01
(f) Employee Stock Grant vesting on 31/05/20	50,655	0.01	31,758	0.00
(g) Employee Stock Grant vesting on 31/05/21	19,589	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 Vora Soaps Limited (VSL) with the Company 19,39,04,681 equity shares allotted as fully paid up to the Equity and Preference Shareholders of VSL.

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.

Notes

- 1 On December 14, 2018, the National Company Law Tribunal ("NCLT"), Mumbai bench vide its Order approved the Scheme of Amalgamation of Vora Soaps Limited (VSL) with the Company. Consequent to the said Order and filing of the final certified Orders with the Registrar of Companies, Maharashtra on December 24, 2018, the Scheme has become effective from the Appointed Date of December 14, 2017. According to the Scheme, the Company cancelled 19,39,04,681 equity shares held by VSL and issued 19,39,04,681 fully paid Equity Shares as a consideration to the Equity and Preference shareholders of Vora Soaps Limited. (Refer Note 46)
- 2 In the FY 2014-15, the Honourable Bombay High Court and High Court of Madhya Pradesh, Indore Bench, approved a Scheme of Amalgamation ("Scheme") of Wadala Commodities Limited (WCL) with the Company effective from April 1, 2014, being the appointed date. The Effective Date was November 21, 2014, being the date of filing the approval of the Respective High Courts with the ROC. Accordingly, the Company had issued 200,243 equity shares of the Company in lieu of the equity shares in WCL and 10 equity shares of the Company in lieu of the preference shares in WCL held by the shareholders of the erstwhile WCL and also issued 67,504 bonus equity shares of the Company to the non-promoter shareholders of the Company.

Notes to the Standalone Financial Statements

Note 17 : Other Equity

A Summary of Other Equity Balances

Amount ₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018 (Restated)
1 Capital Redemption Reserve	31.46	31.46
2 Securities Premium Account	912.76	943.70
3 Capital Reserve	24.32	24.32
4 Employee Stock Grants Reserve	5.69	6.20
5 General Reserve	52.70	52.70
6 Retained Earnings	571.12	723.10
	1,598.05	1,781.48

Refer Statement of Changes in Equity for detailed movement in Other Equity balances

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 Account. 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 account. This reserve is utilised in accordance with the Section 52 of The Companies Act, 2013.
- 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 the Standalone Financial Statements

Note 18 : Non Current Financial Liabilities - Borrowings

Amount ₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018 (Restated)
Unsecured Borrowings		
Term Loans		
(i) From Banks (Refer Note 1 below)	625.00	372.15
(ii) From Other Parties (Refer Note 2 below)	-	33.34
	625.00	405.49

Notes:

1. Unsecured Loans from Banks

Amount ₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018 (Restated)
Loan carried interest at Base Rate/ 1 Year MCLR for an original term upto 36 months and repayable starting December 2018 to June 2019.	-	25.00
Loan carried interest at 3 Month MCLR for an original term upto 36 months and repayable starting March 2019 to September 2019.	-	50.00
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.	62.50	93.75
Loan carries interest at 1 year MCLR for an original term upto 60 months and repayable starting June 2018 to March 2022.	45.00	67.50
Loan carries interest at 1 year MCLR for an original term upto 60 months and repayable starting July 2018 to April 2022.	17.50	28.44
Loan carried 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
Loan carried 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
Loan carried 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
Loan carried interest at LIBOR + 2.45% p.a., fixed under IRS at 4.39% p.a for an original term upto 60 months and repayable by July 2019.	-	13.67
Loan carries interest at 1 year MCLR for an original term upto 72 months and repayable starting March 2022 to March 2025	500.00	-

2. Unsecured Loans from Others

Amount ₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018 (Restated)
Loan carried interest at SBI Base Rate + 0.35% p.a. for an original term upto 60 months and repayable by March 2020.	-	16.67
Loan carried interest at SBI Base Rate + 0.35% p.a. for an original term upto 60 months and repayable by March 2020.	-	16.67

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

Notes to the Standalone Financial Statements

Note 19 : Non Current Provisions

Amount ₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018 (Restated)
Provision for Employee Benefits		
(a) Defined Benefit Obligation	7.43	5.55
(b) Other Long Term Benefit	1.30	1.49
	8.73	7.04

Note 20 : Current Financial Liabilities - Borrowings

Amount ₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018 (Restated)
1 Secured Borrowings		
(a) Loans Repayable on Demand		
(i) From Banks (Refer Note 1 below)	-	0.61
(b) Short Term Loans		
(i) From Banks (Refer Note 1 below)	10.00	-
2 Unsecured Borrowings		
(a) Loans Repayable on Demand		
(i) From Banks (Refer Note 2 below)	91.58	57.14
(b) Short Term Loans		
(i) From Banks (Refer Note 2 below)	1,245.00	1,010.00
(c) Other Loans		
(i) Commercial Papers (Refer Note 3 below)	940.00	615.00
	2,286.58	1,682.75

Notes:

- 1 Working capital facilities sanctioned by banks under consortium arrangement are secured by hypothecation of stocks and book debts, carries interest rate at 3 month MCLR+0.1% repayable by May 2019.

- 2 Unsecured Loans from Bank

Amount ₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018 (Restated)
Loan carries interest rate from 8.45%p.a. to 8.95p.a. repayable by April 2019	460.00	-
Loan carries interest rate at 1 month MCLR repayable by April 2019	55.00	-
Loan carries interest rate of 7.99%. repayable by May 2019	150.00	-
Loan carries interest rate at 1 month MCLR repayable by May 2019	100.00	-
Loan carries interest rate at 6month MCLR+0.05% repayable by May 2019	25.00	-
Loan carries interest rate at 3month MCLR repayable by May 2019	25.00	-
Loan carries interest rate at 3 month MCLR + 0.25 % p.a.repayable by May 2019	150.00	-
Loan carries interest rate at 6month MCLR repayable by June 2019	75.00	-
Loan carries interest rate at 6month+0.05% MCLR repayable by June 2019	155.00	-

Notes to the Standalone Financial Statements

Particulars	As at March 31, 2019	As at March 31, 2018 (Restated)
Loan carries interest rate at 6month+0.05% MCLR repayable by July 2019	50.00	-
Loan carried interest rate at 1 month MCLR repayable by April 2018		220.00
Loan carried interest rate at 1 month MCLR repayable by May 2018		260.00
Loan carried interest rate at 1 month MCLR repayable by June 2018		155.00
Loan carried interest rate at 3 month MCLR repayable by June 2018		160.00
Loan carried interest rate from 7.55%p.a. to 7.88p.a. repayable by June 2018		150.00
Loan carried interest rate at 3 month MCLR + 0.25 % p.a. repayable by June 2018		65.00
Loan carries interest at Base Rate repayable within 6 months	91.58	57.14

3 Commercial Papers

Amount ₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018 (Restated)
Commercial Papers carries interest at 7.16% p.a. to 7.58% p.a. repayable during the period April to June 2019.	940.00	-
Commercial Papers carried interest at 7.1% p.a. to 7.25% p.a. repayable during the period April to June 2018.	-	615.00

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

Note 21 : Current Financial Liabilities - Trade Payables

Amount ₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018 (Restated)
1 Trade Payables	-	-
(a) Outstanding dues of Micro and Small Enterprises (Refer Note 1 below)	8.43	8.86
(b) Others	276.47	280.04
2 Acceptances	68.88	63.39
	353.78	352.29

Note

- There are no Micro, Small and Medium Enterprises, to whom the Company owes dues (principal and/or interest), which are outstanding for more than 45 days as at the balance sheet date. During the year, there have been no payments made to Micro, Small and Medium Enterprises beyond 45 days. There were no amounts on account of interest due that were payable for the period where the principal has been paid but interest under the MSMED Act, 2006 not paid. Further, there were no amounts towards interest accrued that were remaining unpaid at the end of accounting year. Accordingly, there were no amounts due to further interest due and payable in the succeeding years. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

Notes to the Standalone Financial Statements

Note 22 : Current Financial Liabilities - Others

Amount ₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018 (Restated)
1 Current Maturities of Long Term Debts		
Unsecured		
(a) Term Loan from Bank	249.99	582.85
(b) Term Loan from Others	33.33	33.33
	<u>283.32</u>	<u>616.18</u>
2 Interest Accrued but not Due on Borrowings	4.45	6.83
3 Unclaimed Dividends	0.33	0.33
4 Unclaimed Matured Deposits		
(a) Principal Amount	0.48	0.84
(b) Interest accrued Thereon	0.03	0.06
	<u>0.51</u>	<u>0.90</u>
5 Others		
(a) Sundry Creditors	62.78	50.53
(b) Deposits	8.77	7.17
(c) Forward Cover Contracts Payable	4.81	-
(d) Other Payables	0.08	0.08
	<u>76.44</u>	<u>57.78</u>
	<u>365.05</u>	<u>682.02</u>

Note

- 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.

Note 23 : Other Current Liabilities

Amount ₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018 (Restated)
Advances from Customers	5.91	5.02
Statutory Liabilities	29.59	29.23
Other Liabilities	1.08	1.07
	<u>36.58</u>	<u>35.32</u>

Note 24 : Current Provisions

Amount ₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018 (Restated)
Provision for Employee Benefits		
(a) Defined Benefit Obligation	4.23	4.19
(b) Other Long Term Benefit	0.64	0.64
	<u>4.87</u>	<u>4.83</u>

Notes to the Standalone Financial Statements

Note 25 : Contingent Liabilities

Amount ₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018 (Restated)
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.	5.89	10.65
(b) Customs Duty demands relating to lower charge, differential duty, classification, etc.	2.63	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.	96.75	58.28
(g) Industrial relations matters under appeal.	0.52	0.47
(h) Others.	5.61	5.61
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.	33.11	26.88

Notes

- Detail of Guarantee given covered under section 186 (4) of the Companies Act, 2013 :
The Corporate surety bond of ₹ 33.11 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.

