CONSOLIDATED FINANCIALS AND AUDITORS' REPORT

Independent Auditors' Report

To the Members of
Godrej Agrovet Limited

Report on the consolidated Ind AS financial statements

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

Management's responsibility for the consolidated Ind AS financial statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss 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) prescribed under Section 133 of the Act, read with the relevant rules issued thereunder. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and joint ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the Group and of its associates and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditors' responsibility

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

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

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

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

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

Basis for qualified opinion

During the year ended 31 March 2017, the Company had paid remuneration to its Managing Director which is in excess of the limits given under section 197 read with Schedule V of the Companies Act, 2013 by ₹ 8,661.10 Lakh. Pending approval from the Central Government, impact thereof on the consolidated Ind AS financial statements is not currently ascertainable. Refer Note 56 to the consolidated Ind AS financial statements.

Qualified Opinion

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

Emphasis of matters

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

i. Note 54 to the consolidated Ind AS financial statements wherein the Honorable High Court of the Judicature at Bombay had approved a Scheme of Arrangement whereby the assets and liabilities of the transferor companies (Godrej Oil Palm Limited, Godrej Gokarna Oil Palm Limited and Cauvery Palm Oil Limited) have been taken over and recorded at their book values as on 1 April 2011. Amortisation amounting to ₹ 425.12 Lakh for the years ended 31 March 2018 and 31 March 2017, on Intangible Assets taken over as per the Scheme is charged against the balance in the General Reserve Account of the Company. Had this amount been charged to the consolidated Ind AS statement of profit and loss, the profit for the year ended 31 March 2018 and 31 March 2017 would have been lower by ₹ 276.77 Lakh and ₹ 277.99 Lakh respectively.

ii. Note 52 to the consolidated Ind AS financial statements wherein the Honorable High Court of Judicature at Bombay had approved a Scheme of Arrangement whereby the assets and liabilities of the transferor company (Goldmuhor Agrochem & Feeds Limited) have been taken over and recorded at their book values as on 01 October 2013. An amount of ₹ 2,000 Lakh has been transferred from the General Reserve Account and used to increase the Reserve for Employee Compensation Expenses, of which ₹ 1,986 Lakh has been utilised in the year ended 31 March 2017. Had the Scheme not prescribed this treatment, the profit for the year ended 31 March 2017 would have been lower by ₹ 1,986 Lakh.

iii. Note 53 to the consolidated Ind AS financial statements wherein the Honorable High Court of the Judicature at Bombay had approved a Scheme for the Reduction of Capital (Securities Premium Account). As per the Scheme an amount of ₹ 11,004 Lakh has been transferred from the Securities Premium account and used to create the reserve for Employee Compensation expenses, of which ₹ 389.81 Lakh has been utilised in the year ended 31 March 2017. Had the Scheme not prescribed this treatment, the profit for the year ended 31 March 2017 would have been lower by ₹ 389.81 Lakh.

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

Other matters

(a) The comparative financial information of the Group, its associates and joint ventures for the year ended 31 March 2017, prepared in accordance with Ind AS, included in these consolidated Ind AS financial statements have been audited by the predecessor auditor who had audited the financial statements for the relevant period. The report of the predecessor auditor on the comparative financial information dated 12 May 2017, had expressed a modified opinion (modification as more fully explained in the Basis for qualified opinion paragraph and which continues to apply to the accompanying consolidated Ind AS financial statements for the year ended 31 March 2018).

(b) We did not audit the financial statements of three subsidiaries included in the consolidated Ind AS financial statements, whose financial statements reflect total assets of ₹ 2,514.34 Lakh as at 31 March 2018, total revenues of ₹ 172.83 Lakh and net cash outflows amounting to ₹ 2.50 Lakh for 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 of ₹ 631.06 Lakh for the year ended 31 March 2018, in respect of one joint ventures and one associate whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the Consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint ventures and our report in terms of sub-section (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, joint venture and associate is based solely on the reports of the other auditors.

(c) We did not audit the financial statements/ financial information of two subsidiaries included in the Consolidated Ind AS financial statements, whose financial statements reflect total assets of ₹ 10.02 Lakh as at 31 March 2018, total revenues of ₹ Nil and net cash outflows amounting to ₹ 2.18 Lakh 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 of ₹ 479.36 Lakh for the year ended 31 March 2018, in respect of one joint ventures and one associate whose financial statements have not been audited by us. These financial statements/ financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint ventures and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, joint venture and associate is based solely on such unaudited financial statements/ financial information. In our opinion and according to the information and explanations given to us by the management, these financial statements/ financial information are not material to the Group.

Our opinion above on the consolidated Ind AS financial statements, and our report on other legal and regulatory requirements below, is not qualified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and financial statements/ financial information certified by the Management.

Report on other legal and regulatory requirements

1. As required by Section 143 (3) of the Act, based on our audit and on the consideration of report of other auditors on separate financial statements and other financial information of subsidiaries, joint

ventures and associates, as noted in the 'Other matter' paragraph (b) and (c) above, we report, to the extent applicable, that:

(a) we have sought and obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

(b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS 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), and the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) in our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules thereunder;

(e) on the basis of the written representations received from the directors of the Holding Company as on 31 March 2018 taken on record by the Board of Directors of the Holding Company and the report 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 associates and joint ventures incorporated in India, are disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

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

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

i. the consolidated Ind AS financial statements disclosed the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures – Refer Note 46 to the consolidated Ind AS financial statements;

ii. provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 25 to the consolidated Ind AS financial statements in respect of such items as it relates to the Group, its associates and joint ventures;

iii. there are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and joint ventures incorporated in India during the year ended 31 March 2018; and

iv. the disclosures in the consolidated Ind AS financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018 However amounts as appearing in the audited consolidated Ind AS financial statements for the year ended 31 March 2017 have been disclosed. Refer Note 61 to the consolidated Ind AS financial statements.

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

Koosai Lehery
Partner
Membership No: 112399

Mumbai
14 May 2018

Annexure A to the Independent Auditors' Report – 31 March 2018

(Referred to in our report of even date)

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31 March 2018, we have audited the internal financial controls with reference to the consolidated Ind AS financial statements of Godrej Agrovet Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies incorporated in India (the Holding Company and its subsidiary companies incorporated in India together referred to as "the Group") and its associate company and jointly controlled company incorporated in India and to whom the internal financial reporting is applicable, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, the subsidiary companies, the associate company and jointly controlled company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with respect to financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to consolidated Ind AS financial statements.

Meaning of Internal Financial Controls with reference to consolidated Ind AS financial statements

A Holding Company's internal financial control with reference to consolidated Ind AS 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 Holding Company's internal financial control with reference to consolidated Ind AS 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 authorizations of management and directors of the Company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to consolidated Ind AS financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated Ind AS 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 Ind AS financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding company, its subsidiary companies, its associate company and jointly controlled company, which are companies incorporated in India and to whom the internal financial reporting is applicable, have, in all material respects, an adequate internal financial controls system with reference to consolidated Ind AS financial statements and such internal financial controls with reference to consolidated Ind AS financial statements were operating effectively as at 31 March 2018, based on the internal controls with reference to consolidated Ind AS 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.

Other matters

Our aforesaid report under clause (i) of sub-section 3 of Section 143 of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated Ind AS financial statements insofar as it relates to three subsidiary companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not qualified in respect of this matter.

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

Koosai Lehery
Partner
Membership No: 112399

Mumbai
14 May 2018

Balance Sheet

as at March 31, 2018

(₹ in lakh)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
ASSETS			
(I) Non-current assets			
(a) Property, plant and equipment	2	1,24,754.63	1,22,205.19
(b) Capital work-in-progress		18,984.59	5,020.80
(c) Goodwill		19,486.72	19,486.72
(d) Other intangible assets	3	4,952.75	5,587.78
(e) Intangible assets under development		56.26	23.42
(f) Biological assets other than bearer plants	4	426.17	466.98
(g) Equity accounted investees	5 (a)	19,522.47	17,544.99
(h) Financial assets			
(i) Investments	5 (b) & (c)	1.15	0.93
(ii) Trade receivables	6	-	-
(iii) Loans	7	1,376.98	1,497.85
(iv) Others	8	148.44	491.94
(i) Deferred tax assets		654.87	678.05
(j) Other tax assets (net)		320.08	1,426.67
(k) Other non-current assets	9	5,701.82	4,841.01
Total non-current assets		**1,96,386.93**	**1,79,272.33**
(II) Current assets			
(a) Inventories	10	76,285.59	73,806.86
(b) Financial assets			
(i) Trade receivables	11	63,151.68	52,194.99
(ii) Cash and cash equivalents	12	2,985.18	5,381.95
(iii) Bank balances other than (ii) above	13	197.29	847.75
(iv) Loans	14	1,469.18	2,284.57
(v) Others	15	2,183.91	1,390.29
(c) Other current assets	16	12,587.51	6,264.53
Total current assets		**1,58,860.34**	**1,42,170.94**
TOTAL ASSETS		**3,55,247.27**	**3,21,443.27**
EQUITY AND LIABILITIES			
(I) Equity			
(a) Equity share capital	17	19,202.87	18,513.09
(b) Other equity	18	1,21,934.11	82,364.97
Equity attributable to equity holders of the parent		**1,41,136.98**	**1,00,878.06**
Non-controlling interests		26,927.73	25,406.75
Total equity		**1,68,064.71**	**1,26,284.81**
(II) Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	1,414.46	2,055.81
(ii) Other financial liabilities	20	-	3,532.71
(b) Provisions	21	643.74	501.50
(c) Deferred tax liabilities (net)		17,302.80	16,633.63
(d) Other non-current liabilities	22	1,404.59	1,523.69
Total non-current liabilities		**20,765.59**	**24,247.34**
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	38,866.30	63,925.24
(ii) Trade payables	24	95,501.49	84,084.61
(iii) Other financial liabilities	25	22,696.07	16,761.73
(b) Other current liabilities	26	4,687.78	3,565.28
(c) Provisions	27	3,201.77	2,574.26
(d) Current tax liabilities (net)		1,463.56	-
Total current liabilities		**1,66,416.97**	**1,70,911.12**
TOTAL EQUITY AND LIABILITIES		**3,55,247.27**	**3,21,443.27**

The notes 1 to 66 form an integral part of the financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number 101248W/W-100022

KOOSAI LEHERY
Partner
Membership Number: 112399
Mumbai, May 14, 2018

For and on behalf of the Board of Directors of Godrej Agrovet Limited
CIN:L15410MH1991PLC135359

N. B. GODREJ
Chairman
DIN: 00066195

B.S.YADAV
Managing Director
DIN: 00294803

S. VARADARAJ
Chief Financial Officer
ICAI Membership No. 047959

VIVEK RAIZADA
Company Secretary
ICSI Membership No. ACS 11787

Statement of Profit and Loss

for the year ended March 31, 2018

(₹ in lakh)

	Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
I.	Revenue from operations	28	5,20,591.21	4,92,640.18
II.	Other income	29	3,181.39	5,899.96
III.	**TOTAL INCOME**		**5,23,772.60**	**4,98,540.14**
IV.	**Expenses**			
	Cost of materials consumed	30	3,79,047.40	3,61,965.02
	Purchases of stock-in-trade	31	17,081.35	18,362.75
	Changes in inventories of finished goods, stock under cultivation, work in progress and stock-in-trade	32	(766.47)	(1,276.54)
	Excise duty		2,038.69	1,531.51
	Employee benefits expense	33	27,634.20	23,274.89
	Finance costs	34	4,531.33	8,634.18
	Depreciation and amortization expenses	35	8,592.45	7,466.48
	Other expenses	36	51,252.36	44,981.34
	TOTAL EXPENSES		**4,89,411.31**	**4,64,939.63**
V.	**Profit before exceptional items, tax and share of equity accounted investees**		**34,361.29**	**33,600.51**
	Share of profit of equity-accounted investees, net of tax		1,607.99	1,855.76
VI.	**Profit before exceptional items and tax**		**35,969.28**	**35,456.27**
VII.	Exceptional items (refer note 59 and 54(ii))		1,205.00	2,000.00
VIII.	**Profit before tax**		**37,174.28**	**37,456.27**
IX.	**Tax expense:**		**12,070.48**	**10,164.51**
	1. Current tax		**11,075.27**	**7,608.45**
	- for current year		11,157.65	7,406.47
	- for earlier years		(82.38)	201.98
	2. Deferred tax		**995.21**	**2,556.06**
	-for current year		995.21	2,556.06
X.	**Profit for the year**		**25,103.80**	**27,291.76**
XI.	**Other comprehensive income**			
	(A) Items that will not be reclassified to profit or loss			
	Remeasurements of defined benefit liability		(479.78)	(393.56)
	Equity accounted investee's share of other comprehensive income		(98.67)	(23.69)
	Income tax related to items that will not be reclassified to profit or loss		170.77	144.41
			(407.68)	**(272.84)**
	(B) Items that will be reclassified to profit or loss			
	Exchange difference on translation of financial statements of foreign operations		(42.42)	5.67
	Effective portion of gains/(losses) on hedging instruments in cash flow hedges		(350.43)	315.17
	Income tax related to items that will be reclassified to profit or loss		121.28	(109.07)
			(271.57)	**211.77**
	Other comprehensive income for the year		**(679.25)**	**(61.07)**
XII.	**Total comprehensive income for the year (X + XI)**		**24,424.55**	**27,230.69**
	Profit attributable to:			
	Equity holders of the company		22,920.90	24,881.68
	Non-controlling interest		2,182.90	2,410.08
			25,103.80	**27,291.76**
XIII.	**Other comprehensive income is attributable to :**			
	Equity holders of the company		(620.50)	(25.70)
	Non-controlling interests		(58.75)	(35.37)
			(679.25)	**(61.07)**
XIV.	**Total comprehensive income is attributable to :**			
	Equity holders of the company		22,300.40	24,855.98
	Non-controlling interests		2,124.15	2,374.71
			24,424.55	**27,230.69**
XV.	**Earnings per equity share (Nominal value of ₹ 10 each, fully paid-up)**	37		
	Basic (₹)		12.02	12.55
	Diluted (₹)		12.02	12.01

The notes 1 to 66 form an integral part of the financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number 101248W/W-100022

KOOSAI LEHERY
Partner
Membership Number: 112399
Mumbai, May 14, 2018

For and on behalf of the Board of Directors of Godrej Agrovet Limited
CIN:L15410MH1991PLC135359