Note 26 : Commitments

Amount ₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018 (Restated)
1 Estimated amount of contracts remaining to be executed on capital account and not provided for, [Net of Advances amounting to ₹ 15.91 crore (previous year - ₹13.65 crore)]	6.95	12.25
2 Uncalled liability on partly paid shares / debentures (*)	0.00	0.00
3 Other Long Term Commitments Contracts for Purchase of Raw Material	113.90	75.43

* Amount less than ₹ 0.01 crore

Notes to the Standalone Financial Statements

Note 27 : Revenue From Operations

Amount ₹ in Crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018 (Restated)
1 Sale of Products (Refer Note 1 below)	1,762.92	1,751.97
2 Other Operating Revenues		
(a) Export Incentives	21.66	19.91
(b) Sale of Scrap	2.49	1.42
(c) Dividend Income (Refer Note 2 below)	341.49	198.74
(d) Rental Income	15.43	14.28
	2,143.99	1,986.32

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 period April 01, 2017 to June 30, 2017 is inclusive of Excise Duty and hence, total revenue from operations for the year ended March 31, 2019 and year ended March 31, 2018 are not comparable.
- Dividend Income has been disclosed under Revenue from Operations since Finance and Investments is an Operating Business Segment for the Company.
- Disaggregation of revenue from contracts with customers
The Company derives revenue from the sale of products in the following major segments:

Amount ₹ in Crore

Sale of Products	Year ended March 31, 2019	Year ended March 31, 2018 (Restated)
1 Chemicals Segment		
Domestic Sale	1,113.66	1,103.15
Export Sale	534.69	539.37
2 Vegoils Segment		
Domestic Sale	111.34	102.30
3 Other Segment - Wind Energy		
Domestic Sale	3.23	7.15
	1,762.92	1,751.97

- Reconciliation of revenue from Contracts with Customers

Amount ₹ in Crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018 (Restated)
Revenue from Contracts with Customers as per the contract price	1,769.41	1,756.47
Adjustments made to contract price on account of :-		
a) Discounts / Rebates / Incentives	(5.36)	(4.23)
b) Sales Returns /Credits / Reversals	(1.33)	-
c) Any other adjustments	0.20	(0.27)
Revenue from Contracts with Customers as per the statement of Profit and Loss	1,762.92	1,751.97

Notes to the Standalone Financial Statements

Note 28 : Other Income

Amount ₹ in Crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018 (Restated)
1 Interest Income	1.13	1.34
2 Profit on Sale of Property, Plant and Equipments (Net)	-	0.19
3 Profit on Sale of Current Investments	4.09	1.31
4 Miscellaneous Income	36.57	30.86
	41.79	33.70

Note 29 : Cost of Materials Consumed

Amount ₹ in Crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018 (Restated)
1 Raw Materials Consumed		
Inventory at the Commencement of the Year	124.69	107.93
Add : Purchases (Net)	1,244.30	1,247.05
	1,368.99	1,354.98
Less : Inventory at the Close of the Year	134.50	124.69
	1,234.49	1,230.29
2 Packing Materials Consumed		
Inventory at the Commencement of the Year	4.35	3.41
Add : Purchases (Net)	53.42	49.59
	57.77	53.00
Less : Inventory at the Close of the Year	2.91	4.35
	54.86	48.65
Total Material Consumed (1+2)	1,289.35	1,278.94

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

Amount ₹ in Crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018 (Restated)
1 Inventory at the Commencement 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
2 Inventory at the End of the Year		
Finished Goods	78.24	72.26
Stock in Trade	0.32	0.02
Work in Progress	75.88	89.81
	154.44	162.09
Changes in Inventories (1-2)	7.65	13.29

Notes to the Standalone Financial Statements

Note 31 : Employee Benefits Expenses

Amount ₹ in Crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018 (Restated)
1 Salaries and Wages	111.39	114.93
2 Contribution to Provident and Other Funds	8.09	7.80
3 Employee Share based payments	2.81	2.16
4 Staff Welfare Expense	7.88	8.66
	130.17	133.55

Note 32 : Finance Costs

Amount ₹ in Crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018 (Restated)
1 Interest Expense	220.09	198.09
2 Other Borrowing Costs	19.50	14.34
	239.59	212.43

Note 33 : Other Expenses

Amount ₹ in Crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018 (Restated)
1 Consumption of Stores and Spares	9.94	11.03
2 Power and Fuel	93.72	90.50
3 Processing Charges	6.54	5.88
4 Rent (Refer Note 1)	7.32	7.34
5 Rates and Taxes	5.05	5.55
6 Repairs and Maintenance		
(a) Machinery	11.56	13.51
(b) Buildings	12.92	9.58
(c) Other Assets	0.49	0.43
7 Insurance	1.76	1.75
8 Freight	50.19	43.38
9 Commission	7.38	4.82
10 Advertisement and Publicity	1.62	1.80
11 Selling and Distribution Expenses	12.45	13.37
12 Provision for Doubtful Debts and Advances	0.18	0.08
13 Loss on Foreign Exchange Translation	8.18	2.39
14 Loss on Sale of Fixed Assets	0.17	-
15 Research Expense	1.12	1.16
16 Legal and Professional fees	23.78	20.55
17 Auditor's Remuneration (Refer Note 2)	0.81	0.79
18 Miscellaneous Expenses	55.75	54.02
	310.93	287.93

Notes :

- Rental expenses amounting to ₹ 9.13 crore (previous year ₹ 9.13 crore) are netted off with rental income in respect of certain premises in the same building.

Notes to the Standalone Financial Statements

2 Auditor's Remuneration

Amount ₹ in Crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018 (Restated)
(a) Audit Fees	0.75	0.76
(b) Certification Fees	0.06	0.03
	0.81	0.79

Note 34 : Exceptional Items

Amount ₹ in Crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018 (Restated)
1 Profit on sale of Non Current Investments (Refer Note 4(a))	-	267.38
2 Provision for Impairment of Investment (Refer Note 4(c))	(243.79)	-
	(243.79)	267.38

Note 35 : Earnings Per Share

Particulars	Year ended March 31, 2019	Year ended March 31, 2018 (Restated)
1 Calculation of weighted average number of equity shares - Basic		
(a) Number of equity shares at the beginning of the year (in units)	336,272,731	336,139,786
(b) Number of equity shares issued during the year (in units)	111,636	132,945
(c) Number of equity shares outstanding at the end of the year (in units)	336,384,367	336,272,731
(d) Weighted average number of equity shares outstanding during the year (in units)	336,360,270	336,244,991
2 Calculation of weighted average number of equity shares - Diluted		
(a) Number of potential equity shares at the beginning of the year (in units)	336,484,969	336,482,336
(b) Number of potential equity shares at the end of the year (in units)	336,545,396	336,272,731
(c) Weighted average number of potential equity shares outstanding during the year (in units)	336,537,445	336,484,969
3 Profit / (Loss) for the Year (Amount ₹ in Crore)	(90.73)	241.51
(a) Basic Earnings Per Share of ₹ 1 each	(2.70)	7.18
(b) Diluted Earnings Per Share of ₹ 1 each	(2.70)	7.18

Notes to the Standalone Financial Statements

Note 36 : Income Tax Expense

Amount ₹ in Crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018 (Restated)
1 Tax Expense recognised in the Statement of Profit and Loss		
Current Income Tax	-	4.44
Deferred Income Tax Liability / (Asset), net		
Origination and reversal of temporary differences	18.79	19.68
Recognition of previously unrecognised tax losses	(18.86)	(17.91)
Deferred Tax Expense	(0.07)	1.77
Tax Liability of earlier years	-	9.16
Tax Expense For the Year	(0.07)	15.37
2 Amounts recognised in Other Comprehensive Income		
Items that will not be reclassified to Profit or Loss		
Remeasurements of defined benefit liability (asset)	(0.60)	(0.28)
	(0.60)	(0.28)
3 Reconciliation of effective tax rate		
Profit / (Loss) Before Tax	(90.80)	256.88
Tax using the Company's statutory tax rate	(31.73)	88.90
Tax effect of		
Income not subject to tax	(34.08)	(77.74)
Amounts which are not deductible for taxable income	1.62	0.70
Previously unrecognised tax losses and unabsorbed depreciation now recouped to reduce deferred tax expense	(18.86)	(17.91)
Deferred tax assets not recognized because realization is not probable	83.05	6.05
Additional tax paid on book profits	-	4.44
Current Tax pertaining to prior years	-	9.16
Others	(0.07)	1.77
	(0.07)	15.37

The applicable statutory tax rate for the years ended March 31, 2019 and March 31, 2018 is 34.95% and 34.61% respectively. The Company has not recognised Deferred tax assets on unused tax losses and unused tax credits 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, 2018	Recognised in Statement of Profit and Loss	Net balance March 31, 2019	Deferred tax asset March 31, 2019	Deferred tax liability March 31, 2019
Deferred tax asset					
Property, Plant and Equipment	(109.79)	(68.19)	(177.98)		(177.98)
Indexation benefit on land and shares	0.87	0.07	0.94	0.94	
Employee benefits	1.76	(0.16)	1.60	1.60	
Provision for Doubtful Debts / Advances	6.31	2.12	8.43	8.43	
Unabsorbed Depreciation	92.65	65.54	158.19	158.19	
Other provisions	9.07	0.69	9.76	9.76	
Net tax assets	0.87	0.07	0.94	178.92	(177.98)

Notes to the Standalone Financial Statements

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	
Tax assets (Liabilities)	2.65	(1.77)	0.87	110.66	(109.79)
Set off tax					
Net tax assets	2.65	(1.77)	0.87	110.66	(109.79)

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 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 Alternate Tax (MAT credit) of ₹ Nil crore (previous year ₹ 4.32 crores). The Company is not reasonably certain of availing the said MAT credit in future years against the normal tax expected to be paid in those years and accordingly has not recognised a deferred tax asset for the same.