N. B. GODREJ
Chairman
DIN: 00066195

B.S.YADAV
Managing Director
DIN: 00294803

S. VARADARAJ
Chief Financial Officer
ICAI Membership No. 047959

VIVEK RAIZADA
Company Secretary
ICSI Membership No. ACS 11787

Statement of Cash Flows

for the year ended March 31, 2018

(₹ in lakh)

	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
A.	**Cash flow from operating activities :**		
	Net profit before taxes	**37,174.28**	**37,456.27**
	Adjustment for:		
	Depreciation	8,592.46	7,466.48
	Profit on sale of property, plant and equipment	158.44	238.07
	Profit on sale of investments (net)	(17.96)	(2,763.43)
	Unrealised foreign exchange gain/loss	(92.47)	(110.45)
	Dividend income	-	(0.04)
	Grant amortisation	(149.29)	(116.22)
	Interest income	(349.69)	(1,480.10)
	Employee share based compensation cost	-	87.66
	Share of equity-accounted investees, net of tax	(1,607.99)	(1,855.76)
	Finance cost	4,531.33	8,634.18
	Allowances for doubtful debts and advances	688.37	420.62
	Liabilities no longer required written back	(380.52)	(233.02)
	Exceptional income/others	(1,205.00)	(1,983.69)
	Inventory lost due to fire	262.90	-
	Employee stock options expense	42.52	-
	Bad debts written off	820.57	799.23
		11,293.67	**9,103.53**
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**48,467.95**	**46,559.80**
	Adjustments for:		
	Inventories	(3,469.46)	(7,524.99)
	Biological assets other than bearer plants	40.81	419.83
	Trade receivables	(12,260.96)	(8,168.37)
	Current / non-current financial assets- loans	1,701.44	14,090.51
	Current / non-current financial assets- others	(197.67)	4,386.97
	Other current / non-current assets	(6,648.38)	3,493.50
	Trade payables and acceptances	11,512.00	50,957.65
	Current / non-current provisions	280.70	1,075.35
	Current / non-current financial liabilities- others	3,166.90	(7,198.57)
	Other current / non-current liabilities	1,164.44	(365.55)
		(4,710.18)	**51,166.33**
	CASH GENERATED FROM OPERATIONS	**43,757.77**	**97,726.13**
	Direct taxes paid (net of refunds received)	(8,373.77)	(7,995.77)
	NET CASH FLOW FROM OPERATING ACTIVITIES	**35,384.00**	**89,730.36**
B.	**Cash flow from investing activities :**		
	Acquisition of property, plant and equipment	(24,613.79)	(20,489.75)
	Proceeds from sale of property, plant and equipment	138.24	998.44
	Intercorporate deposits given	(783.70)	3,000.00
	Purchase of investments	(566.08)	(241.89)

Statement of Cash Flows

for the year ended March 31, 2018

(₹ in lakh)

	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
	Proceeds from sale of investments	17.96	8,685.70
	Deposits redeemed	22.16	241.27
	Interest received	445.01	1,472.36
	Dividend received	60.85	0.04
	NET CASH FLOW FROM INVESTING ACTIVITIES	**(25,279.35)**	**(6,333.83)**
C.	**Cash flow from financing activities :**		
	Proceeds from exercise of ESOP shares	19.84	78.33
	Repayment of short term borrowings	(3,54,687.12)	(5,15,765.89)
	Proceeds from short term borrowings	3,30,031.15	4,49,760.96
	Repayment of long term borrowings	(1,051.38)	(601.85)
	Proceeds from long term borrowings	-	(3,664.09)
	Finance cost	(4,548.39)	(8,614.22)
	Dividend paid	(8,682.37)	-
	Dividend tax paid	(1,765.16)	-
	Transactions with non-controlling interests	(2,083.04)	(2,348.04)
	Redemption of preference shares	(0.60)	-
	Proceed from fresh issue of shares	31,691.60	-
	Share issue expenses charged directly to reserves	(1,425.95)	-
	NET CASH FLOW FROM FINANCING ACTIVITIES	**(12,501.42)**	**(81,154.80)**
	Net (decrease)/ increase in cash and cash equivalents	**(2,396.77)**	**2,241.73**
	Cash and cash equivalents (Opening balance)	**5,381.95**	**3,142.99**
	Less: Opening cash & cash equivalents removed	**-**	**(2.77)**
	Cash and cash equivalents (Closing balance)	**2,985.18**	**5,381.95**

1 The above cash flow statement has been prepared under the indirect method as set out in Indian Accounting standard 7 Cash Flow Statement notified u/s 133 of Companies Act, 2013 ('Act') read with Rule 4 of the Companies (Indian Accounting Standards) Rules 2015, as amended and the relevant provisions of the Act.

2 Figures in bracket indicate cash outflow.

3 The borrowing are availed for a short term duration of 3 days to 180 days to manage the cash flow requirements optimally. The amounts are repaid/replaced during the financial year based on cash availability.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number 101248W/W-100022

KOOSAI LEHERY
Partner
Membership Number: 112399
Mumbai, May 14, 2018

For and on behalf of the Board of Directors of Godrej Agrovet Limited
CIN:L15410MH1991PLC135359

N. B. GODREJ
Chairman
DIN: 00066195

B.S.YADAV
Managing Director
DIN: 00294803

S. VARADARAJ
Chief Financial Officer
ICAI Membership No. 047959

VIVEK RAIZADA
Company Secretary
ICSI Membership No. ACS 11787

Statement of changes in equity

for the year ended March 31, 2018

(a) Equity share capital

(₹ in lakh)

	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the reporting year	18, 513.09	9, 256.54
Changes in equity share capital during the year (refer note 17)	689.78	9, 256.55
Balance at the end of the reporting year	**19, 202.87**	**18, 513.09**

(b) Other equity

(₹ in lakh)

	Retained earnings	Capital reserve	General reserve	Reserve for employee compensation expense	Debenture redemption reserve	Employee share option outstanding	Share premium account	Treasury share reserve	Non controlling interest reserve	Effective portion of cash flow hedges	Exchange differences on translating the financial statements of a foreign operation	Total attributable to the owners of the Company	Non - controlling interest	Total
Balance at April 1, 2017	**74,602.45**	**172.95**	**368.41**	**-**	**-**	**162.15**	**13,062.14**	**-**	**(5,500.47)**	**207.89**	**(710.55)**	**82,364.97**	**25,406.75**	**1,07,771.72**
Total comprehensive income for the year														
Profit for the year (net of income tax)	22,920.90	-	-	-	-	-	-	-	-	-	-	22,920.90	2,182.90	25,103.80
Other comprehensive income for the year (net of income tax)	(358.91)	-	-	-	-	-	-	-	-	(219.42)	(42.17)	(620.50)	(58.75)	(679.25)
Total comprehensive income for the year	**22,561.99**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(219.42)**	**(42.17)**	**22,300.40**	**2,124.15**	**24,424.55**
Transactions with the owners of the Company, recorded directly in equity														
Contributions and distributions														
Dividends	(8,330.89)	-	-	-	-	-	-	-	-	-	-	(8,330.89)	(293.01)	(8,623.90)
Dividend distribution tax	(1,765.00)	-	-	-	-	-	-	-	-	-	-	(1,765.00)	(59.76)	(1,824.76)
Others														
Amortisation of Intangibles (net of income tax) as per oil palm companies merger scheme approved by Bombay High Court (refer note 54.i)	-	-	(276.77)	-	-	-	-	-	-	-	-	(276.77)	-	(276.77)
Employee compensation expenses recognised during the year (refer note 39)	-	-	-	-	-	42.52	-	-	-	-	-	42.52		42.52
Exercise of employee stock options	-	-	-	-	-	(33.86)	20.87	-		-	-	(12.99)	15.69	2.70
Issue of equity shares during the year	-	-	-	-	-	-	31,001.81	-	-	-	-	31,001.81	16.77	31,018.58
Utilised towards share issue expenses			-	-	-	-	(1,425.95)	-	-	-	-	(1,425.95)	-	(1,425.95)
Liability towards put option arrangement	(163.81)	-	-	-	-	-	-	-	-	-	-	(163.81)	-	(163.81)
Transfer from retained earnings to general reserve	(2,000.00)	-	2,000.00	-	-	-	-	-	-	-	-	-	-	-
Acquisition of non-controlling interests (refer note 63 (IV))	-	-	-	-	-	-	-	-	(1,800.18)	-		(1,800.18)	(282.86)	(2,083.04)
Balance at March 31, 2018	**84,904.74**	**172.95**	**2,091.64**	**-**	**-**	**170.81**	**42,658.87**	**-**	**(7,300.65)**	**(11.53)**	**(752.72)**	**1,21,934.11**	**26,927.73**	**1,48,861.84**

(₹ in lakh)

	Retained earnings	Capital reserve	General reserve	Reserve for employee compensation expense	Debenture redemption reserve	Employee share option outstanding	Share premium account	Treasury share reserve	Non controlling interest reserve	Effective portion of cash flow hedges	Exchange differences on translating the financial statements of a foreign operation	Total attributable to the owners of the Company	Non - controlling interest	Total
Balance at April 1, 2016	**57,714.64**	**-**	**507.30**	**2,389.82**	**1,875.00**	**10,747.04**	**-**	**(58.68)**	**(3,410.71)**	**-**	**(713.62)**	**69,050.79**	**23,290.32**	**92,341.11**
Total comprehensive income for the year														
Profit for the year	24,881.68	-	-	-	-	-	-	-	-	-	-	24,881.68	2,410.08	27,291.76
Other comprehensive income for the year (net of income tax)	(236.66)	-	-	-	-	-	-	-	-	207.89	3.07	(25.70)	(35.37)	(61.07)
Total comprehensive income for the year	**24,645.02**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**207.89**	**3.07**	**24,855.98**	**2,374.71**	**27,230.69**
Transactions with the owners of the Company, recorded directly in equity														
Others														
Transfer from debenture redemption reserve to retained earnings	1,875.00	-	-	-	(1, 875.00)	-	-	-	-	-	-	-	-	-
Employee compensation expenses recognised during the year (refer note no. 39 & note no. 53)	-	-	-	(2, 375.72)	-	2, 463.37	-	-	-	-	-	87.65	-	87.65
Transfer to general reserve from reserve for employee compensation expenses	-	-	14.10	(14.10)	-	-	-	-	-	-	-	-	-	-
Additions during the year	-	172.95	-	-	-	-	-	-		-	-	172.95	-	172.95
Transferred to share premium on exercise of stock options	-	-	-	-		(12, 989.89)	13, 062.14	-	-	-	-	72.25		72.25
Other adjustments related to subsidiaries	16.24		-	-	-	-	-	-	-	-	-	16.24	-	16.24
Bonus share issued	(9,256.55)		-	-	-	-	-	-	-	-	-	(9,256.55)	-	(9,256.55)
Acquisition of non-controlling interests (refer note 63 (IV))	-		-	-	-	-	-	-	(2,089.76)	-	-	(2,089.76)	(258.28)	(2,348.04)
Transfer from retained earnings to general reserve	(125.00)	-	125.00	-	-	-	-	-	-	-	-	-	-	-
Amortisation of Intangibles (net of income tax) as per oil palm companies merger scheme approved by Bombay High Court (refer note 54.i)	-	-	(277.99)	-	-	-	-	-	-	-	-	(277.99)	-	(277.99)
Liability towards put option arrangement	(266.90)	-	-	-	-	-	-	-	-	-	-	(266.90)	-	(266.90)
Exercise of stock options	-	-	-	-	-	(58.37)	-	58.68	-	-	-	0.31		0.31
Balance at March 31, 2017	**74,602.45**	**172.95**	**368.41**	**-**	**-**	**162.15**	**13,062.14**	**-**	**(5,500.47)**	**207.89**	**(710.55)**	**82,364.97**	**25,406.75**	**1,07,771.72**

The Notes 1 to 66 form an integral part of the Consolidated Financial Statements

The notes 1 to 66 form an integral part of the financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number 101248W/W-100022

KOOSAI LEHERY
Partner
Membership Number: 112399
Mumbai, May 14, 2018

For and on behalf of the Board of Directors of Godrej Agrovet Limited
CIN:L15410MH1991PLC135359

N. B. GODREJ
Chairman
DIN: 00066195

B.S.YADAV
Managing Director
DIN: 00294803

S. VARADARAJ
Chief Financial Officer
ICAI Membership No. 047959

VIVEK RAIZADA
Company Secretary
ICSI Membership No. ACS 11787

Notes to the Consolidated Financial Statements

NOTE 1. Significant Accounting Policies.

1. General information

Godrej Agrovet Ltd. ("the Company" or "Parent") is a public limited Company, which is domiciled and incorporated in the Republic of India with its registered office situated at 3rd Floor, Godrej One, Pirojshanagar, Vikhroli (East), Mumbai – 400 079. The Company and its subsidiaries, joint ventures and associates (the "Group") is a diversified agribusiness Group and its principal activities include manufacturing and marketing of high quality animal feed, innovative crop protection & agricultural inputs, palm oil & allied products & milk and milk products.

2. Basis of preparation and presentation

(i) Basis of preparation:

The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

The consolidated financial statements of the Group for the year ended March 31, 2018 were authorized for issue in accordance with a resolution of the Board of Directors on May 14, 2018.

(ii) Basis of measurement

The financial statements have been prepared on a historical cost basis, 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

(iii) Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees, which is the Group's functional currency. All amounts have been rounded off to the nearest Lakh, unless otherwise indicated.

3. Basis of consolidation

(i) Subsidiaries :

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Inter Group transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed wherever necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

(ii) Equity method :

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in the Consolidated Statement of Profit and Loss, and the Group's share of other comprehensive income of the investee in other comprehensive income.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, then unless it has incurred obligations or made payments on behalf of the other entity, Group does not recognise further losses, Unrealised gains on transactions between the Group and its equity accounted investees are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

4. Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the

- Fair value of the assets transferred;
- Liabilities incurred to the former owners of the acquired business;
- Equity interests issued by the Group.
- Fair value of any asset or liability resulting from contingent consideration arrangement

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions,

Notes to the Financial Statements

measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at their fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition related costs are expenses as incurred.

The excess of the

- Consideration transferred;
- Amount of any non-controlling interest in the acquired entity; and
- Acquisition date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets acquired, the difference is recognized in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognized directly in equity as capital reserve.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest is remeasured to fair value at the acquisition date. Any gains arising from such remeasurement are recognized in the Consolidated Statement of Profit and Loss or Other Comprehensive Income, as appropriate.