5 Tax losses carried forward

Amount ₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018 (Restated)
Expiry date		
31/3/2020	-	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	139.33
31/3/2027	129.15	-
	627.40	528.44
Unabsorbed Depreciation never expires	702.31	434.21

Notes to the Standalone Financial Statements

6 Tax credit carried forward

Amount ₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018 (Restated)
Expiry date		
31/3/2020	-	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	6.01
31/3/2029	4.45	4.32
	57.75	68.54

Note 37 : Leases

Operating Leases Granted by the Company

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

Amount ₹ in Crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018 (Restated)
Lease Income Recognised in the Statement of Profit and Loss	10.48	8.96
Future Lease Income		
- Within one year	10.70	9.28
- Later than one year and not later than five years	14.01	21.33
- Later than five years	-	-

Lease Taken by the Company

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

Amount ₹ in Crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018 (Restated)
Lease Payment recognised in the Statement of Profit and Loss	7.32	7.34
Future Lease Commitments		
- Within one year	6.85	6.98
- Later than one year and not later than five years	18.24	19.23
- Later than five years	1.36	1.31

Notes to the Standalone Financial Statements

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 contributions.

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.

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, 2019.

Amount ₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018
Plan assets at period end, at fair value	109.82	110.40
Provident Fund Corpus	106.36	107.58

Valuation assumptions under Deterministic Approach:

Weighted Average Yield	8.72%
Weighted Average YTM	8.93%
Guaranteed Rate of Interest	8.65%

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.

Notes to the Standalone Financial Statements

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

The expected return on plan assets of 7.79% 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 ₹ 3.14 crore (previous year ₹ 2.96 crore) has been included in Note 31 Employee Benefits Expenses

ii) Defined Benefit Plan

Gratuity cost amounting to ₹ 1.8 crore (previous year ₹ 1.69 crore) has been included in Note 31 Employee Benefits Expenses.

Employer's Contribution to Provident Fund amounting to ₹ 1.58 crore (previous year ₹ 2.04 crore) has been included in Note 31 Employee Benefits Expenses.

Pension cost amounting to ₹ 0.11 crore (previous year ₹ 0.10 crore) has been included in Note 31 Employee Benefits Expenses.

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

Amount ₹ in Crore

Particulars	Gratuity		Pension	
	Year ended March 31, 2019	Year ended March 31, 2018 (Restated)	Year ended March 31, 2019	Year ended March 31, 2018 (Restated)
1 Change in Present Value of Obligation				
Present value of the obligation at the beginning of the year	35.07	36.69	0.53	0.53
Current Service Cost	1.39	1.44	-	-
Interest Cost	2.73	2.71	-	-
Contribution by Plan Participants				
Actuarial (Gain) / Loss on Obligation due to change in financial assumptions	(0.02)	(0.68)	0.17	0.10
Actuarial (Gain) / Loss on Obligation due to experience adjustments	0.29	0.93		
Benefits Paid	(4.40)	(6.02)	(0.16)	(0.10)
Present value of the obligation at the end of the year	35.06	35.07	0.54	0.53

Notes to the Standalone Financial Statements

Particulars	Gratuity		Pension	
	Year ended March 31, 2019	Year ended March 31, 2018 (Restated)	Year ended March 31, 2019	Year ended March 31, 2018 (Restated)
2 Change in Plan Assets				
Fair value of Plan Assets at the beginning of the year	29.73	33.33	-	-
Expected return on Plan Assets	2.31	2.46	-	-
Actuarial (Gain) / Loss on Plan Assets	0.32	0.04	-	-
Contributions by the Employer	-	-	-	-
Benefits Paid	(4.40)	(6.02)	-	-
Fair value of Plan Assets at the end of the year	27.32	29.73	-	-
3 Amounts Recognised in the Balance Sheet:				
Present value of Obligation at the end of the year	35.06	35.07	-	-
Fair value of Plan Assets at the end of the year	27.32	29.73	-	-
Net Obligation at the end of the year	7.74	5.34	-	-
4 Amounts Recognised in the statement of Profit and Loss:				
Current Service Cost	1.39	1.44	-	-
Interest cost on Obligation	2.73	2.71	-	-
Expected return on Plan Assets	(2.31)	(2.46)	-	-
Net Cost Included in Personnel Expenses	1.81	1.69	-	-
5 Amounts Recognised in Other Comprehensive Income (OCI):				
Actuarial (Gain) / Loss on Obligation For the Year	0.28	0.24		
Return on Plan Assets, Excluding Interest Income	0.32	0.04		
Net (Income) / Expense For the Period Recognised in OCI	0.60	0.28		
6 Actual Return on Plan Assets	1.99	2.42	-	-
7 Estimated Contribution to be made in Next Financial Year	3.41	3.38	-	-
8 Actuarial Assumptions				
i) Discount Rate	7.79% P.A.	7.78% P.A.	7.79% P.A.	7.78% P.A.
ii) Expected Rate of Return on Plan Assets	7.79% P.A.	7.78% 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 the Standalone Financial Statements

6 Sensitivity analysis

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

Particulars	Year ended March 31, 2019		Year ended March 31, 2018 (Restated)	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(1.59)	1.79	(1.62)	1.82
Future salary growth (1% movement)	1.80	(1.63)	1.83	(1.66)
Rate of employee turnover (1% movement)	0.19	(0.21)	0.19	(0.21)

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 from the date of reporting

Amount ₹ in Crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018 (Restated)
1 st following year	9.32	8.79
2 nd following year	2.72	2.97
3 rd following year	3.86	3.60
4 th following year	2.72	3.64
5 th following year	3.90	2.64
Thereafter	14.33	13.50

8 Details of Plan Assets

Amount ₹ in Crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018 (Restated)
ICICI Prudential Life Insurance	2.84	3.51
HDFC Standard Life Insurance	4.83	7.45
SBI Life Insurance	19.65	18.77
Total	27.32	29.73

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 the Standalone Financial Statements

ESOP I

Particulars	Year ended March 31, 2019		Year ended March 31, 2018 (Restated)	
	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
Options Granted During the Year	-	-	-	-
Options Exercised During the Year	-	-	158,250	405.75
Options Forfeited / Expired During the Year	-	-	46,000	409.16
Options Outstanding at the Year End	-	-	-	-

ESOP II

Particulars	Year ended March 31, 2019		Year ended March 31, 2018 (Restated)	
	No. of Options	Wt. average exercise price ₹ (*)	No. of Options	Wt. average exercise price ₹ (*)
Options Outstanding at the Beginning of the Year	-	-	-	-
Options Granted During the Year	-	-	-	-
Options Exercised During the Year	-	-	-	-
Options Forfeited / Expired During the Year	-	-	-	-
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 NIL).

The weighted average balance life of ESOP I options outstanding as on March 31, 2019 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 the Standalone Financial Statements

- (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, 2019:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018 (Restated)	Description of the Inputs used
Dividend yield %	0.31%	0.30%	Dividend yield of the options is based on recent dividend activity.
Expected volatility %	28%-31%	30%-32%	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 %	6.91% to 7.95%	6.54% to 6.80%	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	564.45	578	

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

Particulars	Year ended March 31, 2019	Year ended March 31, 2018 (Restated)	Weighted average Exercise Price (₹)	Weighted average Share Price (₹)
Options Outstanding at the Beginning of the Year	219,380	298,601		
Options Granted	58,767	103,828		
Options Vested	111,636	134,866		
Options Exercised	111,636	132,945	1.00	339.51
Options Lapsed / Forfeited	5,482	50,104		
Total Options Outstanding at the end of the year	161,029	219,380		

- (i) The weighted average exercise price of the options outstanding as on March 31, 2019 is ₹ 1 (previous year ₹ 1 per share) and the weighted average remaining contractual life of the options outstanding as on March 31, 2018 is 0.73 years (previous year 0.79 years)

Notes to the Standalone Financial Statements

Note 40: Related Party Information

a) Names of related parties and description of relationship

Parties where control exists

- 1 Vora Soaps Limited (Holding Co.) (up to 24.12.2018)
- 2 Godrej Agrovvet 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
 - 2.4 Godrej Tyson Foods Limited (w.e.f. March 27, 2019)
 - 2.5 Godrej Maxximilk Private Limited (w.e.f. March 27, 2019)

Joint Venture

- 2.6 ACI Godrej Agrovvet Private Limited, Bangladesh

Associates

- 2.7 Godrej Tyson Foods Limited (up to March 26, 2019)
- 2.8 Alrahba International Trading LLC, UAE
- 2.9 Godrej Maxximilk Private Limited (up to March 26, 2019)
- 3 Godrej Properties Limited - Subsidiary Co.
 - 3.1 Godrej Project Development Limited
 - 3.2 Godrej Buildcon Private Limited
 - 3.3 Godrej Garden City Properties Private Limited
 - 3.4 Godrej Home Developers Private Limited
 - 3.5 Godrej Hill Side Properties Private Limited
 - 3.6 Mahalunge Township Developers LLP (Erstwhile known as Godrej Land Developers LLP)
 - 3.7 Godrej Highrises Realty LLP
 - 3.8 Godrej Prakriti Facilities Private Limited
 - 3.9 Godrej Project Developers & Properties LLP
 - 3.10 Godrej Highrises Properties Private Limited
 - 3.11 Godrej Genesis Facilities Management Private Limited
 - 3.12 Prakritiplaza Facilities Management Private Limited
 - 3.13 City Star Infraprojects Limited
 - 3.14 Godrej Residency Private Limited

Notes to the Standalone Financial Statements

Note 40: Related Party Information (Contd.)

- 3.15 Godrej Skyview LLP
- 3.16 Godrej Green Properties LLP
- 3.17 Godrej Projects (Soma) LLP
- 3.18 Godrej Projects North LLP (Formerly Known as Godrej Projects (Bluejay) LLP)
- 3.19 Godrej Athenmark LLP
- 3.20 Godrej Vestamark LLP
- 3.21 Godrej Properties Worldwide Inc, USA
- 3.22 Suncity Infrastructures (Mumbai) LLP
- 3.23 Embellish Houses LLP
- 3.24 Godrej City Facilities Management LLP
- 3.25 Godrej Landmark Redevelopers Private Limited (up to March 19, 2019)
- 3.26 Godrej Skyline Developers Private Limited (effective from September 29, 2017)

Joint Venture

- 3.27 Godrej Realty Private Limited
- 3.28 Godrej Landmark Redevelopers Private Limited
- 3.29 Godrej Redevelopers (Mumbai) Private Limited
- 3.30 Wonder Space Properties Private Limited
- 3.31 Wonder City Buildcon Private Limited
- 3.32 Godrej Home Constructions Private Limited
- 3.33 Godrej Greenview Housing Private Limited
- 3.34 Wonder Projects Development Private Limited
- 3.35 Godrej Real View Developers Private Limited
- 3.36 Pearlite Real Properties Private Limited
- 3.37 Godrej Skyline Developers Private Limited
- 3.38 Godrej Green Homes Limited (effective from March 17, 2018)
- 3.39 Godrej Property Developers LLP
- 3.40 Mosiac Landmarks LLP
- 3.41 Dream World Landmarks LLP
- 3.42 Oxford Realty LLP
- 3.43 Godrej SSPDL Green Acres LLP
- 3.44 Oasis Landmarks LLP
- 3.45 M S Ramaiah Ventures LLP
- 3.46 Caroa Properties LLP
- 3.47 Godrej Constructions Projects LLP

Notes to the Standalone Financial Statements

Note 40: Related Party Information (Contd.)

- 3.48 Godrej Housing Projects LLP
- 3.49 Amitis Developers LLP
- 3.50 A R Landcraft LLP
- 3.51 Prakhhyat Dwellings LLP
- 3.52 Bavdhan Realty @ Pune 21 LLP
- 3.53 Godrej Highview LLP (effective from June 15, 2017)
- 3.54 Godrej Irismark LLP (effective from January 24, 2017)
- 3.55 Godrej Projects North Star LLP (formerly known as Godrej Projects (Century) LLP) (effective from September 27, 2017)
- 3.56 Godrej Developers & Properties LLP (effective from October 30, 2017)
- 3.57 Sai Srushti Onehub Projects LLP (effective from January 31, 2018)
- 3.58 Maan-Hinje Township Developers LLP (Formerly Known as Godrej Projects (Pune) LLP)
- 3.59 Manjari Housing Projects LLP (Formerly Known as Godrej Avamark LLP)
- 3.60 Ashank Macbricks Private Limited (effective August 3, 2018)
- 3.61 Suncity Infrastructures (Mumbai) LLP (effective October 10, 2018)
- 3.62 Mahalunge Township Developers LLP (formerly known as Godrej Land Developers LLP) (Classified as Joint Venture effective February 1, 2019)
- 3.63 Rosebery Estate LLP
- 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

11 Companies under common ownership

- 11.1 Godrej & Boyce Manufacturing Company Limited
- 11.2 Godrej Seeds & Genetics Limited

Notes to the Standalone Financial Statements

Note 40: Related Party Information (Contd.)

11.3 Godrej South Africa Pty Limited

11.4 Laboratoria Cuenca S.A.

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 (up to October 31, 2018)

12.7 Ms. Tejal Jariwala - Company Secretary (effective from November 12, 2018)

13 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

13.9 Ms. Rashmi Joshi (effective from March 15, 2019)

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

Notes to the Standalone Financial Statements

Note 40: Related Party Information (Contd.)

15.2 Godrej Investments Private Limited

15.3 Innovia Multiventures Private Limited

15.4 TAD Family Trust

16 Enterprises over which relative of key management personnel exercise significant influence

16.1 Shata Trading & Finance Private Limited

16.2 Shilawati Trading & Finance Private Limited

16.3 NG Family Trust

16.4 PG Family Trust

16.5 HNG Family Trust

16.6 Godrej Investment Advisers Private Limited

16.7 Godrej Housing Finance Limited

16.8 Mukteshwar Realty Private Limited

16.9 Karukachal Developers Private Limited

16.10 Eranthus Developers Private Limited

16.11 Praviz Developers Private Limited

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 the Standalone Financial Statements

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*	-	4.70	-	60.38	4.37	-	-	0.00	-	-	69.45
Previous Year*	-	3.78	-	36.08	5.76	-	-	0.00	-	-	45.62
Purchase of goods	-	1.08	-	10.49	-	-	-	-	-	-	11.57
Previous Year	-	-	-	16.00	-	-	-	-	-	-	16.00
Purchase of Fixed Assets	-	1.45	-	-	0.37	-	-	-	-	-	1.82
Previous Year	-	7.52	-	-	0.78	-	-	-	-	-	8.30
Commission / Royalty received	-	-	-	0.24	-	-	-	-	-	-	0.24
Previous Year*	-	-	-	0.20	-	-	-	-	-	-	0.20
Licence fees / Service charges / Storage Income	-	6.87	-	7.79	0.01	-	-	0.01	0.03	-	14.71
Previous Year	-	5.71	-	7.60	-	-	-	0.02	-	-	13.33
Other Income	-	0.70	-	0.45	-	-	-	0.09	-	-	1.24
Previous Year	-	0.64	-	0.54	-	-	-	0.05	-	-	1.23
Recovery of establishment & Other Expenses	0.03	19.17	-	33.01	5.51	-	-	2.79	-	-	60.51
Previous Year	0.06	17.52	-	32.00	4.67	-	-	3.60	-	-	57.85
Rent, Establishment & other exps paid	-	8.93	-	10.01	5.16	-	0.96	0.01	1.93	-	27.00
Previous Year	-	9.88	-	10.07	4.60	-	0.86	0.15	1.95	-	27.51
Dividend income	-	50.11	-	291.38	-	-	-	-	-	-	341.49
Previous Year	-	53.04	-	145.69	-	-	-	-	-	-	198.73
Dividend paid	33.93	-	-	-	-	0.43	3.01	0.32	0.72	-	38.41
Previous Year	33.93	-	-	-	-	0.84	3.64	-	-	-	38.41
Remuneration to Key Management Personal	-	-	-	-	-	-	-	-	-	-	-
Short term employee benefit	-	-	-	-	-	18.29	-	-	-	-	18.29
Post employment benefit	-	-	-	-	-	0.70	-	-	-	-	0.70
Share based payment	-	-	-	-	-	0.78	-	-	-	-	0.78
Previous Year	-	-	-	-	-	-	-	-	-	-	-
Short term employee benefit	-	-	-	-	-	15.52	-	-	-	-	15.52
Post employment benefit	-	-	-	-	-	0.65	-	-	-	-	0.65
Share based payment	-	-	-	-	-	0.76	-	-	-	-	0.76
Remuneration	-	-	-	-	-	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-	0.09	-	-	-	0.09
Purchase of Investments	-	76.60	-	-	-	-	-	-	-	-	76.60
Previous Year	-	62.00	-	-	-	-	-	-	-	-	62.00
Other Deposits accepted	-	0.26	-	0.26	-	-	-	-	-	-	0.52
Previous Year	-	0.38	-	1.51	-	-	-	-	-	-	1.89
Other Deposits refunded	-	0.01	-	0.12	-	-	-	-	-	-	0.13
Previous Year	-	-	-	0.25	-	-	-	-	-	-	0.25
Other Deposits - Advanced during the year	-	0.30	-	-	-	-	-	-	-	-	0.30
Previous Year	-	0.02	-	0.02	-	-	-	-	-	-	0.04
Other Deposits - Repayment received during the year	-	-	-	-	-	-	-	-	-	-	-
Previous Year	-	0.02	-	-	-	-	-	-	-	-	0.02
Directors Fees	-	-	-	-	-	0.52	-	-	-	-	0.52
Previous Year	-	-	-	-	-	0.47	-	-	-	-	0.47
Balance Outstanding as on March 31, 2019											
Receivables	-	5.78	-	8.47	1.00	-	-	0.05	-	-	15.30
Previous Year *	-	8.25	0.00	5.42	2.73	-	-	0.04	-	-	16.44
Payables	-	0.14	-	0.04	-	-	-	-	-	-	0.18
Previous Year	-	-	-	0.03	-	-	-	-	-	-	0.03
Guarantees outstanding	-	-	-	6.23	-	-	-	-	-	-	6.23
Previous Year	-	-	-	26.88	-	-	-	-	-	-	26.88