5. Key estimates and assumptions

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Judgement, estimates and assumptions are required in particular for:

- **Determination of the estimated useful lives**

  Useful lives of property, plant and equipment are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II and in case of intangible assets, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, Impairment testing for Goodwill & intangible assets with indefinite useful life is done at least once annually and upon occurrence of an indication of impairment. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations which require the use of assumptions. The growth rates and margins used to make estimate future performance are based on past performance and our estimates of future growths and margins achievable in the CGUs. Discount rates reflect specific risks relating to the relevant segments and geographies in which the CGUs operate past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

- **Recognition and measurement of defined benefit obligations**

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

- **Recognition of deferred tax assets**

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

- **Recognition and measurement of other provisions**

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

- **Discounting of long-term financial assets / liabilities**

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

Notes to the Consolidated Financial Statements

- **Fair valuation of employee share options**

  The fair valuation of the employee share options is based on the Black-Scholes model used for valuation of options. Key assumptions made with respect to expected volatility includes share price, expected dividends and discount rate, under this option pricing model.

- **Determining whether an arrangement contains a lease**

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

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

- **Rebates and sales incentives**

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

- **Fair value of financial instruments**

  Derivatives are carried at fair value. Derivatives includes foreign currency foreign exchange forward contracts and commodity futures. Fair value of foreign currency forward contracts are determined using the fair value reports provided by respective bankers.

- **Biological Assets**

  Management uses inputs relating to production and market prices in determining the fair value biological assets.

6. Measurement of fair values

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

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

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

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

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

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

7. Standards issued but not yet effective

<u>Ind AS 115, Revenue from Contracts with Customers</u>

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

The Group has completed an initial assessment of the potential impact of the adoption of Ind AS 115 on accounting policies followed in its financial statements. The effect on adoption of Ind AS 115 is expected to be insignificant.

Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 April 2018. The Group may plan to apply the standard retrospectively to each prior reporting period presented in accordance with Ind AS 8, *Accounting Policies, Changes in Accounting Estimates and Errors.*

8. Significant accounting policies

A. Revenue

i. <u>Sale of goods</u>

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

Notes to the Financial Statements

and rewards of ownership in the goods are transferred to the buyer as per the terms of contracts and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods.

ii. Dividend income

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

iii. Interest income

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

B. Foreign currency

i. Transactions and balances

Transactions in foreign currencies are translated into the respective functional currencies of the Group at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

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

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

Exchange differences are generally recognised in the Statement of Profit and Loss, except exchange differences arising from the translation of the following item which are recognized in OCI:

- Qualifying cash flow hedges to the extent that the hedges are effective.

- On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit and loss are translated at average rate during the year. The exchange differences arising on translation for consolidation are recognized in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognized in profit and loss.

C. Employee benefits

i. Short term employee benefits

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

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

ii. Defined contribution plans

Obligations for contributions to defined contribution plans such as Provident Fund and Family pension maintained with Regional Provident Fund Office are expensed as the related service is provided.

iii. Defined benefit plans

The following post–employment benefit plans are covered under the defined benefit plans:

- 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.

  The Group's contribution to the Provident Fund Trust as established by the Group, is also considered as a Defined Benefit Plan because, as per the rules of Group's Provident Fund Scheme, 1952, if the return on investment is less or for any other reason, then the deficiency shall be made good by the Group.

Notes to the Consolidated Financial Statements

The Group's net obligations in respect of such plans is calculated by estimating the amount of future benefit that the employees have earned in return for their services and the current and prior periods that benefit is discounted to determine its present value and the fair value of the plan asset is deducted.

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, discounting that amount and deducting the fair value of any plan assets.

- Gratuity Fund

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

  Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income (OCI).

iv. Other long-term employee benefits

Liability toward long-term Compensated Absences are provided for on the basis of an actuarial valuation, using the Projected Unit Credit Method, as at the date of the Balance Sheet. Actuarial gains / losses comprising of experience adjustments and the effects of changes in actuarial assumptions are immediately recognised in the Consolidated Statement of Profit and Loss.

v. Terminal Benefits:

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

D. Income Tax

Income tax expense comprises current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in the OCI.

i. **Current tax**

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

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

a) has a legally enforceable right to set off the recognised amounts; and

b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii. **Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised 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 realised; such reductions are reversed when the probability of future taxable profits improves. Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Taxes relating to items recognized directly in equity or OCI is

Notes to the Financial Statements

recognized in equity or OCI and not in the consolidated statement of profit and loss.

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.

E. Inventories

Inventories are carried in the consolidated balance sheet as follows:

(a) Raw materials, Packing materials, Stock in Trade and Stores & Spares: At lower of cost, on weighted average basis and net realisable value.

(b) Work-in-progress-: At lower of cost of materials, plus appropriate production overheads and net realisable value.

(c) Finished Goods-: At lower of cost of materials, plus appropriate production overheads and net realisable value.

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

(d) 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.

F. Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses, if any.

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

a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

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

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

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the Consolidated Statement of Profit and Loss.

ii. Subsequent expenditure

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

iii. Depreciation/ Amortizations

Depreciation on tangible fixed assets is provided in accordance with the provisions of Schedule II of the Companies Act 2013, on Straight Line Method. Depreciation on additions / deductions is calculated on pro rata basis from/up to the month of additions/ deductions. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. In case of the following category of property, plant and equipment, the depreciation has been provided based on the technical specifications, external & internal assessment, requirement of refurbishments and past experience of the remaining useful life which is different from the useful life as specified in Schedule II to the Act:

Notes to the Consolidated Financial Statements

(a) Plant and Machinery: - 20 Years

(b) Computer Hardware, Crates, cans and milko testers:

Depreciated over the estimated useful life of 4 years.

(c) Leasehold Land:

Amortized over the primary lease period.

(d) Leasehold improvements and equipments:

Amortised over the Primary lease period or 16 years whichever is less

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

G. Borrowing costs

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

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

H. Segment reporting

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

I. Intangible assets

Recognition and measurement

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

Intangible assets viz. Technical Know-how fees, Grant of Licenses and Computer software, which are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses, if any.

Amortisation

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

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

- Grant of licenses : 10 years
- Computer Software : 6 years
- Technical Know-how of a capital nature & Product Registration expenses : 6 years

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

Research and Development Expenditure

Research 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 period on research & development is accounted for as an addition to property, plant & equipment.

J. Share-based payments:

a. Employees of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

b. The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

c. That cost is recognised, together with a corresponding increase in share-based payment reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

d. When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. 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. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the Consolidated Statement of Profit and Loss.

e. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Notes to the Financial Statements

K. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts and commodity futures.

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

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

i. Financial assets

Classification

The Group classifies its financial assets in the following measurement categories:

- Where assets are measured at fair value, gains and losses are either recognized entirely in the Consolidated Statement of Profit and Loss (i.e. fair value through profit or loss), or recognized in Other Comprehensive Income (i.e. fair value through other comprehensive income).
- A financial asset that meets the following two conditions is measured at amortized cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

  Business model test: The objective of the Group's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).

  Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Initial recognition & measurement

At initial recognition, the Group measures a financial asset at fair value plus, in the case of a financial asset not recorded at fair value through the Consolidated Statement of Profit and Loss, transaction costs that are attributable to the acquisition of the financial asset.

Equity investments (other than investments in associates and joint venture)

- All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group decides to classify the same either as at FVOCI or FVTPL. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.
- If the Group decides to classify an equity instrument as FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.
- Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Consolidated Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's Consolidated Statement of Assets and Liabilities) when:

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

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

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

Impairment of financial assets

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

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits, and bank balance.

b) Trade receivables - The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits, security like letters of credit, security deposit collected etc. and expectations about future cash flows.

ii. Financial liabilities

Classification

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

The Group classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through the Consolidated Statement of Profit and Loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Initial recognition and measurement

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

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

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

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.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Consolidated Statement of Assets and Liabilities 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.

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. 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.

Notes to the Financial Statements

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.

L. Provisions, contingent liabilities and contingent assets

Provisions are recognized when there is a present obligation (legal or constructive) 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 a reliable estimate can be made of the amount of the obligation.

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.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but will probably not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision disclosure is 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.

M. 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 profit or loss.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss.

N. Leases

In determining whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease 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. Lease payments

Payments made under operating leases are recognised in the Consolidated Statement of Profit and Loss on a straight line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

ii. 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 financial position.

O. Impairment of non-financial assets

Goodwill and intangible assets that have infinite useful life are not subjected to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

The carrying values of other 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, an impairment is recognised for such excess amount.

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 that reflects current market assessments of the time value of money and the risk specific to the asset.

Notes to the Consolidated Financial Statements

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognised in the Consolidated Statement of Profit and Loss, to the extent the amount was previously charged to the Consolidated Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

P. Cash and cash equivalents

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

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

Q. Government Grants

Grants are recognized 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 recognized as income in the consolidated statement of profit and loss over the period and in proportion in which depreciation is charged.

Revenue grants are recognized 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.

R. Construction contracts

When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognized over the period of the contract by reference to the stage of completion.

Contract costs are recognized as expenses by reference to the stage of completion of the contract activity at the end of the reporting period. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized immediately.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable.

Variations in contract work, claims and incentive payments are included in contract revenue to the extent that may have been agreed with the customer and are capable of being reliably measured.

Measurement of construction contract revenue and expense:

The Group uses the 'percentage-of-completion' method to determine the appropriate amount to recognize in a given period. The stage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion.

S. Earnings Per Share ("EPS")

The basic Earnings Per Share ("EPS") is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, net profit/(loss) after tax for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

T. Biological assets

Biological assets are measured at fair value less costs to sell, with any change therein recognized in the consolidated statement of profit or loss.

Notes to the Financial Statements

Note 2 Property, plant and equipment

(₹ in lakh)

PARTICULARS	Freehold Land (refer note 2.1)	Leasehold Land (refer note 2.1)	Buildings (refer note 2.1)	Plant and Machinery	Furniture and Fixtures	Vehicles	Office & Others Equipment	Tree Development Cost	Leasehold Improvements	Livestock used for R&D	Total
As at March 31, 2018											
Gross Block											
Cost as at April 1, 2017	32,530.11	3,322.59	35,476.02	55,785.61	951.53	3,383.65	2,346.78	80.49	109.08	45.69	1,34,031.55
Additions	133.56	-	2,050.23	7,761.97	107.83	529.99	419.93	-	103.78	4.55	11,111.84
Disposals	-	-	(15.70)	(191.25)	(2.95)	(151.29)	(5.49)	(80.49)	-	(19.14)	(466.31)
As at March 31, 2018	32,663.67	3,322.59	37,510.55	63,356.33	1,056.41	3,762.35	2,761.22	-	212.86	31.10	1,44,677.08
Accumulated depreciation											
As at April 1, 2017	-	64.18	2,021.24	8,292.18	182.57	606.88	555.92	80.49	15.41	7.39	11,826.26
Charge for the year	-	37.48	1,275.67	5,942.87	121.69	464.29	388.17	-	32.08	3.57	8,265.82
Disposals	-	-	(1.01)	(41.00)	(0.90)	(41.99)	(1.64)	(80.49)	-	(2.60)	(169.63)
As at March 31, 2018	-	101.66	3,295.90	14,194.05	303.36	1,029.18	942.45	-	47.49	8.36	19,922.45
Net Block as at March 31, 2018	32,663.67	3,220.93	34,214.65	49,162.28	753.05	2,733.17	1,818.77	-	165.37	22.74	1,24,754.63
As at March 31, 2017											
Gross Block											
Cost as at April 1, 2016	29,868.85	3,322.59	30,005.83	46,622.32	827.50	2,286.04	1,659.72	80.49	29.05	45.82	1,14,748.21
Taken over	1,638.78	-	2,480.31	1,841.89	9.43	472.53	22.09	-	-	-	6,465.03
Additions	1,644.04	-	2,990.08	7,913.59	141.60	827.63	692.83	-	80.03	5.57	14,295.37
Disposals	(621.56)	-	(0.20)	(592.29)	(27.00)	(202.55)	(27.86)	-	-	(5.70)	(1,477.16)
As at March 31, 2017	32,530.11	3,322.59	35,476.02	55,785.51	951.53	3,383.65	2,346.78	80.49	109.08	45.69	1,34,031.45
Accumulated depreciation											
As at April 1, 2016	-	26.37	835.87	3,397.46	76.74	264.97	224.87	40.25	5.37	3.68	4,875.58
Charge for the year	-	37.81	1,185.41	5,070.92	111.78	389.01	339.07	40.24	10.04	4.48	7,188.76
Disposals	-	-	(0.04)	(176.20)	(5.95)	(47.10)	(8.02)	-	-	(0.77)	(238.08)
As at March 31, 2017	-	64.18	2,021.24	8,292.18	182.57	606.88	555.92	80.49	15.41	7.39	11,826.26
Net Block as at March 31, 2017	32,530.11	3,258.41	33,454.78	47,493.33	768.96	2,776.77	1,790.86	-	93.67	38.30	1,22,205.19

Note No. 2.1: 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), Dhule (as part of the merger of Goldmohur Foods & Feeds Ltd), Ariyalur & Varanavasi (as part of the merger of Cauvery Oil Palm Limited), at Duhej and Kolkata are being complied with. Stamp duty payable thereon is not presently determinable.

Note No. 2.2: Capital work in progress as at March 31, 2018 of ₹ 18,984.59 Lakh (31 March 2017: ₹ 5,020.80 Lakh) includes the borrowing costs capitalised during the year ₹ 94.23 Lakh, salary & consultancy expenses amounting to ₹ 39.16 Lakh.

Note No. 2.3: Refer to note 19 and 23 for information on property, plant and equipment pledged as security by the group.