* Amount less than ₹ 0.01 crores

Notes to the Standalone Financial Statements

Note 41 : Fair Value Measurement

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

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

1 Accounting classification and fair values

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

Amount ₹ in Crore

As at March 31, 2019	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non-Current								
Investments								
Subsidiaries and Associates	-	-	2,696.06	2,696.06	-	-	-	-
Other Investments *	0.02	-	-	0.02	-	0.02	-	0.02
Loans								
Security Deposits	-	-	3.05	3.05	-	-	-	-
Loans to Employees	-	-	0.67	0.67	-	-	-	-
Other financial assets	-	-	10.90	10.90	-	-	-	-
Current								
Current investments	-	-	-	-	-	-	-	-
Trade receivables	-	-	177.03	177.03	-	-	-	-
Cash and cash equivalents	-	-	514.18	514.18	-	-	-	-
Other bank balances	-	-	2.11	2.11	-	-	-	-
Loans								
Others	-	-	0.17	0.17	-	-	-	-
Derivative asset	0.06	-	-	0.06	-	0.06	-	0.06
Other Current Financial Assets	-	-	13.75	13.75	-	-	-	-
	0.08	-	3,417.92	3,418.00	-	0.08	-	0.08
Financial liabilities								
Non-Current								
Borrowings	-	-	625.00	625.00	-	-	-	-
Current								
Borrowings	-	-	2,286.58	2,286.58	-	-	-	-
Trade and other payables	-	-	353.78	353.78	-	-	-	-
Derivative liabilities	4.81	-	-	4.81	-	4.81	-	4.81
Other financial liabilities	-	-	360.24	360.24	-	-	-	-
	4.81	-	3,625.60	3,630.41	-	4.81	-	4.81

Notes to the Standalone Financial Statements

Amount ₹ in Crore

As at March 31, 2018 (Restated)	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non-Current								
Investments								
Subsidiaries and Associates	-	-	2,828.20	2,828.20	-	-	-	-
Other Investments *	0.02	-	-	0.02	-	0.02	-	0.02
Loans								
Security Deposits	-	-	3.24	3.24	-	-	-	-
Loans to Employees	-	-	0.50	0.50	-	-	-	-
Derivative asset	0.86	-	-	0.86	-	0.86	-	0.86
Other financial assets	-	-	11.23	11.23	-	-	-	-
Current								
Current investments	-	-	-	-	-	-	-	-
Trade receivables	-	-	117.89	117.89	-	-	-	-
Cash and cash equivalents	-	-	61.03	61.03	-	-	-	-
Other bank balances	-	-	13.91	13.91	-	-	-	-
Loans								
Others	-	-	0.17	0.17	-	-	-	-
Derivative asset	0.91	-	-	0.91	-	0.91	-	0.91
Other Current Financial Assets	-	-	36.31	36.31	-	-	-	-
	1.79	-	3,072.48	3,074.27	-	1.79	-	1.79
Financial liabilities								
Non-Current								
Borrowings	-	-	405.49	405.49	-	-	-	-
Current								
Borrowings	-	-	1,682.75	1,682.75	-	-	-	-
Trade and other payables	-	-	352.29	352.29	-	-	-	-
Derivative liabilities	-	-	-	-	-	-	-	-
Other financial liabilities	-	-	682.02	682.02	-	-	-	-
	-	-	3,122.55	3,122.55	-	-	-	-

* 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 credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

Notes to the Standalone Financial Statements

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.

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.

Notes to the Standalone Financial Statements

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

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

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

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

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

Amount ₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018 (Restated)
More than 6 Months	3.85	2.66
Others	173.18	115.23
	177.03	117.89

The movement in Provision for Doubtful Debts is as follows:

Amount ₹ in Crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018 (Restated)
Opening Provision for Doubtful Debts	2.97	2.89
Impairment loss recognised	0.14	0.08
Closing Provision for Doubtful Debts	3.11	2.97

Bank Balances.

Bank Accounts are maintained with Banks having high credit ratings

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.

Notes to the Standalone Financial Statements

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, 2019	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	625.00	847.96	27.73	27.58	115.59	514.71	162.35
Current Borrowings	2,286.58	2,299.54	2,299.54	-	-	-	-
Current maturities of long term borrowings	283.32	292.04	242.63	49.41	-	-	-
Trade and other payables	353.78	353.78	346.02	7.76	-	-	-
Other financial liabilities	81.73	81.73	81.73	-	-	-	-
Derivative financial liabilities							
Interest rate swaps	-	-	-	-	-	-	-

Amount ₹ in Crore

As at March 31, 2018 (Restated)	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	352.29	352.29	311.84	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	-	-

4 Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates – 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 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.

Notes to the Standalone Financial Statements

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

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

Amount ₹ in Crore

As at March 31, 2019	USD	EURO	GBP	AED
Financial assets				
Current				
Trade Receivables	108.06	2.41	0.19	-
Less : Forward Contracts for Trade Receivables	(28.01)	-	-	-
	80.05	2.41	0.19	-
Financial liabilities				
Non-Current				
Borrowings	87.49	-	-	-
Less: Forward contracts	(21.85)	-	-	-
	65.64	-	-	-
Current				
Trade and other payables	224.42	10.62	-	-
Other financial liabilities	0.32	-	-	-
Less: Forward contracts for Trade Payables	(91.77)	(10.24)	-	-
	132.97	0.38	-	-

Amount ₹ in Crore

As at March 31, 2018 (Restated)	USD	EURO	GBP	AED
Financial assets				
Current				
Trade Receivables	102.81	3.00	-	0.01
Less : Forward Contracts for Trade Receivables	(49.73)	-	-	-
	53.08	3.00	-	0.01
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	-	-

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. 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.

Notes to the Standalone Financial Statements

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

INR	Year-end spot rate	
	As at March 31, 2019	As at March 31, 2018 (Restated)
USD 1	69.15	65.18
EUR1	77.64	80.82
GBP1	90.60	92.26
AED1	18.86	18.94

Sensitivity analysis

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

Amount ₹ in Crore

Particulars	As at March 31, 2019		As at March 31, 2018 (Restated)	
	Profit or (loss) Strengthening	and Equity Weakening	Profit or (loss) Strengthening	and Equity Weakening
USD - 3% Movement	(3.56)	3.56	-	-
USD - 1% Movement	-	-	(8.42)	8.42
EUR - 2% Movement	0.04	(0.04)	-	-
EUR - 4% Movement	-	-	(0.32)	0.32
GBP - 2% Movement*	0.00	(0.00)	-	-
AED - 1% Movement*	-	-	0.00	(0.00)
	(3.52)	3.52	(8.74)	8.74

* Amount less than ₹ 0.01 crore

(ii) Interest rate risk

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

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

Exposure to interest rate risk

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

Amount ₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018 (Restated)
Fixed rate borrowings	2,367.82	1,704.54
Variable rate borrowings	827.08	999.88
	3,194.90	2,704.42

Notes to the Standalone Financial Statements

Fair value sensitivity analysis for fixed-rate instruments

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

Cash flow sensitivity analysis for variable-rate instruments

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

Amount ₹ in Crore

Particulars	Profit or (loss) and Equity	
	100 bp increase	100 bp decrease
As at March 31, 2019		
Variable-rate instruments	(8.27)	8.27
Interest rate swaps	0.87	(0.87)
Cash flow sensitivity (net)	(7.40)	7.40
As at March 31, 2018 (Restated)		
Variable-rate instruments	(10.00)	10.00
Interest rate swaps	2.47	(2.47)
Cash flow sensitivity (net)	(7.53)	7.53

Note 43 : Capital Management

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

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

Amount ₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018 (Restated)
Non-Current Borrowings	625.00	405.49
Current Borrowings	2,286.58	1,682.75
Current maturity of long term debt	283.32	616.18
Gross Debt	3,194.90	2,704.42
Less - Cash and Cash Equivalents	(514.18)	(61.03)
Less - Other Bank Balances	(2.11)	(13.91)
Less - Current Investments	-	-
Adjusted Net debt	2,678.61	2,629.48
Total Equity	1,631.69	1,815.11
Adjusted Net Debt to Equity ratio	1.64	1.45

Notes to the 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, 2019	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	0.06	-	0.06	-	-	0.06
Total	0.06	-	0.06	-	-	0.06

Amount ₹ in Crore

As at March 31, 2018 (Restated)	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

Offsetting arrangements

Derivatives

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

Note 45 : Dividend On Equity Shares

Amount ₹ in Crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018 (Restated)
(a) Proposed Dividend *	38.69	58.87
(₹ 1.15 per share (115%) (Previous Year ₹ 1.75 per Share (175%))		
	38.69	58.87

(*) 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, 2019, the tax liability with respect to the dividends proposed is ₹7.95 crores (March 31, 2018 : ₹ 12.10 crore).

Notes to the Standalone Financial Statements

Note 46 : Amalgamation of Vora Soaps Limited with the Company

On December 14, 2018, the National Company Law Tribunal ("NCLT"), Mumbai bench vide its Order approved the Scheme of Amalgamation of Vora Soaps Limited (VSL) with the Company. Consequent to the said Order and filing of the final certified Orders with the Registrar of Companies, Maharashtra on December 24, 2018, the Scheme has become effective from the Appointed Date of December 14, 2017.

The Financial Statements for the previous year ended March 31, 2018 have been restated pursuant to the wordings of the Scheme with effect from the Appointed date of December 14, 2017.

The effects of restatement on the Total Comprehensive Income, Equity and Cash flows have been given in the tables below.

(a) Purchase Consideration

The Company has issued 19,39,04,681 fully paid Equity Shares as a consideration to the Equity and Preference shareholders of Vora Soaps Limited.

(b) Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition

	₹ in Crore
Particulars	Amount
Non Current Investment	11,588.71
Non Current Other financial assets	1.54
Current Investments	12.78
Cash and cash equivalents	0.27
Other Bank Balance	20.00
Fair value of assets acquired	11,623.30
Other Financial Liabilities	20.00
Other current liability	0.09
Current and deferred tax liabilities	0.06
Fair value of liabilities acquired	20.15
Deferred tax Impact	-
Total identifiable net assets acquired	11,603.15

(c) Goodwill / (Capital Reserve)

₹ in Crore

Particulars	Amount
Fair Value of Consideration	11,588.71
Less: Net Identifiable Assets Acquired	11,603.15
Capital Reserve	(14.44)

(d) Reconciliation of Total Comprehensive Income

₹ in Crore

Particulars	Amount
Net Profit after Tax as reported for previous year	241.12
Interest Income from 14 th December 17 to 31 st March 18	0.27
Other Expense from 14 th December 17 to 31 st March 18	(0.04)
Income Tax	(0.12)
Total Comprehensive Income restated for previous year	241.23

Notes to the Standalone Financial Statements

(e) Reconciliation of Equity

₹ in Crore

Particulars	Amount
Equity as reported for previous year	1,800.56
Capital Reserve on merger	14.44
Surplus for the period 14 th December 17 to 31 st March 18	0.11
Equity restated for previous year	1,815.11

(f) Reconciliation of Cash Flow

₹ in Crore

Particulars	Amount
Net Cash flow from Operating Activities	(0.13)
Net Cash flow from Investing Activities	0.81
Net Cash flow from Financing Activities	-
Net Increase in Cash and Cash Equivalent	0.68
Cash & Cash equivalents Acquired during the year	0.28
Cash and Cash Equivalent as on April 1, 2017	60.07
Cash and Cash equivalents restated for previous year	61.03

Note : 47

Managerial Remuneration to the directors paid for the current year ended March 31, 2019 exceeded the permissible limits as prescribed under section 197 read with Schedule V of the Companies Act, 2013 by ₹ 7.96 crore. The Company is in the process of obtaining approval from its shareholders at the forthcoming annual general meeting for such excess remuneration paid. Managerial Remuneration paid for the previous year ended March 31, 2018 exceeded the permissible limits as prescribed under Schedule V of the Companies Act 2013 by ₹ 7.48 crore (March 31, 2017 ₹ 4.54 crore). Post notification of Section 67 of the Companies (Amendment) Act, 2017 (which corresponds to Section 197 of the Companies Act, 2013), the Company has obtained approval of the shareholders by a special resolution for payment of the excess remuneration.

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 these 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 standalone financial statements as on the balance sheet date.

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

A. B. Godrej
 Chairman
 DIN : 00065964

N. B. Godrej
 Managing Director
 DIN : 00066195

Vijay Mathur
 Partner
 M.No. : 046476

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

Clement Pinto
 Chief Financial Officer

Tejal Jariwala
 Company Secretary

Mumbai, May 13, 2019

FORM AOC-1

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES / LIMITED LIABILITY PARTNERSHIPS / ASSOCIATES / JOINT VENTURES AS PER THE COMPANIES ACT, 2013

Part "A" : Subsidiaries/ Limited Liability Partnerships

Amount in ₹ Crore

Sr. No.	Name of Subsidiary Company /Limited Liability Partnership	Reporting Currency	Exchange Rate	Accounting Period	Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investments	Turnover (Refer Note (b) below)	Profit before taxation	Profit/ (Loss) after taxation	Proposed Dividend	% of Holding	Country	
1	Godrej Agrovet Limited	INR	1.00	2018-19	192.03	1,198.85	2,891.12	1,500.24	547.40	4,344.60	307.49	99.61	207.88	86.41	58.15%	India
2	Godvet Agrochem Limited	INR	1.00	2018-19	9.95	1.99	19.18	7.24	-	-	0.63	0.04	0.59	-	100%	India
3	Asfec Lifesciences Limited	INR	1.00	2018-19	19.55	182.91	461.09	258.62	0.49	430.90	55.79	20.11	35.69	2.93	57.67%	India
4	Astec Europe SpA	EURO	77.70	2018-19	0.11	(0.13)	0.06	0.08	-	-	0.01	-	0.01	-	50.10%	Belgium
5	Behram Chemicals Private Limited	INR	1.00	2018-19	0.60	0.34	0.96	0.02	-	-	0.10	0.03	0.07	-	65.63%	India
6	Comercializadora Agricola Agrostrachem Cia Ltda	COP	0.02	2018-19	0.01	(0.10)	0.00	0.10	-	-	(0.00)	-	(0.00)	-	100%	Columbia
7	Creamline Dairy Products Limited	INR	1.00	2018-19	11.32	194.82	405.58	199.43	-	1,161.12	20.04	7.09	12.95	3.40	51.90%	India
8	Nagavalli Milkline Private Limited	INR	1.00	2018-19	2.01	(0.10)	1.95	0.04	-	-	(0.00)	-	(0.00)	-	100%	India
9	Godrej Tyson Foods Limited	INR	1.00	2018-19	0.20	186.29	282.59	96.10	-	486.74	6.68	2.72	3.96	-	51%	India
10	Godrej Maxmill Private Limited	INR	1.00	2018-19	0.80	1.17	30.15	28.18	-	2.90	(6.43)	(1.58)	(4.85)	-	63%	India
11	Natures Basket Limited	INR	1.00	2018-19	445.83	(444.15)	157.36	155.68	0.31	341.07	(78.28)	-	(78.28)	-	100%	India
12	Godrej One Premises Management Private Limited	INR	1.00	2018-19	0.01	-	5.10	5.09	-	31.77	-	-	-	-	58.00%	India
13	Godrej International Limited	USD	69.15	2018-19	14.76	106.79	124.73	3.18	-	7.42	4.45	-	4.45	-	100%	Isle of Man
14	Godrej International Trading & Investment PTE Limited	USD	69.15	2018-19	4.43	18.86	91.59	68.30	-	324.22	6.76	0.96	5.80	-	100%	Singapore
15	Ensemble Holdings & Finance Limited	INR	1.00	2018-19	6.57	140.59	147.20	0.04	128.84	3.30	3.24	(12.92)	16.16	-	100%	India
16	Godrej Properties Limited	INR	1.00	2018-19	114.66	2,354.35	8,092.74	5,623.73	2,637.15	3,221.98	348.20	95.05	253.16	-	54.25%	India
17	Godrej Projects Development Limited	INR	1.00	2018-19	0.23	68.38	1,239.54	1,170.93	313.72	1,421.81	98.61	37.87	60.74	-	100%	India
18	Godrej Garden City Properties Private Limited	INR	1.00	2018-19	0.05	7.29	27.79	20.45	21.64	19.50	2.12	0.63	1.49	-	100%	India
19	Godrej Hillside Properties Private Limited	INR	1.00	2018-19	0.41	(0.31)	0.11	0.01	0.11	0.01	(0.01)	-	(0.01)	-	100%	India
20	Godrej Home Developers Private Limited	INR	1.00	2018-19	0.41	(0.30)	0.12	0.01	0.12	0.01	(0.01)	-	(0.01)	-	100%	India
21	Godrej Prakriti Facilities Private Limited	INR	1.00	2018-19	0.01	0.55	10.09	9.53	-	4.44	0.23	0.06	0.17	-	100%	India
22	Prakritipiazza Facilities Management Private Limited	INR	1.00	2018-19	0.01	0.00	0.70	0.69	-	0.03	0.00	0.00	0.00	-	100%	India
23	Godrej Highrises Properties Private Limited	INR	1.00	2018-19	0.01	(0.13)	95.87	95.99	-	(0.21)	(0.05)	(0.16)	-	100%	India	
24	Godrej Geness Facilities Management Private Limited (Refer Note (a) below)	INR	1.00	2018-19	0.01	0.41	4.03	3.61	-	4.17	0.07	0.02	0.05	-	100%	India
25	Citystar Infra Projects Limited	INR	1.00	2018-19	0.05	(0.07)	0.36	0.38	-	-	(0.01)	-	(0.01)	-	100%	India
26	Godrej Residency Private Limited	INR	1.00	2018-19	0.00	(0.02)	0.00	0.02	-	-	(0.02)	-	(0.02)	-	100%	India
27	Godrej Highrises Realty LLP (Refer Note (a) below)	INR	1.00	2018-19	0.00	(0.43)	3.29	3.72	-	-	(0.41)	-	(0.41)	-	100%	India
28	Godrej Project Developers & Properties LLP	INR	1.00	2018-19	0.00	(0.02)	0.60	0.62	-	-	(0.00)	-	(0.00)	-	100%	India
29	Godrej Skyview LLP (Refer Note (a) below)	INR	1.00	2018-19	0.00	(0.02)	0.00	0.02	-	0.01	(0.01)	-	(0.01)	-	100%	India
30	Godrej Green Properties LLP (Refer Note (a) below)	INR	1.00	2018-19	0.00	(0.01)	0.00	0.00	-	-	(0.01)	-	(0.01)	-	100%	India
31	Maan-Hinge Township Developers LLP (formerly known as Godrej Projects (Pune) LLP) (Considered as subsidiary till January 31, 2019)	INR	1.00	2018-19	-	-	-	-	-	-	(0.01)	-	(0.01)	-	100%	India
32	Godrej Projects (Soma) LLP (Refer Note (a) below)	INR	1.00	2018-19	0.00	(0.01)	0.00	-	-	-	(0.01)	-	(0.01)	-	100%	India
33	Godrej Projects North LLP (formerly known as Godrej Projects (Bluejay) LLP) (Refer Note (a) below)	INR	1.00	2018-19	0.00	(0.01)	0.00	0.01	-	-	(0.01)	-	(0.01)	-	100%	India
34	Godrej Athermark LLP (Refer Note (a) below)	INR	1.00	2018-19	0.00	(0.03)	0.27	0.30	-	-	(0.02)	-	(0.02)	-	100%	India
35	Godrej Vastanmark LLP (Refer Note (a) below)	INR	1.00	2018-19	0.00	(0.40)	43.52	43.91	-	-	(0.39)	-	(0.39)	-	100%	India
36	Manjari Housing Projects LLP (formerly known as Godrej Avamark LLP) (Upto January 31, 2019)	INR	1.00	2018-19	-	-	-	-	-	-	(0.01)	-	(0.01)	-	100%	India
37	Manalunge Township Developers LLP (formerly known as Godrej Land Developers LLP) (Upto January 31, 2019)	INR	1.00	2018-19	-	-	-	-	-	-	(0.01)	-	(0.01)	-	100%	India
38	Godrej Landmark Redevelopers Private Limited (w.e.f. March 20, 2019) (Refer Note (a) below)	INR	1.00	2018-19	0.05	98.52	254.83	156.26	57.48	(13.08)	(1.35)	(0.91)	(0.44)	-	100%	India
39	Godrej City Facilities Management LLP (w.e.f. March 18, 2019)	INR	1.00	2018-19	0.00	(0.01)	0.00	0.01	-	-	(0.01)	-	(0.01)	-	100%	India
40	Emberish Houses LLP (w.e.f. February 13, 2019)	INR	1.00	2018-19	0.00	(0.01)	0.00	0.01	-	-	(0.01)	-	(0.01)	-	100%	India
41	Godrej Properties Worldwide Inc., USA	INR	1.00	2018-19	3.36	(0.24)	3.12	0.00	-	0.00	(0.35)	-	(0.35)	-	100%	USA