Notes to the Financial Statements

Note 3 : Intangible assets

(₹ in lakh)

Particulars	Computer Software	Brand	Grant of Licences	Product Registration	Total
As at March 31, 2018					
Cost					
As at April 1, 2017	1,261.85	3,822.17	1,700.46	270.55	7,055.03
Additions	116.72	-	-	-	116.72
Disposals	-	-	-	-	-
As at March 31, 2018	**1,378.57**	**3,822.17**	**1,700.46**	**270.55**	**7,171.75**
Accumulated amortisation					
As at April 1, 2017	445.18	-	850.24	171.83	1,467.25
Charge for the year	270.22	-	425.12	56.41	751.75
Disposals	-	-	-	-	-
As at March 31, 2018	**715.40**	**-**	**1,275.36**	**228.24**	**2,219.00**
Net Block as at March 31, 2018	**663.17**	**3,822.17**	**425.10**	**42.31**	**4,952.75**
As at March 31, 2017					
Cost					
As at April 1, 2016	855.29	3,822.17	1,700.46	270.55	6,648.47
Additions	406.56	-	-	-	406.56
Disposals	-	-	-	-	-
As at March 31, 2017	**1,261.85**	**3,822.17**	**1,700.46**	**270.55**	**7,055.03**
Accumulated amortisation					
As at April 1. 2016	223.87	-	425.12	115.42	764.41
Charge for the year	221.31	-	425.12	56.41	702.84
Disposals	-	-	-	-	-
As at March 31, 2017	**445.18**	**-**	**850.24**	**171.83**	**1,467.25**
Net Block as at March 31, 2017	**816.67**	**3,822.17**	**850.22**	**98.72**	**5,587.78**

Note No. 3.1 : 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. 54.i)

Note 4 : Biological assets other than bearer plants

A. Reconciliation of carrying amount

March 31, 2018

(₹ in lakh)

Particulars	Oil palm saplings	
	Qty.	Amount
Balance as April 1, 2017	6,12,172	466.98
Add:		
Purchases	5,88,559	260.10
Production/ Cost of development	-	103.22
Less:		
Sales / Disposals	(5,24,186)	(395.37)
Change in fair value less cost to sell:	-	(8.76)
Realised	-	(25.73)
Unrealised	-	16.97
Balance as at March 31, 2018	**6,76,545**	**426.17**

Notes to the Financial Statements

March 31, 2017

(₹ in lakh)

Particulars	Oil palm saplings	
	Qty.	Amount
Balance as April 1, 2016	12,05,458	886.81
Add:		
Purchases	60,000	12.44
Production/ Cost of development	-	42.19
Less:		
Sales / Disposals	(6,53,286)	(465.83)
Change in fair value less cost to sell:	-	(8.63)
Realised	-	(16.28)
Unrealised	-	7.65
Balance as at March 31, 2017	**6,12,172**	**466.98**

The Group has trading operations in oil palm plantations whereby the group purchases the saplings and sell the saplings once it has achieved the desired growth. During the year ended 2017-18 the group purchased 5,88,559 (Previous year 60,000) number of saplings, out of which 5,88,559 (Previous year 60,000 sapling) were still under cultivation .

B. Measurement of Fair value

i. Fair Value hierarchy

The fair value measurements for oil palm saplings has been categorised as Level 3 fair values based on the inputs to valuation technique used.

ii. Level 3 Fair values

The following table shows a break down of the total gains (losses) recognised in respect of Level 3 fair values.

(₹ in lakh)

Particulars	March 31, 2018	March 31, 2017
Gain/(loss) included in 'other operating revenue'	**(8.76)**	**(8.63)**
Change in fair value (realised)	(25.73)	(16.28)
Change in fair value (unrealised)	16.97	7.65

iii. Valuation techniques and significant unobservable inputs

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Oil Palm Saplings - it comprises the stock under cultivation	Cost approach and percentage completion method	Estimated cost of completing the stock under cultivation ₹ 47.72 to ₹ 91.00 per sapling	The estimated fair valuation would increase/ (decrease) if - Estimated cost to complete was lower (higher)

C. Risk Management strategies related to agricultural activities

The group is exposed to the following risks relating to its plantations

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. When possible, the group manages this risk by aligning its harvest volume to market supply and demand. Management performs regular industry trend analysis for projected harvest volumes and pricing.

Notes to the Financial Statements

iii. Climate and other risks

The group's plantations are exposed to the risk of damage from climatic changes, diseases, forest fires and other natural forces. The group has extensive processes in place aimed at monitoring and mitigating those risks, including regular plantation health surveys and industry pest and disease surveys.

A reasonably possible change of 10% in estimated cost of completing the stock under cultivation at the reporting date would have increased (decreased) profit or loss by the amounts shown below.

	Profit or (loss) for the year ended March 31, 2018		Profit or (loss) for the year ended March 31, 2017	
	10% increase	10% decrease	10% increase	10% decrease
Variable cost	(0.80)	0.85	(0.70)	0.76
Cash flow sensitivity (net)	(0.80)	0.85	(0.70)	0.76

(₹ in lakh)

	As at March 31, 2018	As at March 31, 2017
Note 5 : Investments		
A. Equity accounted investees		
(a) Investment in equity of associates (Unquoted)		
i Al Rahaba International Trading Limited Liability Company, Abu Dhabi, UAE.	-	20.36
24 (Previous Year 24) Equity Shares of AED. 1500/- each.(refer note 51)		
ii Godrej Maxximilk Private Limited	413.55	-
3,07,915 equity shares of ₹ 10 each, acquired during the year.		
(b) Investment in joint ventures (Unquoted)		
i Godrej Tyson Foods Limited	8,893.55	8,465.42
97,461 (Previous Year 97461) Equity Shares of ₹ 10/- each.		
ii ACI Godrej Agrovet Private Limited, Dhaka, Bangladesh.	6,797.37	6,272.82
18,50,000 (Previous Year 18,50,000) Equity Shares of ₹ 100/- each.		
iii Omnivore India Capital Trust	3,418.00	2,786.39
2,256.87 (Previous Year 2,125) units of ₹ 1,00,000 each.		
Total (A)	**19,522.47**	**17,544.99**
B. Non-current investments		
Investment in equity instruments at fair value through Statement of Profit & Loss (Unquoted)		
(a) Investment in co-operative society	0.79	0.79
(b) Investment in other corporates	0.19	0.14
Total (B)	**0.98**	**0.93**
C. Investments at amortised cost (Unquoted)		
Investments in Government or Trust Securities	0.17	-
Total (C)	**0.17**	**-**
Total	**19,523.62**	**17,545.92**
Note No. 5.1 Other disclosures		
Aggregate amount of unquoted investments (other than equity accounted investees)	1.15	0.93
Aggregate amount of impairment in value of investments	-	-

Notes to the Financial Statements

(₹ in lakh)

	As at March 31, 2018	As at March 31, 2017
Note 6 : Non-current trade receivables		
Unsecured and considered doubtful	1,578.12	777.80
Less : Allowance for doubtful receivables	(1,578.12)	(777.80)
Total	-	-
Note 7 : Non-current loans		
Unsecured, considered good (unless otherwise stated)		
1 Security deposits		
i Considered good	1,319.96	1,438.50
ii Considered doubtful	57.53	59.31
Less : Allowance for bad and doubtful deposits	(57.53)	(59.31)
Net deposits	1,319.96	1,438.50
2 Loan to employees	57.02	59.35
Total	**1,376.98**	**1,497.85**
Note 8 : Other non-current financial assets		
1 Claims receivable	146.15	146.15
2 Lease receivable	-	316.08
3 Bank deposit with remaining maturity of more than 12 months (refer note 8.1)	2.29	29.71
Total	**148.44**	**491.94**
Note No. 8.1: Fixed deposits with scheduled banks are lien marked for issue of bank guarantees.		
Note 9 : Other non-current assets		
1 Capital advances	3,697.48	2,675.28
2 Balance with government authorities	575.07	1,694.66
3 Others		
i) Considered good	1,429.27	471.07
ii) Considered doubtful	27.11	98.27
Less : Allowance for doubtful advances	(27.11)	(98.27)
	1,429.27	**471.07**
Total	**5,701.82**	**4,841.01**
Note 10 : Inventories		
(Valued at lower of cost and net realizable value)		
1 Raw materials	42,001.00	41,825.60
2 Raw materials in transit	134.46	-
3 Work in progress	3,548.87	4,545.80
4 Project in progress	6,835.77	6,071.91
5 Finished goods	15,786.52	12,816.74
6 Stock-in-trade	5,220.08	6,385.65
7 Stores and spares	2,758.89	2,161.16
Total	**76,285.59**	**73,806.86**

Notes to the Financial Statements

(₹ in lakh)

	As at March 31, 2018	As at March 31, 2017
Note 11 : Current trade receivables		
i. Secured and considered good (refer note. 11.1)	7,542.23	7,544.62
ii. Unsecured and considered good	55,609.45	44,650.37
Total	**63,151.68**	**52,194.99**
Note No. 11.1: Secured by security deposits collected from customers or Bank Guarantees held against them.		
Note No. 11.2: Refer to note 23 for information on trade receivables pledged as security by the group.		
Note 12 : Cash and cash equivalents		
1 Cash on hand	399.50	444.82
2 Cheques, drafts on hand	75.33	299.01
3 Balances with banks:		
(a) Current accounts	2,506.25	4,560.89
(b) Saving bank account of company's ESOP Trust	4.10	77.23
Total	**2,985.18**	**5,381.95**
Note 13 : Bank balances other than cash and cash equivalents		
1 Fixed deposits -more than 3 months and less than 12 months (Refer note. 13.1)	79.46	708.97
2 Margin money deposits	110.93	133.46
3 Unclaimed dividend accounts	6.90	5.32
Total	**197.29**	**847.75**
Note No. 13.1 : Fixed deposits of ₹ nil (Previous year ₹ 77.02 Lakh) are pledged with banks for guarantees issued.		
Note No. 13.2 : Margin money deposits are restricted and the same is held towards security of letter of credit and bank guarantees		
Note 14 : Current loans		
Unsecured, considered good, unless otherwise stated		
1 Loans and advances to related parties (refer note. 64)		
(a) Loan to ESOP Trust of holding company	-	1,633.76
(b) Intercorporate deposits	783.70	-
2 Loans and advances - others		
(a) Loans and advances to employees	87.71	65.22
(b) Security deposits	583.40	150.49
(c) Other loans & advances	14.37	435.10
Total	**1,469.18**	**2,284.57**

Notes to the Financial Statements

(₹ in lakh)

		As at March 31, 2018	As at March 31, 2017
Note 15 : Other current financial assets			
1	Interest on bank fixed deposit	11.73	3.54
2	Interest accrued on other deposits	2.03	12.87
3	Lease receivable	-	56.08
4	Non-trade receivables	1,239.90	1,021.73
5	Derivatives	21.70	-
	- Foreign exchange forward contracts not designated as hedge	0.70	-
	- Foreign exchange forward contracts designated as hedge	21.00	-
6	Others	908.55	296.07
Total		**2,183.91**	**1,390.29**
Note 16 : Other current assets			
1	Advances to suppliers	1,741.85	1,743.19
	Less: Allowance for doubtful advance	(44.87)	(36.70)
2	Balance with government authorities	7,227.83	1,847.94
3	Others (includes prepayments, inventory receivable on returns, etc.)	3,662.70	2,710.10
Total		**12,587.51**	**6,264.53**

(₹ in lakh)

		As at March 31, 2018	As at March 31, 2017
Note 17 : Share capital			
1	**Authorised :**		
	(a) 22,49,94,000 (Previous year 22,49,94,000) Equity shares of the par value of ₹ 10 each	22,499.40	22,499.40
	(b) 6,000 (Previous year 6,000) Preference shares of the par value of ₹ 10 each	0.60	0.60
	TOTAL	**22,500.00**	**22,500.00**
2	**Issued, Subscribed and Paid-up:**		
	19,20,28,739 (Previous Year 18,51,30,876) Equity shares of ₹ 10 each fully paid up.	19,202.87	18,513.09
	Total	**19,202.87**	**18,513.09**

(₹ in lakh)

		As at March 31, 2018		As at March 31, 2017	
		No. of shares	₹ In Lakh	No. of shares	₹ In Lakh
3	**Reconciliation of number of shares outstanding at the beginning and end of the year :**				
	Equity shares :				
	Outstanding at the beginning of the year	18,51,30,876	18,513.09	9,25,65,438	9,256.54
	Bonus shares issued during the year	-	-	9,25,65,438	9,256.55
	Shares issued during the year	68,97,863	689.78		
	Outstanding at the end of the year	**19,20,28,739**	**19,202.87**	**18,51,30,876**	**18,513.09**
	Preference shares :				
	Outstanding at the beginning of the year	6,000	0.60	6,000	0.60
	Redeemed during the year	(6,000)	(0.60)	-	-
	Outstanding at the end of the year	-	-	6,000	0.60

Notes to the Financial Statements

4 Rights, preferences and restrictions attached to Equity shares

a. **Equity Shares:** The group has one class of Equity shares having a par value of ₹ 10 per share. Each Share holder is eligible for one vote per share held. All Equity Shareholders are eligible to receive dividends in proportion to their shareholdings. The dividends proposed by the Board of Directors are 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 share holding.

b. **Preference Shares:** The group has 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. In the event of liquidation, Preference Shareholders have preferential right on the asset over Equity Shareholders.These non-convertible redeemable preference shares have been fully redeemed during the current year.

5 Shareholders holding more than 5% shares in the company is set out below:

(₹ in lakh)

		As at March 31, 2018		As at March 31, 2017	
		No. of shares	%	No. of shares	%
(a)	**Equity shares**				
1	Godrej Industries Limited (the holding Company)	11,13,57,225	57.99%	11,78,78,964	63.67%
2	V-Sciences Investments Pte Ltd	2,47,07,698	12.87%	3,70,07,698	19.99%

6 There are no shares reserved for issue under options.

7 Equity Shares allotted as fully paid up by way of Bonus Shares

Year ended	No. of Bonus shares
March 31 2017	9,25,65,438
March 31 2016	-
March 31 2015	7,93,41,804
March 31 2014	-
March 31 2013	-

8 Initial public offering

The Company had made an Initial public issue of 2,51,58,964 equity shares of face value ₹ 10 each fully paid up for cash at a price of ₹ 460/- per equity share (including a share premium of ₹ 450/- per share) aggregating ₹ 1,15,731.23 Lakh consisting of a fresh issue of 63,37,225 equity shares by the Company and an offer for sales of 65,21,739 equity shares and 1,23,00,000 equity shares by Godrej industries Limited and V Science Pte. Ltd. respectively aggregating ₹ 1,15,731.23 Lakh. Aforementioned 63,37,225 equity shares were allotted on October 12, 2017. The equity shares of the Company got listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) on October 16, 2017.

(₹ in Lakh)

		As at March 31, 2018	As at March 31, 2017
Note 18 : Other equity			
1	Retained earnings	84,904.74	74,602.45
2	Capital reserve	172.95	172.95
3	General reserve	2,091.64	368.41
4	Exchange differences on translating the financial statements of a foreign operation	(752.72)	(710.55)
5	Effective portion of cash flow hedges	(11.53)	207.89
6	Employee stock options outstanding	170.81	162.15
7	Non-controlling interest reserve	(7,300.65)	(5,500.47)
8	Share premium account	42,658.87	13,062.14
		1,21,934.11	**82,364.97**

Notes to the Financial Statements

General reserve

General reserve is a free reserve which is created by transferring fund from retained earnings to meet future obligations and purposes.

Capital reserve

Excess of assets recognised over consideration paid on business acquisition made by the group

Exchange differences on translating the financial statements of a foreign operation

Exchange differences arising on translation of the foreign operations, if any, are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

Effective portion of cash flow hedges

The Company uses hedging instruments as part of its management of foreign currency risk associated with foreign currency borrowings. For hedging foreign currency risk, the Company used foreign currency forward contracts which are designated as cash flow hedges. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the cash flow hedge reserve. Amounts recognised in the cash flow hedge reserve is reclassified to statement of profit & loss when the hedged item affects the profit & loss.

Non-controlling interest reserve

Non-controlling Interest Reserve represent the difference between the consideration paid and the carrying value of non- controlling interest acquired in subsidiaries.

Employee stock options outstanding:

The employee share options outstanding account is used to recognise grant date fair value of options issued to employees under the Company's stock option plan.

Share premium account:

Share Premium Account is used to record the premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

9	**Dividend**	**(₹ in lakh)**
	The following dividends were declared and paid by the company during the year:	Amount
	Equity Dividend of 2016-17 paid @ ₹ 4.50 per share	8,330.89
	Dividend distribution tax on the equity dividend paid	1,695.95
		10,026.84

The Board, in its meeting on May 14, 2018 has recommended a final dividend of ₹ 4.50 per equity share for the financial year ended March 31, 2018 subject to the approval at the Annual General Meeting. The cash outflow on account of dividend would be ₹ 10,417.77 Lakh including corporate dividend tax of ₹ 1,776.48 Lakh.

(₹ in lakh)

			As at March 31, 2018	**As at March 31, 2017**
Note 19 : Non-current borrowings				
1	**Secured**			
	a.	Vehicle loans from bank and NBFC (refer note. 19.1)	26.08	57.55
2	**Unsecured**			
	a.	Term loans from banks (refer note. 19.2)	853.09	1,327.60
	b.	6,000 8% Cumulative non-convertible redeemable preference shares of the par value of ₹ 10 each (refer note. 17.4.b)	-	0.60
	c.	Deferred payment liabilities (refer note.19.3)	308.87	411.82
	d.	Deferred sales tax loan (refer note.19.4)	226.42	258.24
TOTAL			**1,414.46**	**2,055.81**

Notes to the Financial Statements

Note No. 19.1: Note no. 19.1:Vehicle Loan from Banks taken by subsidiary companies for ₹ 26.08 Lakh (Previous Year ₹ 57.55 Lakh) are at an Interest Rate of 9.50% to 11.50%, which are payable in 36 / 60 instalments from the date of disbursements with current maturity disclosed separately in note no. 28 at ₹ 31.48 Lakh(Previous Year ₹ 62.71 Lakh) and are secured by hypothecation of the respective vehicles.

Note No.19.2: Unsecured Term loans from Banks for ₹ 853.09 Lakh (Previous Year ₹ 1,327.60 Lakh) the details of which are as follows:

(a) Term loan of ₹ 375.00 Lakh, Outstanding as of March 31, 2018 ₹ 295.31 Lakh as on 31st March, 2017 ₹ 375.00 Lakh carries MCLR interest currently @ 8.50% p.a. The term loan is unsecured and is repayable Post Moratorium in 16 structured quarterly instalments commencing from January 2018 to December 2022

(b) Rupee term loan - Unsecured of ₹ 521.00 Lakh outstanding as on March 31, 2018 ₹ 297.78 Lakh (31st March 2017 ₹ 596.00 Lakh) carries MCLR interest currently at 8.65% p.a. Term loans have been drawn in multiple tranches and repayable in 18 equal quarterly instalments commencing from six months from the date of first disbursement i.e. March 30, 2016.

(c) Term loan of ₹ 520.00 Lakh Outstanding as on March 31, 2018 ₹ 260.00 Lakh (31st March, 2017 ₹ 520.00 Lakh) carries interest at T.Bill+0.19 spread p.a. The term loan is unsecured and is repayable to the extent of 50% at the end of 18 months from the date of drawn down and balance 50% at the end of 36 months from the date of drawn down.

Note No.19.3: Deferred Loan against acquisition of Lease hold Land is availed at interest rate 14% under the scheme floated by the Directorate of Industries, Government of Uttar Pradesh. Loan repayment shall be performed on a half yearly basis 6 years from 1st July 2016 up to 1st Jan 2022. Total loan availed was ₹ 617.73 Lakh and outstanding for the year ended March 31, 2018 was ₹ 411.83 Lakh (Previous year ₹ 514.77 Lakh) with current maturity disclosed separately in note no. 26 at ₹ 102.96 Lakh (Previous year ₹ 102.96 Lakh).

Note No.19.4: Deferred Sales Tax Loan 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 ₹ 466.74 Lakh and outstanding for the year ended March 31, 2018 was ₹ 311.33 Lakh (Previous year ₹ 293.39 Lakh) with current maturity disclosed separately in note 26 at ₹ 84.90 Lakh (Previous year ₹ 35.15 Lakh).

(₹ in lakh)

	As at March 31, 2018	As at March 31, 2017
Note 20 : Other non-current financial liabilities		
1 Preference dividend payable	-	0.05
2 Tax on preference dividend payable	-	0.01
3 Put option liability (refer note 47)	-	3,532.65
Total	**-**	**3,532.71**
Note 21 : Non-current provisions		
Provision for employee benefits :		
- Provision for compensated absences	486.92	384.71
- Provision for gratuity (refer note.38)	156.82	116.79
Total	**643.74**	**501.50**
Note 22 : Other non-current liabilities		
Deferred grant	1,404.59	1,523.69
Total	**1,404.59**	**1,523.69**

Notes to the Financial Statements

(₹ in lakh)

	As at March 31, 2018	As at March 31, 2017
Note 23 : Current borrowings		
1 Secured		
(a) Cash credit from banks (refer note 23.1)	1,101.08	2,142.09
(b) Buyers credit (refer note 23.1)	645.98	99.80
(c) Working capital loan	-	1,453.78
2 Unsecured		
(a) Term loans from banks (refer note 23.2)	20,504.73	20,033.15
(b) Commercial paper (refer note 23.3)	5,000.00	27,500.00
(c) Cash credit (refer note 23.1)	2,222.25	2,964.31
(d) Working capital loans from banks (refer note. 23.4)	5,103.19	9,732.11
(e) Foreign currency loan (refer note 23.5)	3,799.13	-
(f) Buyers credit (refer note 23.3)	489.94	-
Total	**38,866.30**	**63,925.24**

Note No. 23.1 : Cash Credit from banks are repayable on demand and carries interest at 1 Year MCLR + 35 to 50 bps (Previous year 1 Year MCLR + 35 to 50 bps). This cash credit from Bank is secured against inventories and receivables.

Cash Credit of a subsidiary from banks are repayable on demand and carries interest at MCLR + 0.55% to 1.10% have first pari passu charge on the current cssets of the subsidiary, including inventory and receivables both present & future and second charge on property, plant and equipments of the company present & future (including equitable mortgage/hypothecation of factory land & building / plant & machinery).

Buyers credit are at an interest rate of 3 month LIBOR + 40 to 100 bps and are repayable within 6 months.

Note No. 23.2 : Term loans from banks for the year are at an interest rate of 5.95% to 9.35%, 1 year T Bill + 14 bps, 1 month Mibor + 85 bps and 3 Month T Bill (Previous year 5.96% to 13.60 %). These loans are repayable on different dates up to three months from the date of financial statements.

Note No. 23.3 : Commercial paper carries interest rate of 6.15% to 7.25% (Previous Year 5.95% to 8.85%)

Note No. 23.4 : Working capital loan (Rupee) from banks carries interest rate of 7.50% to 7.85% (Previous Year at interest rates linked to MCLR). These loans are repayable on different dates within 3 months.

Note No. 23.5 : Foreign currency loans from Banks are at an interest rate of LIBOR + 75 bps and are repayable in 30 days.

(₹ in lakh)

	As at March 31, 2018	As at March 31, 2017
Note 24 : Current trade payables		
1 Trade payables		
(a) Due to micro, small and medium enterprises (refer note. 24.1)	242.48	220.65
(b) Others	37,868.01	31,053.80
2 Acceptances	57,391.00	52,810.16
Total	**95,501.49**	**84,084.61**
A Principal amount remaining unpaid	242.48	220.65
B Interest due thereon	-	-
C Interest paid by the company in term of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the suppliers beyond the appointed day during the year	-	-
D Interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-	-
E Interest accrued and remaining unpaid	-	-
F Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	-	-

Note No. 24.1: Micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) have been identified by the group on the basis of the information available with the Group and the auditors have relied on the same.

Notes to the Financial Statements

(₹ in lakh)

		As at March 31, 2018	As at March 31, 2017
Note 25 : Other financial liabilities			
1	Current maturities of long-term debt		
	Secured loan		
	Current maturities of long-term debt	36.77	125.66
	Unsecured loan		
	From others - Deferred sales tax loan (refer note. 19.4)	84.90	35.15
	From others - Deferred payment liabilities (refer note. 19.3)	102.96	102.96
	Current maturities of long-term debt - term loan	474.51	162.95
2	Liabilities towards beneficiaries of company's ESOP Trust	6.10	694.83
3	Security deposit	6,688.69	6,413.11
4	Non-trade payables	5,489.37	3,392.11
5	Derivative liability	9.10	222.90
6	Unclaimed dividend	6.90	5.32
7	Put option liability (refer note 47)	3,696.46	-
8	Others (includes accrual for expenses, customer incentives, bonus, etc.)	6,100.31	5,606.74
Total		**22,696.07**	**16,761.73**
Note 26 : Other current liabilities			
1	Advances from customers	3,256.28	2,560.47
2	Statutory liabilities	1,300.19	870.67
3	Deferred grants	113.23	112.94
4	Others	18.09	21.21
Total		**4,687.79**	**3,565.29**
Note 27 : Current provisions			
1	Provision for employee benefits		
	- Provision for compensated absences	84.10	57.06
	- Provision for gratuity (refer note. 38)	591.42	442.06
2	Provision for sales return (refer note. 27.1)	2,526.25	2,075.14
Total		**3,201.77**	**2,574.26**
Note. 27.1 : Movement of provision for sales return			
Opening provision		2,075.14	1,660.11
Add : Provision made for the year		13,863.34	12,313.79
Less: Utilised during the year		13,381.37	11,898.76
Less:- Reversed during the year		30.86	-
Closing provision		**2,526.25**	**2,075.14**

Note. 27.2 : The Group makes a provision on estimated sales return based on historical experience. The Sales returns are generally expected within a year.

Notes to the Financial Statements

(₹ in lakh)

		For the year ended March 31, 2018	For the year ended March 31, 2017
Note 28 : Revenue from operations			
A	**Sale of products (refer note 58)**	5,15,650.05	4,89,210.81
B	**Other operating revenue**		
	1 Sale of scrap and empties	2,712.36	2,457.41
	2 Export incentives	602.49	210.07
	3 Rebates / Incentives from government	743.24	179.64
	4 Conversion, handling and storage charges	30.68	6.20
	5 Service tax rebate	6.41	17.72
	6 Duty drawback	21.56	19.79
	7 Processing income	409.91	547.17
	8 Others	423.27	-
Other operating revenue		**4,949.92**	**3,438.00**
Fair value of biological assets (refer note. 4)		(8.76)	(8.63)
Total		**5,20,591.21**	**4,92,640.18**
Note 29 : Other income			
1	Interest income		
	(a) Instruments measured at amortised cost		
	(i) Interest received on deposits	130.69	271.37
	(ii) Interest received on loans & advance	21.68	747.29
	(iii) Interest received from income tax	131.03	-
	(iv) Interest - others	31.23	400.95
	(v) Interest income on finance lease	35.06	60.49
2	Dividend received	0.07	0.04
3	Profit on sale of investments (net)	17.96	2,763.43
4	Claims received	306.99	49.15
5	Liabilities no longer required written back	380.52	233.02
6	Recovery of bad debts written off	58.77	28.91
7	Royalty & technical knowhow	144.00	247.50
8	Foreign exchange difference (net)	419.80	-
9	Other miscellaneous income	1,328.74	981.59
10	Grant amortization	149.29	116.22
11	VAT refund received	25.56	-
Total		**3,181.39**	**5,899.96**
Note 30 : Cost of materials consumed			
(a)	Raw material stocks at the commencement of the year	41,825.60	42,467.85
(b)	Add : Purchases	3,79,490.64	3,61,989.09
(c)	Less : Raw material sold	133.38	666.32
		4,21,182.86	**4,03,790.62**
(d)	Less: Raw material stocks at the close of the year	42,135.46	41,825.60
Total cost of raw material consumed		**3,79,047.40**	**3,61,965.02**

Notes to the Financial Statements

(₹ in lakh)

			For the year ended March 31, 2018	For the year ended March 31, 2017
Note 31 : Purchase of stock-in-trade				
1	Agri inputs		17,081.35	18,360.49
2	Others		-	2.26
Total			**17,081.35**	**18,362.75**
Note 32 : Changes in inventories of finished goods, work In progress, stock under cultivation and stock-in-trade				
1	**Stocks at the commencement of the year**			
	(a)	Finished goods	12,816.74	13,653.00
	(b)	Work in progress	4,545.80	2,236.97
	(c)	Stock under cultivation	466.98	886.81
	(d)	Stock-in-trade	6,385.65	6,161.85
	Total stock at the commencement of the year		**24,215.17**	**22,938.63**
2	**Less : Stocks at the close of the year**			
	(a)	Finished goods	15,786.52	12,816.74
	(b)	Work In progress	3,548.87	4,545.80
	(c)	Stock under cultivation	426.17	466.98
	(d)	Stock-in-trade	5,220.08	6,385.65
	Total stock at the close of the year		**24,981.64**	**24,215.17**
Change in the stock of finished goods, work in progress, stock under cultivation, stock in trade			**(766.47)**	**(1,276.54)**
Note 33 : Employee benefit expense				
1	Salaries, wages, bonus and allowances		23,965.92	20,162.11
2	Contribution to provident, gratuity and other funds (refer note 38)		1,593.35	1,343.78
3	Expense on employee stock based payments (refer note. 39)		262.52	355.35
4	Staff welfare expense		1,812.41	1,413.65
Total			**27,634.20**	**23,274.89**
Note 34 : Finance costs				
1	Interest expense			
	i	Paid to banks on loans and cash credit	2,339.20	1,869.52
	ii	Others	1,985.17	6,364.32
2	Other borrowing costs		174.70	316.26
3	Exchange differences regarded as a adjustment to borrowing cost		32.26	84.01
4	Preference dividend and tax on preference dividend		(0.00)	0.07
Total			**4,531.33**	**8,634.18**

Note No.34.1: Finance costs are net of interest capitalised to Project in Progress ₹ 402.15 Lakh (Previous Year ₹ 294.15 Lakh).