Amount in 0.00 are less than ₹ 0.01 crore.

Percentage holding in LLPs denotes the Share of Profit in the LLPs

- (a) Subsidiary of Godrej Projects Development Limited
- (b) Turnover Includes Revenue from Operations and Other Income

Part "B" : Associates / Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures.

Sr. No.	Name of Joint Venture Company/ Limited Liability Partnership/ Associates	Latest audited Balance Sheet Date	Shares of Joint Ventures / Associates held by the company on the year end		Description of how there is significant influence	Reason why associate/ joint venture is not consolidated	Net worth attributable to Shareholding as per latest audited Balance Sheet	Profit/Loss for the year		Not Considered in Consolidation
			No of Share	Amount of Investment in Joint Venture				Extend of Holding %	Considered in Consolidation	
1	Godrej Consumer Products Limited	31.03.2019	242812860	1366.2	23.75%		NA	1725.89	513.22	
2	ICI Godrej Agrovet Private Limited	31.03.2019	1800000	12.49	50%		NA	53.27	5.33	
3	Omniore India Capital Trust	31.03.2018	2156.87 Units	22.57	10.12%	The Company participates in the key activities jointly with the Investment Manager.	NA	17.03	6.81	
4	AI Rahaba International Trading Limited Liability Company	31.03.2017	24	0.04	24%		NA	4.98	-	
5	Godrej Realty Private Limited	31.03.2019	884850	5.52	51%		NA	0.53	(0.37)	
6	Godrej Landmark Redevelopers Private Limited (Upto March 14, 2019)	31.03.2019	0	-	-		NA	-	50.51	
7	Godrej Redevelopers (Mumbai) Private Limited	31.03.2019	28567	4.44	51.00%		NA	(2.30)	(2.65)	
8	Wonder Space Properties Private Limited	31.03.2019	114191	1.78	25.10%		NA	1.52	(0.17)	
9	Wonder City Buldocon Private Limited	31.03.2019	810420	1.61	25.10%		NA	(2.08)	(0.53)	
10	Godrej Home Constructors Private Limited	31.03.2019	1071770	2.18	25.10%		NA	(6.79)	(6.25)	
11	Godrej Greenview Housing Private Limited	31.03.2019	1264560	1.37	20%		NA	(4.66)	(1.86)	
12	Wonder Projects Development Private Limited	31.03.2019	1070060	1.45	20%		NA	(1.02)	(1.89)	
13	Godrej Real View Developers Private Limited	31.03.2019	1306000	2.25	20%		NA	(1.28)	(2.96)	
14	Pearlite Real Properties Private Limited	31.03.2019	3871000	4.19	49%		NA	(6.77)	(6.74)	
15	Godrej Skyline Developers Private Limited	31.03.2019	260000	0.26	26%		NA	4.38	(3.51)	
16	Godrej Green Homes Limited	31.03.2019	355384	79.38	50%		NA	139.54	(0.25)	
17	Ashank Macbricks Private Limited (w.e.f. July 31, 2018)	31.03.2019	1000	0.00	20%		NA	(0.01)	(0.01)	
18	Godrej Property Developers LLP	31.03.2019	NA	0.00	32%	through % of holding and Voting rights	NA	0.02	(0.01)	
19	Mosaic Landmarks LLP	31.03.2019	NA	0.11	1%	through % of holding and Voting rights	NA	10.53	0.03	
20	Dream World Landmarks LLP	31.03.2019	NA	0.04	40%	through % of holding and Voting rights	NA	6.86	12.73	
21	Oxford Realty LLP	31.03.2019	NA	0.00	35%	through % of holding and Voting rights	NA	(13.51)	(4.79)	
22	Godrej SSPDL Green Acres LLP	31.03.2019	NA	0.05	37%	through % of holding and Voting rights	NA	(2.47)	1.00	
23	Oasis Landmarks LLP	31.03.2019	NA	0.00	38%	through % of holding and Voting rights	NA	0.00	11.09	
24	M/S Ramaiah Ventures LLP	31.03.2019	NA	1.01	49.50%	through % of holding and Voting rights	NA	0.94	0.02	
25	Caro Properties LLP	31.03.2019	NA	0.04	35%	through % of holding and Voting rights	NA	(4.75)	(4.75)	
26	Godrej Construction Projects LLP	31.03.2019	NA	0.00	34%	through % of holding and Voting rights	NA	(1.54)	(0.79)	
27	Godrej Housing Projects LLP	31.03.2019	NA	0.01	50%	through % of holding and Voting rights	NA	4.46	(2.37)	
28	Amits Developers LLP	31.03.2019	NA	0.05	46%	through % of holding and Voting rights	NA	(2.69)	(0.99)	
29	A R Landcraft LLP	31.03.2019	NA	0.10	40%	through % of holding and Voting rights	NA	5.43	(10.13)	
30	Prakhvat Dwellings LLP	31.03.2019	NA	0.00	42.50%	through % of holding and Voting rights	NA	(0.11)	(0.14)	
31	Bavchan Realty @ Pune 21 LLP	31.03.2019	NA	0.00	45%	through % of holding and Voting rights	NA	0.00	(0.00)	
32	Godrej Highview LLP	31.03.2019	NA	4.80	40%	through % of holding and Voting rights	NA	(7.35)	(6.23)	
33	Godrej Iisimark LLP	31.03.2019	NA	0.01	50%	through % of holding and Voting rights	NA	0.13	(0.13)	
34	Godrej Projects North Star LLP	31.03.2019	NA	0.01	55%	through % of holding and Voting rights	NA	0.03	(0.03)	
35	Godrej Developers & Properties LLP	31.03.2019	NA	0.00	37.50%	through % of holding and Voting rights	NA	(0.01)	(2.60)	
36	Rosberry Estate LLP	31.03.2019	NA	0.00	49%	through % of holding and Voting rights	NA	36.95	(0.02)	
37	Suncity Infrastructures (Mumbai) LLP (w.e.f. October 10, 2018)	31.03.2019	NA	0.01	50%	through % of holding and Voting rights	NA	0.00	(0.00)	
38	Manjar Housing Projects LLP (formerly known as Godrej Avamark LLP) (w.e.f. February 01, 2019)	31.03.2019	NA	205.00	40%	through % of holding and Voting rights	NA	205.00	0.00	
39	Maan-Hinge Township Developers LLP (formerly known as Godrej Projects Pune) LLP (w.e.f. February 01, 2019)	31.03.2019	NA	89.00	40%	through % of holding and Voting rights	NA	89.00	(0.00)	
40	Maralunge Township Developers LLP (formerly known as Godrej Land Developers LLP) (w.e.f. February 01, 2019)	31.03.2019	NA	200.00	40%	through % of holding and Voting rights	NA	200.00	(0.00)	
41	Sai Srushti Onehub Projects LLP (Profit sharing % upto November 22, 2018 was 75%)	31.03.2019	NA	0.01	21.70%	through % of holding and Voting rights	NA	(4.49)	(4.50)	

Amount in 0.00 are less than ₹ 0.01 crore.