Notes to the Financial Statements

(₹ in lakh)

		For the year ended March 31, 2018	For the year ended March 31, 2017
Note 35 : Depreciation and amortisation expenses			
1	Depreciation	8,265.82	7,188.76
2	Amortization	751.75	702.84
	Less : Transfer from general reserve (refer note.54.i)	(425.12)	(425.12)
Total		**8,592.45**	**7,466.48**
Note 36 : Other expenses			
1	Stores and spares consumed	2,723.11	2,138.84
2	Power and fuel	8,572.58	7,686.34
3	Processing charges	10,696.38	8,890.61
4	Rent	1,638.67	1,506.09
5	Rates and taxes	695.34	865.01
6	Repairs and maintenance		
	(a) Machinery	1,435.99	1,095.38
	(b) Buildings	166.01	204.13
	(c) Other assets	425.34	422.75
7	Insurance	349.18	281.90
8	Auditor’s remuneration (refer note 36.1)	110.14	119.47
9	Freight	3,770.43	2,728.03
10	Advertisement, selling and distribution expenses	8,650.39	7,584.59
11	Bad debts/advances written off	820.57	799.23
12	Allowances for doubtful debts and advances	688.37	454.30
13	Inventory lost due to fire	262.90	-
14	Loss on sale/write off of property, plant and equipments	158.44	238.07
15	Research expenses	118.40	182.48
16	Net gain/loss on foreign currency transactions and translation	-	95.45
17	Corporate social responsibility expenses	516.70	484.03
18	Miscellaneous expenses	9,453.42	9,204.64
Total		**51,252.36**	**44,981.34**
Note No. 36.1: Auditor’s remuneration (including to previous auditors)			
(a)	Audit fees (including limited reviews)	104.37	56.85
(b)	Audit under other statutes	0.93	19.18
(c)	Taxation matters	1.00	30.83
(d)	Other matters	0.28	2.84
(e)	Reimbursement of expenses	3.56	9.77
Total		**110.14**	**119.47**
Other services (in connection with filing of red herring prospectus with SEBI)		71.73	-
		181.87	**119.47**

Notes to the Financial Statements

Note 37 : Earnings per share

Calculation of weighted average number of equity shares - basic and diluted

(₹ in lakh)

	Particulars	March 31, 2018	March 31, 2017
1	Calculation of weighted average number of equity shares - Basic		
	Number of shares at the beginning of the year	18,51,30,876	8,84,58,090
	Effect of bonus issue	-	8,84,58,090
	Revised number of shares at the beginning of the year	18,51,30,876	17,69,16,180
	Equity shares issued during the year	68,97,863	-
	Equity shares under ESOP scheme exercised during the year	-	82,14,696
	Number of equity shares outstanding at the end of the year	19,20,28,739	18,51,30,876
	Weighted average number of equity shares for the year	18,83,77,275	17,71,41,240
2	Calculation of weighted average number of equity shares - Diluted		
	Number of potential equity shares at the beginning of the year	18,51,30,876	17,69,16,180
	Effect of potential equity shares (refer note 37.1)	-	82,14,696
	Revised number of potential shares at the beginning of the year	18,51,30,876	18,51,30,876
	Revised number of potential equity shares outstanding at the end of the year	19,20,28,739	18,51,30,876
	Weighted average number of potential equity shares for the year	18,83,77,275	18,51,30,876
3	**Profit attributable to ordinary shareholders (Basic/diluted)**		
	Profit for the year, attributable to the owners of the Company	22,920.90	24,881.68
	Income/(Expense) recognized in reserves		
	Amortisation of intangiable assets	(276.77)	(277.99)
	Employee compensation expenses	-	(2,375.71)
	Profit for the year, attributable to ordinary shareholders	22,644.13	22,227.98
4	Basic Earnings per share (₹)	12.02	12.55
5	Diluted Earnings per share (₹)	12.02	12.01
6	Nominal Value of Shares (₹)	10.00	10.00

Note 37.1 : The calculation of diluted earning per share is based on profit attributed to equity shareholders and weigthed average no. of equity shares outstanding after adjustments for the effects of all dilutive potential equity share i.e. shares reserved for employee share based payments. These share, have been fully issued upto 31st March, 2017 under Employee Stock Option Plan.

Note 38 : Employee benefits

The group contributes to the following post-employment plans in India.

Defined Contribution Plans:

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

The group recognised ₹ 1,051.80 Lakh for the year ended March 31, 2018 (Previous Year ₹ 929.08 Lakh) towards provident fund contribution and ₹ 57.15 Lakh for the year ended March 31, 2018 (Previous Year ₹ 57.94 Lakh) towards super-annuation fund contribution in the Statement of Profit and Loss.

Defined Benefit Plan:

a) The Group manages the Provident Fund plan through a Provident Fund Trust for its employees which is permitted under The Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and is actuarially valued. 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

Notes to the Financial Statements

earned by the Company has been higher in the past years. The actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the below provided assumptions there is no shortfall as at March 31, 2018.

Particulars	Amount
Plan assets at period end, at fair value	9,907.36
Provident fund corpus	9,625.48
Valuation assumptions under deterministic approach:	
Weighted average yield	8.61%
Weighted average YTM	8.60%
Guaranteed rate of interest	8.55%

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

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

Liabilities in respect of the gratuity plan are determined by an actuarial valuation, based upon which the Group makes annual contributions to the Group Gratuity cum Life Assurance Schemes administered by the ICICI Prudential Life insurance, a funded defined benefit plan for qualifying employees. Trustees administer the contributions made by the Company to the gratuity scheme. The employee gratuity fund scheme for other Indian subsidiaries is managed by Life Insurance Corporation of India.

The most recent actuarial valuation of the defined benefit obligation along with the fair valuation of the plan assets in relation to the gratuity scheme was carried out as at March 31, 2018. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation and the plan assets as at balance sheet date:

(₹ in lakh)

	March 31, 2018	March 31, 2017
Defined benefit obligation	(2,848.72)	(2,264.86)
Fair value of plan assets	2,100.48	1,706.87
Net defined benefit (obligation)/assets	**(748.24)**	**(557.99)**

i. Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components

(₹ in lakh)

	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) liability	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Opening balance	2,264.86	1,708.54	1,706.88	1,288.36	557.98	420.18
Included in profit or loss	-	-	-	-	-	-
Current service cost	220.90	151.48	-	-	220.90	151.48
Past service cost	34.70	-	-	-	34.70	-
Interest cost (income)	167.84	137.23	125.32	103.97	42.52	33.26
Liability / Assets transferred in / Acquisitions	22.65	-	22.65	-	-	-
Included in OCI						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:	369.08	439.97	-	-	369.08	439.97

Notes to the Financial Statements

(₹ in lakh)

	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) liability	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Demographic assumptions	44.16		-	-	44.16	-
Financial assumptions	(77.68)	118.22	-	-	(77.68)	118.22
Experience adjustment	402.60	321.75	-	-	402.60	321.75
Return on plan assets excluding interest income	-	-	(22.08)	59.78	(22.08)	(59.78)
	3,080.03	**2,437.22**	**1,832.77**	**1,452.11**	**1,247.26**	**985.11**
Other						
Contributions paid by the employer	-	-	499.02	427.12	(499.02)	(427.12)
Benefits paid	(231.31)	(172.36)	(231.31)	(172.36)	-	-
Closing balance	**2,848.72**	**2,264.86**	**2,100.48**	**1,706.87**	**748.24**	**557.99**
Represented by						
Net defined benefit liability	748.24	557.99				
	748.24	**557.99**				

ii. Plan assets

Plan assets comprise the following

(₹ in lakh)

	March 31, 2018	March 31, 2017
Insurer managed fund (100%)	2,100.48	1,706.87
	2,100.48	**1,706.87**

iii. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	March 31, 2018	March 31, 2017
Discount rate	7.69%	7.56%
Future salary growth	5.00%	5.00%
Rate of employee turnover	For service 4 yrs & Below 15.00% p.a. & For service 5 yrs and above 2.00% p.a.	For service 4 yrs & Below 15.00% p.a. & For service 5 yrs and above 2.00% p.a.
Mortality rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

Assumptions regarding future mortality have been based on published statistics and mortality tables.

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.

(₹ in lakh)

	March 31, 2018		March 31, 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(196.22)	226.04	(195.37)	229.28
Future salary growth (1% movement)	229.13	(201.95)	230.50	(199.19)
Rate of employee turnover (1% movement)	60.36	(79.67)	71.92	(84.24)

Notes to the Financial Statements

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 occuring at the end of the reporting period.

v. Expected future cash flows

The expected future cash flows in respect of gratuity as at March 31, 2018 were as follows

(₹ in lakh)

	March 31, 2018	March 31, 2017
Expected future benefit payments		
1st Following year	433.12	176.62
2nd Following year	179.46	172.27
3rd Following year	271.78	169.24
4th Following year	202.68	239.34
5th Following year	186.20	133.95
Therafter	1,491.95	917.93

Other long-term employee benefits:

Compensated absences are payable to employees at the rate of daily salary for each day of accumulated leave on death or on resignation or upon retirement. The charge towards compensated absences for the period ended March 31, 2018 based on actuarial valuation using the projected accrued benefit method is ₹ 171.83 Lakh (Previous Year ₹ 368.75 Lakh)

Termination Benefits: All termination benefits including voluntary retirement compensation are fully written off to the Statement of Profit & Loss

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

Note 39 : Share-based payment arrangements:

Description of share-based payment arrangements

A. Godrej Agrovet Limited

Employee Stock Grant Scheme of Godrej Industries Limited.

The Company 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 Re. 1 per equity share as provided in the scheme. The Company has provided ₹ 220.00 Lakh (Previous Year ₹ 190.00 Lakh) for the aforesaid eligible employees for the current period.

Employee stock options - equity settled

In December 2012, the Company instituted an Employee Stock Option Plan (GAVL ESOP) as approved by the Board of Directors and the Shareholders, for the allotment of 5,86,764 options convertible into 5,86,764 equity shares of ₹ 10 each and Bonus Shares issued against the initial allotment for 35,20,584 shares of ₹ 10 each to eligible employees of the company.

The scheme is administered by an independent ESOP Trust created. The Company has issued 5,86,764 equity shares and Bonus Shares issued against the initial allotment for 76,27,932 shares to the said ESOP Trust at face value of ₹ 10 each amounting to ₹ 58.68 Lakh. All the stock options were vested, exercised and transferred to the eligible employees by March 31, 2017.

Notes to the Financial Statements

Category A

Particulars	For the year ended 31 March 2017			
	Shares arising out of options	Range of exercise prices	Weighted average exercise price	Weighted average remaining contractual life
Options outstanding at the beginning of the year	18,43,457	10.00	1.43	21.5 months
Add: Options granted during the year	1,48,463	10.00	1.43	-
Less: Options lapsed during the year	(1,48,463)	-	-	-
Bonus shares issue against the allotment	18,43,457	-	-	-
Less: Options exercised during the year	(36,86,914)	10.00	0.71	-
Options outstanding at the year end	-	-	-	-
Exercisable at the end of the period	-	-	-	-

The weighted average grant date fair value of par value options granted under Category A during the years ended March 31, 2017 was ₹ 154.60 per option, respectively. The weighted average share price during the years ended March 31, 2017 is ₹ 297.17 per share.

Category B

Particulars	For the year ended 31 March 2017			
	Shares arising out of options	Range of exercise prices	Weighted average exercise price	Weighted average remaining contractual life
Options outstanding at the beginning of the year	22,63,891	10.00	1.43	-
Add: Options granted during the year	-	-	-	-
Less: Options lapsed during the year	-	-	-	-
Bonus shares issue against the allotment	22,63,891	10.00	-	-
Less: Options exercised during the year	(45,27,782)	10.00	0.71	-
Options outstanding at the year end	-	-	-	-
Exercisable at the end of the period	-	-	-	-

The weighted average grant date fair value of par value options granted under Category B during the years ended March 31, 2017 was ₹ 154.60 per option, respectively. The weighted average share price during the years ended March 31, 2017 is ₹ 297.17 per share.

Valuation of stock options

The fair value of stock options granted during the previous year has been measured using the Black–Scholes option pricing model at the date of the grant. The Black-Scholes option pricing model includes assumptions regarding dividend yields, expected volatility, expected terms and risk free interest rates. The key inputs and assumptions used are as follows:

Share price: The share price has been obtained through valuation report.

Exercise Price: Exercise Price is the market price or face value or such other price as determined by the Remuneration and Compensation Committee.

Expected Volatility: The historical volatility of the stock till the date of grant has been considered to calculate the fair value of the options.

Expected Option Life: Expected Life of option is the period for which the Company expects the options to be live. The minimum life of a stock option is the minimum period before which the options cannot be exercised and the maximum life is the period after which the options cannot be exercised.

Expected dividends: Expected dividend yield has been calculated as an average of dividend yields for the four financial years preceding the date of the grant.

Risk free interest rate: The risk free interest rate on the date of grant considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero coupon yield curve for Government Securities.

These assumptions reflect management's best estimates, but these assumptions involve inherent market uncertainties based on market conditions generally outside of the Company's control. As a result, if other assumptions had been used in the current period, stock-based compensation expense could have been materially impacted. Further, if management uses different assumptions in future periods, stock based compensation expense could be materially impacted in future years. The estimated fair value of stock options is charged to income on a straight-line basis over the requisite

Notes to the Financial Statements

service period for each separately vesting portion of the award as if the award was, in-substance, multiple awards.The weighted average inputs used in computing the fair value of options granted were as follows:

	Grant date
Grant date	16/01/2013
Fair value	154.14
Share price	154.60
Exercise price	10.00
Expected volatility (weighted-average)	0.00%
Expected life (weighted-average)	5
Expected dividends	0.00%
Risk-free interest rate (based on government bonds)	9.00%

B. Astec Lifescience Limited

(a) Employee stock option scheme (ESOS, 2015)

The Company has implemented Employees under Employee stock option scheme (ESOS, 2015) which was approved by the Shareholders at the 21st Annual General Meeting. The employee stock option scheme is designed to provide incentives to all the permanent employees to deliver long-term returns. Under the plan, participants are granted options which will vest in 4 years (40% in 1st year, 30% in 2nd year, 20% in 3rd year and 10% in 4th year) from the date of grant. Participation in the plan is at the discretion of the Compensation Committee / Board of Directors of the company.