Percentage holding in LLPs denotes the Share of Profit in the LLPs

- (a) Subsidiary of Godrej Projects Development Limited
- (b) Turnover Includes Revenue from Operations and Other Income

For and on behalf of the Board of Directors of

Godrej Industries Limited

CIN No. : L24241MH1988PLC097781

A. B. Godrej
Chairman
DIN : 00066195

N. B. Godrej
Managing Director
DIN : 00066195

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

Clement Pinto
Chief Financial Officer

Tejal Jariwala
Company Secretary

Mumbai, May 13, 2019



Godrej Industries Limited

CIN: L24241MH1988PLC097781

Registered Office: Godrej One, Pirojshanagar, Eastern Express Highway,
Vikhroli (East), Mumbai - 400079, Maharashtra

Tel.: 022 - 2518 8010; Fax: 022- 2518 8066;

E-mail: investor@godrejinds.com; Website: www.godrejindustries.com

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies
(Management and Administration) Rules, 2014]

Name of the Member(s):		E-mail id:	
Registered address:		Folio No. / *DP id and Client id:	

*Applicable for investors holding shares in electronic form

I/We, being the Member(s) of Godrej Industries Limited ("the Company"), holding _____ Equity Shares, hereby appoint:

1	Name:		E-mail Id:	
	Address:		Signature:	

Or failing him

2	Name:		E-mail Id:	
	Address:		Signature:	

Or failing him

3	Name:		E-mail Id:	
	Address:		Signature:	

as my / our proxy and whose signature(s) are appended above to attend and vote (on a Poll) for me / us on my / our behalf at the 31ST (THIRTY FIRST) ANNUAL GENERAL MEETING of the Company to be held on Tuesday, August 13, 2019 at 4.00 p.m. at the Auditorium, "Godrej One", Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai - 400079, Maharashtra and at any adjournment(s) thereof in respect of such resolutions as are indicated overleaf:

Resolutions No.	Description
Ordinary Business	
1.	Adoption of Audited Financial Statements (both Standalone and Consolidated) of the Company for the Financial Year ended March 31, 2019 and the Board's Report and Statutory Auditor's Report thereon
2.	Declaration of Final Dividend on Equity Shares for the Financial Year 2018-19
3.	Appointment of Mr. Jamshyd Godrej (DIN: 00076250) as a Director, liable to retire by rotation, who has offered himself for re-appointment
4.	Appointment of Ms. Tanya Dubash (DIN: 00026028) as a Director, liable to retire by rotation, who has offered herself for re-appointment
Special Business	
5.	Approval for waiver of excess managerial remuneration paid to Ms. Tanya Dubash (DIN: 00026028), Whole Time Director of the Company
6.	Approval for waiver of excess managerial remuneration paid to Mr. Nitin Nabar (DIN: 06521655), Whole Time Director of the Company
7.	Appointment of Ms. Rashmi Joshi (DIN: 06641898) as an Independent Director of the Company
8.	Appointment of Dr. Ganapati Yadav (DIN: 02235661) as an Independent Director of the Company
9.	Appointment of Mr. Mathew Eipe (DIN: 00027780) as an Independent Director of the Company
10.	Re-appointment of Mr. Keki Elavia (DIN: 00003940) as an Independent Director of the Company
11.	Re-appointment of Mr. Kavas Petigara (DIN: 00066162) as an Independent Director of the Company
12.	Ratification of Remuneration of M/s. R. Nanabhoy & Co., Cost Accountants appointed as the "Cost Auditors" of the Company for the Financial Year 2019-20

Signature of Member _____

Affix
Revenue
Stamp

Signature of Proxy _____

Signed this _____ day of _____, 2019

Notes:

1. A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote on a poll instead of himself / herself and such Proxy need not be a Member of the Company. A person can act as a Proxy on behalf of not more than 50 (fifty) Members and holding in aggregate, not more than 10% (Ten per cent) of the total share capital of the Company. Members holding more than 10% (Ten per cent) of the total share capital of the Company may appoint a single person as Proxy, who shall not act as a Proxy for any other person / Member. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable. A proxy so appointed shall not have any right to speak at the Meeting.

2. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 (Forty Eight) hours before the commencement of the Annual General Meeting.

3. The Proxy Holder is required to carry an identity proof at the time of attending the Meeting.



Godrej Industries Limited

CIN: L24241MH1988PLC097781

Registered Office: Godrej One, Pirojshanagar, Eastern Express Highway,
Vikhroli (East), Mumbai - 400079, Maharashtra

Tel.: 022 - 2518 8010; Fax: 022- 2518 8066;

E-mail: investor@godrejinds.com; Website: www.godrejindustries.com

ATTENDANCE SLIP

Name of the Member(s):	
Address:	
Name of the Proxy holder/ Authorised Representative*:	
Folio No. / #DP id and Client id:	
No. of Equity Shares held:	

*To be filled in by the Proxy in case he/she attends instead of the Equity Shareholder.

#Applicable for investors holding shares in electronic form

I/We hereby record my/our presence at the **31ST (THIRTY FIRST) ANNUAL GENERAL MEETING** of Godrej Industries Limited held on Tuesday, August 13, 2019 at 4.00 p.m. at the Auditorium, Godrej One, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai – 400 079, Maharashtra.

Member's / Proxy's / Representative's Signature

(To be signed at the time of handing over this slip)

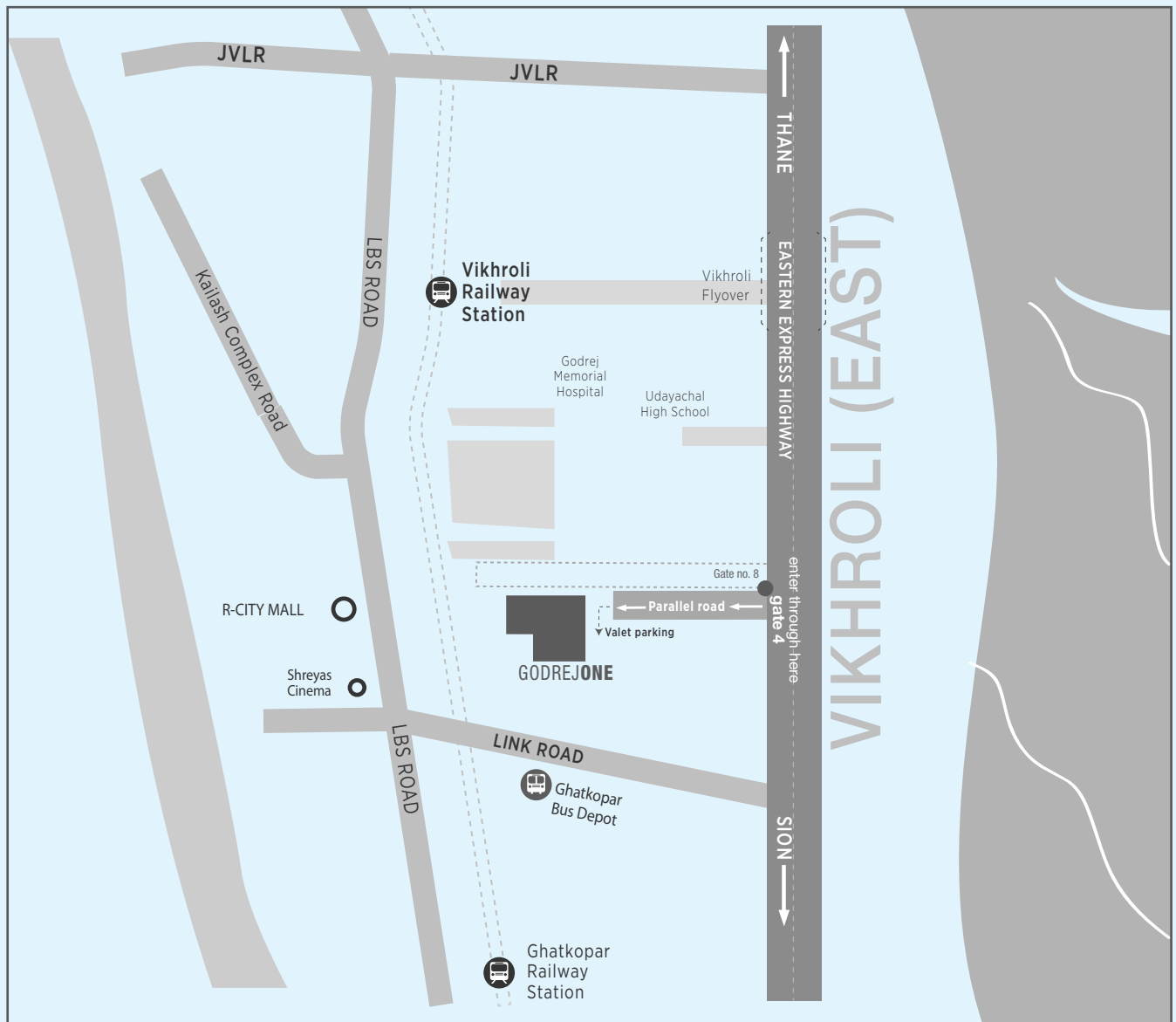
Notes:

1. Members attending the Meeting in person or by Proxy or through authorized representative are requested to complete and bring the attendance slip with them and hand it over at the entrance of the Meeting hall.
2. Member / Proxy holder who desires to attend the Meeting should bring his/her copy of the Notice for reference at the Meeting.
3. Joint shareholders may obtain additional attendance slip at the venue of the Meeting.
4. The map to reach the Meeting venue is given overleaf.

VENUE OF AGM

Auditorium, "Godrej One",
Pirojshanagar, Eastern Express Highway,
Vikhroli (East), Mumbai 400 079.

Note : The Company has arranged for a bus service to the venue from Vikhroli railway station (East). The bus will pick you up near the railway station, from Opp. Bus depot at 3.30 p.m. A drop back facility will also be available.





Godrej Industries Ltd.

www.godrejindustries.com

Printed at Quarterfold Printabilities

This Annual Report is printed on Eco-Friendly Paper