Once vested, the options remains exercisable for a period of three years.

Options are granted at the market price on which the options are granted to the employees under ESOS 2015. When exercisable, each option is convertible into one equity share.

(b) Employee stock option plan (ESOP, 2012)

The company has implemented Employee Stock Option Plan (ESOP 2012) which was approved by the Shareholders at the Extra-Ordinary General Meeting of the company in the Year 2012. The employee stock option plan is designed to provide incentives to all the permanent employees to deliver long-term returns. Under the plan, participants are granted options which will vest in 4 years (40% in 1st year, 30% in 2nd year, 20% in 3rd year and 10% in 4th year) from the grant date. Participation in the plan is at the discretion of the Compensation Committee / Board of Directors of the company.

Once vested, the options remains exercisable for a period of seven years.

Options are granted under ESOP 2012 at an exercise price of ₹ 34/- each. When exercisable, each option is convertible into one equity share.

Set out below is a summary of options granted under both the plans:

	March 31, 2018		March 31, 2017	
	Average exercise price per share option (₹)	Number of options	Average exercise price per share option (₹)	Number of options
Opening balance	34.00	50,000	34	1,21,000
Granted during the period	-	-	-	-
Exercised during the period	34.00	12,800	34	57,800
Lapsed during the period	-	-	34	13,200
Closing balance	**-**	**37,200**	**-**	**50,000**
Vested and exercisable	**-**	**21,500**	**-**	**11,900**

Notes to the Financial Statements

	March 31, 2018		March 31, 2017	
	Average exercise price per share option (₹)	Number of options	Average exercise price per share option (₹)	Number of options
Opening balance	387.35	50,000	-	-
Granted during the period	-	-	387.35	50000
Exercised during the period	34.00	4,000	-	-
Lapsed during the period	-	6,000	-	-
Closing balance	**-**	**40,000**	**-**	**50,000**
Vested and exercisable	**-**	**16,000**	**-**	**11,900**

No options expired during the periods covered in the above tables.

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant date	Expiry date	Exercise price	March 31, 2018 Share options	March 31, 2017 Share options
January 31, 2015	January 30, 2023	34.00	-	800
January 31, 2015	January 30, 2024	34.00	4,500	11,100
January 31, 2015	January 30, 2025	34.00	11,400	13,400
January 31, 2015	January 30, 2026	34.00	6,700	6,700
May 16, 2015	May 15, 2023	34.00	-	-
May 16, 2015	May 15, 2024	34.00	5,600	9,000
May 16, 2015	May 15, 2025	34.00	6,000	6,000
May 16, 2015	May 15, 2026	34.00	3,000	3,000
July 26, 2016	July 25, 2020	387.35	16,000	20,000
July 26, 2016	July 25, 2021	387.35	12,000	15,000
July 26, 2016	July 25, 2022	387.35	8,000	10,000
July 26, 2016	July 25, 2023	387.35	4,000	5,000
Total			**77,200**	**1,00,000**
Weighted average remaining contractual life of options outstanding at end of period			5.07	6.02

(i) Fair value of options granted

The fair value of grant date of options granted during the year ended March 31, 2018 and March 31, 2017 is mentioned in the table below. The fair value at grant date is determined using the Black Scholes model which takes into account the exercise price, the term of option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

Grant date	Expiry date	Fair Value	March 31, 2018 Share options	March 31, 2017 Share options
January 31, 2015	January 30, 2023	95.84	-	800
January 31, 2015	January 30, 2024	109.41	4,500	11,100
January 31, 2015	January 30, 2025	109.91	11,400	13,400
January 31, 2015	January 30, 2026	110.49	6,700	6,700
May 16, 2015	May 15, 2023	105.77	-	-
May 16, 2015	May 15, 2024	118.18	5,600	9,000
May 16, 2015	May 15, 2025	119.30	6,000	6,000
May 16, 2015	May 15, 2026	119.67	3,000	3,000
July 26, 2016	July 25, 2020	100.00	16,000	20,000
July 26, 2016	July 25, 2021	159.00	12,000	15,000
July 26, 2016	July 25, 2022	278.00	8,000	10,000
July 26, 2016	July 25, 2023	297.00	4,000	5,000
Total			**77,200**	**1,00,000**

Notes to the Financial Statements

The model inputs for options granted during the period ended March 31, 2018 included:

ESOS, 2015 granted on 26 July 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.

	July 25, 2020	July 25, 2021	July 25, 2022	July 25, 2023
Exercise price	₹ 387.35	₹ 387.35	₹ 387.35	₹ 387.35
Grant date	July 26, 2016	July 26, 2016	July 26, 2016	July 26, 2016
Expiry date	July 25, 2020	July 25, 2021	July 25, 2022	July 25, 2023
Share price at grant date	₹ 387.35/-	₹ 387.35/-	₹ 387.35/-	₹ 387.35/-
Expected price volatility of the company's shares	57%	66%	115%	109%
Expected dividend yield	0.00%	0.00%	0.00%	0.00%
Risk free interest rate	8.27%	8.17%	8.20%	8.32%

The model inputs for options granted during the year ended March 31, 2016 included:

ESOP, 2012- Option B granted on 16 May 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.

	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	16 May 2015	16 May 2015	16 May 2015	16 May 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 31 January 2015

Options are granted for a consideration as mentioned below in the table and vest 40% of options 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.

	January 30, 2023	January 30, 2024	January 30, 2025	January 30, 2026
Exercise Price	₹ 34/- (March 31, 2016 - ₹ 34/-)	₹ 34/- (March 31, 2016 - ₹ 34/-)	₹ 34/- (March 31, 2016 - ₹ 34/-)	₹ 34/- (March 31, 2016 - ₹ 34/-)
Grant Date	January 31, 2015	January 31, 2015	January 31, 2015	January 31, 2015
Expiry Date	January 30, 2023	January 30, 2024	January 30, 2025	January 30, 2026
Share price at grant date	₹ 127.70/-	₹ 127.70/-	₹ 127.70/-	₹ 127.70/-
Expected price volatility of the company's shares	72%	143%	120%	108%
Expected dividend yield	0.78%	0.78%	0.78%	0.78%
Risk free interest rate	8.27%	8.17%	8.20%	8.32%

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

Notes to the Financial Statements

Note 40: Financial instruments – fair values and risk management

Note 40.1: 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 presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(₹ in lakh)

March 31, 2018		Carrying amount				Fair value			
		FVTPL	FVOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
	Financial assets								
I	**Non-current financial assets**								
1	Investments	0.98	-	0.17	1.15	-	-	0.98	0.98
2	Loans and advances	-	-	1,376.98	1,376.98	-	-	-	-
3	Others	-	-	148.44	148.44	-	-	-	-
II	**Current financial assets**								
1	Trade and other receivables	-	-	63,151.68	63,151.68	-	-	-	-
2	Cash and cash equivalents	-	-	2,985.18	2,985.18	-	-	-	-
3	Other bank balances	-	-	197.29	197.29	-	-	-	-
4	Loans and advances	-	-	1,469.18	1,469.18	-	-	-	-
5	Others	58.74	21.00	2,104.17	2,183.91	-	79.74	-	79.74
		59.72	**21.00**	**71,433.09**	**71,513.81**	**-**	**79.74**	**0.98**	**80.72**
Financial liabilities									
I	**Non-current financial liablities**								
1	Borrowings	-	-	1,414.46	1,414.46	-	24.88	-	24.88
2	Others	-	-	-	-	-	-	-	-
II	**Current financial liabilities**								
1	Borrowings	-	-	38,866.30	38,866.30	-	-	-	-
2	Trade and other payables	-	-	95,501.49	95,501.49	-	-	-	-
3	Others	9.10	-	22,686.97	22,696.07	-	24.42	-	24.42
		9.10	**-**	**1,58,469.22**	**1,58,478.32**	**-**	**49.30**	**-**	**49.30**

(₹ in lakh)

March 31, 2017		Carrying amount				Fair value			
		FVTPL	FVOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
I	**Non-current financial assets**								
1	Investments	0.93	-	-	0.93	-	0.93	-	0.93
2	Loans and advances	-	-	1,497.85	1,497.85	-	-	-	-
3	Others	-	-	491.94	491.94	-	447.85	-	447.85
II	**Current financial assets**								-
1	Investments	-	-	-	-	-	-	-	-
2	Trade and other receivables	-	-	52,194.99	52,194.99	-	-	-	-
3	Cash and cash equivalents	-	-	5,381.95	5,381.95	-	-	-	-
4	Other bank balances	-	-	847.75	847.75	-	-	-	-
5	Loans and advances	-	170.28	2,114.29	2,284.57	-	170.28	-	170.28
6	Others	-	-	1,390.29	1,390.29	-	-	-	-
		0.93	**170.28**	**63,919.06**	**64,090.27**	**-**	**619.06**	**-**	**619.06**

Notes to the Financial Statements

(₹ in lakh)

March 31, 2017		Carrying amount				Fair value			
		FVTPL	FVOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
I	**Non-current financial liabilities**								
1	Borrowings		-	2,055.81	2,055.81	-	298.43	-	298.43
2	Others	-	-	3,532.71	3,532.71	-		-	-
II	**Current financial liabilities**								
1	Borrowings	-	-	63,925.24	63,925.24	-	12,615.78	-	12,615.78
2	Trade and other payables	-	-	84,084.61	84,084.61	-	-	-	-
3	Others	222.90	-	16,538.83	16,761.73	-	222.90	-	222.90
		222.90	**-**	**1,70,137.20**	**1,70,360.10**	**-**	**13,137.11**	**-**	**13,137.11**

Valuation technique used to determine fair value

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as significant unobservable input used.

Type		Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Forward contract for foreign exchange contracts	-	the fair value of the forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.	NA	NA
Remaining financial instrument	-	the fair value of the remaining financial instruments is determined using discounted cash flow analysis.	NA	NA

Financial risk management

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

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

i. Risk management framework

The group's board of directors has overall responsibility for the establishment and oversight of the group's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the group's risk management policies. The committee reports regularly to the board of directors on its activities.

The group's risk management policies are established to identify and analyse the risks faced by the group, 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 group's activities. The group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

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

Note 40.2: 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 group's receivables from customers and loans and advances.

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

Notes to the Financial Statements

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 group grants credit terms in the normal course of business.

The Risk Management Committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the group's standard payment and delivery terms and conditions are offered. The group's export sales are backed by letters of credit, Export Credit Guarantee Corporation and accordingly no provision has been made on the same. Further for domestic sales, the group segments the customers into Distributors and Others for credit monitoring.

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

The group establishes an allowance for impairment that represents its estimate of expected losses in respect of trade receivables and loans and advances.

The maximum exposure to credit risk for trade and other receivables by type of counterparty was as follows:

(₹ in lakh)

	Carrying amount	
	March 31, 2018	March 31, 2017
Trade receivables	63,151.68	52,194.99
Exports		
Distributors	-	-
Other	5,795.58	4,088.01
Domestic		
Distributors	48,697.32	39,223.86
Other	8,658.78	8,883.12
	63,151.68	**52,194.99**
Other receivables	1,319.96	3,072.26

Impairment

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

(₹ in lakh)

	March 31, 2018	March 31, 2017
Neither past due nor impaired	43,947.93	31,795.75
Past due 1–30 days	5,788.61	7,217.57
Past due 31–90 days	4,213.68	6,926.30
Past due 91–180 days	2,358.91	2,115.21
> 180 days	6,842.55	4,140.16
	63,151.68	**52,194.99**

Notes to the Financial Statements

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

(₹ in lakh)

	March 31, 2018	March 31, 2017
For trade receivable		
Balance as at April 1	777.80	424.52
Impairment loss recognised	1,620.89	1,119.01
Amounts written off	(820.57)	(765.73)
Balance as at March 31	**1,578.12**	**777.80**

(₹ in lakh)

	March 31, 2018	March 31, 2017
For other receivable		
Balance as at April 1	59.31	2,091.06
Impairment loss recognised	23.47	(1,998.25)
Amounts written off	(25.25)	(33.50)
Balance as at March 31	**57.53**	**59.31**

Cash and cash equivalents and other bank balances

The group held cash and cash equivalents and other bank balances of ₹ 3,182.47 Lakh at March 31, 2018 (Previous Year ₹ 6,229.70 Lakh). The cash and cash equivalents and other bank balances are held with bank and financial institution counterparties with good credit rating.

Note 40.3: 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. The Group has access to funds from debt markets through loans from banks, commercial papers and other debt instruments.

Exposure to liquidity risk

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

Notes to the Financial Statements

(₹ in lakh)

March 31, 2018	Contractual cash flows						More than 5 years
	Carrying amount	Total	0-6 months	6-12 months	1-2 years	2-5 years	
Non-derivative financial liabilities							
Non-current, non-derivative financial liabilities							
Deferred sales tax loan	226.42	256.72	-	-	123.20	133.52	-
Deferred payment liablities	308.87	308.87	-	-	102.95	205.92	-
Term loans from bank and NBFC (Unsecured) & vehicle loans (Secured)	879.17	879.17	-	-	524.21	354.96	-
Current, non-derivative financial liabilities							
Cash credit from bank	3,323.33	3,323.33	3,323.33	-	-	-	-
Term loans from banks	20,504.73	20,504.73	20,388.76	115.97	-	-	-
Commercial papers	5,000.00	5,000.00	5,000.00	-	-	-	-
Buyers Credit	1,135.92	1,135.92	1,135.92	-	-	-	-
Working capital loans from banks	8,902.32	8,902.32	8,902.32	-	-	-	-
Trade and other payables	38,110.49	38,110.49	37,055.74	1,054.75	-	-	-
Acceptances	57,391.00	57,391.00	57,391.00	-	-	-	-
Other current financial liabilities	18,990.51	18,890.69	18,735.54	155.14	-	-	-
Derivative liability							
MTM on forward exchange contract	9.10	9.10	-	9.10	-	-	-
Put option liability	3,696.46	3,696.46	3,696.46	-	-	-	-
Total	**1,54,772.76**	**1,54,703.24**	**1,51,932.61**	**1,325.86**	**750.36**	**694.40**	**-**

(₹ in lakh)

March 31, 2017	Contractual cash flows						More than 5 years
	Carrying amount	Total	0-6 months	6-12 months	1-2 years	2-5 years	
Non-derivative financial liabilities							
Non-current, non-derivative financial liabilities							
6, 000 8% Cumulative non-convertible redeemable preference shares of the par value of ₹ 10 each	0.60	0.60	-	-	-	-	0.60
Deferred sales tax loan	258.24	341.63	-	-	84.91	256.72	-
Deferred payment liablities	411.82	411.82	-	-	102.96	308.86	-
Term loan from bank	1,327.60	1,456.13	-	110.97	490.87	854.29	-
Term loans from bank and NBFC - Secured	57.55	57.55	-	-	31.68	25.88	-
Other non-current financial liabilities - Others	0.06	0.06	-	-	-	-	0.06
Current, non-derivative financial liabilities							
Cash credit from bank	5,106.39	5,106.39	5,106.39	-	-	-	-
Term loans from banks	20,033.15	20,033.15	20,033.15	-	-	-	-
Commercial papers	27,500.00	27,500.00	27,500.00	-	-	-	-
Buyers credit	99.80	99.80	99.80	-	-	-	-
Working capital loans from banks	11,185.89	11,185.89	11,185.89	-	-	-	-
Trade and other payables	31,274.46	31,274.46	31,274.46	-	-	-	-
Acceptances	52,810.16	52,810.16	52,810.16	-	-	-	-
Other current financial liabilities	16,538.84	16,475.89	16,270.46	205.43	-	-	-
Derivative liability							
MTM on forward exchange contract	222.90	222.90	-	222.90			
Put option liability	3,532.65	3,532.65	3,532.65				
Total	**1,70,360.11**	**1,70,509.09**	**1,67,812.96**	**539.30**	**710.42**	**1,445.75**	**0.66**

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

Notes to the Financial Statements

Note 40.4 : Currency risk

Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Our Board of Directors and its Audit Committee are responsible for overseeing our risk assessment and management policies. Our major market risks of foreign exchange, interest rate and counter-party risk are managed centrally by our Company treasury department, which evaluates and exercises independent control over the entire process of market risk management.

We have a written treasury policy, and reconciliations of our positions with our counter-parties are performed at regular intervals.

Interest rate risk is covered by entering into fixed-rate instruments to ensure variability in cash flows attributable to interest rate risk is minimised.

Currency risk

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 functional currencies of the group companies are primarily the local currency of the respective countries in which they operate. The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which revenues and expenses are denominated and the respective functional currencies of group companies. The currencies in which these transactions are primarily denominated are INR. Foreign currency revenues and expenses are in the nature of export sales, import purchases, royalty, technical know-how & professional and consultation fees.

Exposure to currency risk

The summary quantitative data about the group's exposure to currency risk as reported to the management of the Group is as follows. The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

(₹ in lakh)

	March 31, 2018			March 31, 2017		
	USD	EUR	GBP	USD	EUR	GBP
Financial assets						
Trade receivables	5,794.19	-	-	3,954.01	91.61	-
Foreign exchange forward contracts	(678.64)	-	-	-	-	-
Net exposure to foreign currency risk (Assets)	**5,115.55**	**-**	**-**	**3,954.01**	**91.61**	**-**
Financial liabilities						
Borrowings	(3,756.25)	-	-	(5,791.14)	-	-
Buyers credit	(1,131.92)	-	-	(99.80)	-	-
Trade payables	(8,129.05)	(349.72)	(6.82)	(3,341.72)	-	(7.01)
Derivative liabilities	-	-	-	-	-	-
Foreign exchange forward contracts	5,266.67	-	-	7,328.81	-	-
Net exposure to foreign currency risk (Liabilities)	**(7,750.55)**	**(349.72)**	**(6.82)**	**(1,903.85)**	**-**	**(7.01)**
Net exposure	**(2,635.00)**	**(349.72)**	**(6.82)**	**2,050.16**	**91.61**	**(7.01)**
Un-hedged foreign currency exposures						
Purchase	(7,750.55)	(349.72)	(6.82)	(1,903.85)	-	(7.01)
Sale	5,115.55	-	-	3,954.01	91.61	-

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against all other currencies at 31 March 2018 would have affected the measurement of financial instruments denominated in a foreign currency 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.

Notes to the Financial Statements

Effect in ₹ lakh	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
March 31, 2018				
USD (1% movement)	(26.35)	26.35	(26.35)	26.35
EUR (4% movement)	(13.99)	13.99	(13.99)	13.99
GBP (3% movement)	(0.20)	0.20	(0.20)	0.20
	(40.54)	**40.54**	**(40.54)**	**40.54**

Effect in ₹ lakh	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
March 31, 2017				
USD (1% movement)	21.29	(21.29)	21.29	(21.29)
EUR (2% movement)	(1.83)	1.83	(1.83)	1.83
GBP (2% movement)	0.14	(0.14)	0.14	(0.14)
	19.60	**(19.60)**	**19.60**	**(19.60)**

Note: Sensitivity has been calculated using standard Deviation % of USD, EURO and GBP rate movement.

Note 40.5: Interest rate risk

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

Exposure to interest rate risk

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

(₹ in lakh)

Nominal amount	March 31, 2018	March 31, 2017
Fixed-rate instruments		
Loans and advances	57.02	51.19
Other financial assets	2,153.41	2,761.34
Borrowings	12,355.84	49,584.88
Inter corporate deposits	1,090.50	-
Other financial liabilities	5,645.81	5,580.35
Total	**21,302.58**	**57,977.76**
Variable-rate instruments		
Term loans from banks	20,327.60	13,718.45
Cash credit / WC demand loans from banks	8,426.52	15,464.39
Buyers credit	1,135.92	99.80
Foreign currency loan	3,799.13	-
Total	**33,689.17**	**29,282.64**
TOTAL	**54,991.75**	**87,260.40**

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Notes to the Financial Statements

(₹ in lakh)

	Profit or (loss) and Equity (net of tax) March 31, 2018		Profit or (loss) and Equity (net of tax) March 31, 2017	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Variable-rate instruments	(336.89)	336.89	(292.83)	292.83
Cash flow sensitivity (net)	**(336.89)**	**336.89**	**(292.83)**	**292.83**

The risk estimates provided assume a change of 100 basis points interest rate for the interest rate benchmark as applicable to the borrowings summarized above. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the year.

Fair value sensitivity analysis for fixed-rate instruments

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

Note 41 : Hedge accounting

The group uses forward exchange contracts to hedge its currency risk. Such contracts are generally designated as cash flow hedges.

The forward exchange forward contracts are denominated in the same currency as the highly probable future transation value, therefore the hedge ratio is 1:1. Most of these contracts have a maturity of 18 months from the reporting date. The group's policy is for the critical terms of the forward exchange contracts to align with the hedged item.

The group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The group assesses whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in the cash flows of the hedged item using the hypothetical derivative method.

In these hedge relationships, changes in timing of the hedged transactions is the main source of hedge ineffectiveness.

a. Disclosure of effects of hedge accounting on financial position

March 31, 2018 (₹ in lakh)

Type of hedge	Nominal Value	Carrying amount of hedging instrument		Line item in the statement of financial position where the hedging instrument is included	Maturity date	Hedge ratio	Average strike price/ rate	Changes in fair value of the hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
		Assets	Liabilities						
Forward exchange forward contracts on outstanding borrowings	3,768.80	21.00	-	Other Financial Assets - current	April 25, 2018	1:1	65.00	35.28	(35.28)
	3,768.80	**21.00**	-						

March 31, 2017 (₹ in lakh)

Type of hedge	Nominal Value	Carrying amount of hedging instrument		Line item in the statement of financial position where the hedging instrument is included	Maturity date	Hedge ratio	Average strike price/ rate	Changes in fair value of the hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
		Assets	Liabilities						
Forward exchange forward contracts on outstanding borrowings	2,675.00	170.82	178.08	Derivative asset and derivative liablity	May 1, 2017 to September 25, 2017	1:1	71.02	237.13	(237.13)
	3,698.72		-		August 2017 to January 2018		70.26	(142.00)	142.00
	6,373.72	**170.82**	**178.08**					95.13	(95.13)

Notes to the Financial Statements

a. Disclosure of effects of hedge accounting on financial performance

March 31, 2018	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	(23.05)	-	-	315.17	-

March 31, 2017	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	(315.17)	-	-	-	-

b. 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

Movements in cash flow hedging reserve	(₹ in lakh)
As at 31 March 2016	
Add : Changes in the fair value	-
Less : Amounts reclassified to profit or loss	315.17
Less: Deferred tax relating to the above	(109.07)
As at March 31, 2017	**206.10**
As at April 1, 2017	**206.10**
Add : Changes in fair value	(35.26)
Less : Amounts reclassified to profit or loss	315.17
Less: Deferred tax relating to the above	(121.28)
As at March 31, 2018	**(23.05)**

Note 42. Tax expense

(a) Amounts recognised in profit and loss

(₹ in lakh)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Current income tax	11,157.65	7,406.47
Adjustments in respect of earlier years	(82.38)	201.98
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	925.67	2,486.96
Reduction in tax rate	-	69.10
Increase in tax rate	69.54	-
Deferred tax expense	**995.21**	**2,556.06**
Tax expense for the year	**12,070.48**	**10,164.51**

Notes to the Financial Statements

(b) Amounts recognised in other comprehensive income

(₹ in lakh)

	For the year ended March 31, 2018			For the year ended March 31, 2017		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of defined benefit liability	479.78	(166.05)	313.73	(393.56)	136.21	(257.35)
Items that will be reclassified to profit or loss						
Exchange difference on translation of financial statements of foreign operations	42.42	-	42.42	5.67	-	5.67
Effective portion of gains/(losses) on hedging instruments in cash flow hedges	350.43	(121.28)	229.15	315.17	(109.07)	206.10
Associate's share of other comprehensive income	98.67	(4.72)	93.95	(23.69)	8.20	(15.49)
	971.30	**(292.05)**	**679.25**	**(96.41)**	**35.34**	**(61.07)**

(c) Amounts recognised directly in equity

(₹ in lakh)

	For the year ended March 31, 2018			For the year ended March 31, 2017		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
General reserve						
Amortisation of intangibles as per oil palm companies merger scheme approved by Bombay High Court (Refer Note No. 61(i)).	425.12	148.35	276.77	425.12	147.13	277.99
	425.12	**148.35**	**276.77**	**425.12**	**147.13**	**277.99**

(d) Reconciliation of effective tax rate

(₹ in lakh)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit before tax	37,174.14	37,456.27
Company's domestic tax rate	34.61%	34.61%
Tax using the company's domestic tax rate (Current year 34.61%)	12,865.23	12,962.87
Tax effect of:		
Expenses not allowed for tax purpose	137.95	351.12
Additional allowance for tax purpose	(584.50)	(1,783.03)
Income not considered for tax purpose	(25.31)	(692.16)
Tax paid at lower rate	(18.50)	(382.87)
Share of profit of JV/Associate	(336.34)	(470.80)
Adjustment for current tax of earlier years	(82.38)	-
Others	114.33	179.38
	12,070.48	**10,164.51**

Difference

The Group's weighted average tax rates for the year ended March 31, 2018 and 2017 was 32.47% and 27.13% respectively.

The effective tax rate for the year ended March 31, 2018 was lower primarily as result of a weighted deduction on research and development expenses and other specific deductions under Section 35 of the Income Tax Act, 1961.

Notes to the Financial Statements

Note. 43 : Movement in deferred tax balances for the year ended March 31, 2018

(₹ in lakh)

	Net balance April 1, 2017	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Deferred tax asset	Deferred tax liability	Deferred Tax Net
Deferred tax asset/(liabilities)							
Property, plant and equipment & Intangible assets	(16,361.14)	(1,376.20)	-	127.64	525.75	(18,135.45)	(17,609.70)
Compensated absences	51.17	78.99	-	-	-	130.16	130.16
Investments	95.69	33.43	-	-	129.12	-	129.12
Biological assets	(11.02)	2.95	-	-	-	(8.07)	(8.07)
Doubtful debts	323.65	252.16	-	-	-	575.81	575.81
Brought forward capital losses	-	-	-	-	-	-	-
Employee benefits	111.32	(30.75)	49.11	-	-	129.68	129.68
MAT credit entitlment	763.44	(762.71)	-	-	-	0.73	0.73
Others	(928.69)	806.92	126.12	-	-	4.34	4.34
Total assets/ (liabilities)	**(15,955.58)**	**(995.21)**	**175.23**	**127.64**	**654.87**	**(17,302.80)**	**(16,647.93)**

Movement in deferred tax balances for the year ended March 31, 2017

(₹ in lakh)

	Net balance April 1, 2016	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Deferred tax asset	Deferred tax liability	Deferred Tax Net
Deferred tax asset/(liabilities)							
Property, plant and equipment & Intangible assets	(13,774.72)	(2,705.93)	-	119.51	582.36	(16,943.50)	(16,361.14)
Compensated absences	-	51.17	-	-	-	51.17	51.17
Investments	180.17	(84.48)	-	-	95.69	-	95.69
Biological assets	(14.01)	2.99	-	-	-	(11.02)	(11.02)
Doubtful debts	215.55	108.10	-	-	-	323.65	323.65
Brought forward capital losses	376.28	(376.28)	-	-	-	-	-
Employee benefits	13.00	210.94	(112.62)	-	-	111.32	111.32
MAT credit entitlement	606.87	156.57	-	-	-	763.44	763.44
Others	(912.24)	80.86	(97.31)	-	-	(928.69)	(928.69)
Total assets/ (liabilities)	**(13,309.10)**	**(2,556.06)**	**(209.93)**	**119.51**	**678.05**	**(16,633.63)**	**(15,955.58)**

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 related 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 by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

During the year, the group has accounted tax credits in respect of Minimum Alternative Tax (MAT credit) of ₹ Nil (March 31, 2017 : ₹ 156.57 Lakh. The group is reasonably certain of availing the said MAT credit in future years against the normal tax expected to be paid in those years.

Given that the group does not have any intention to dispose investments in subsidiaries in the foreseeable future, deferred tax asset on indexation benefit in relation to such investments has not been recognised.

Deferred tax liabilities of undistributed earnings of subsidiaries was not recoginised because the company control the dividend policy of its subsidiaries.

Notes to the Financial Statements

Note 44 : Capital management

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

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

The Group monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as total borrowings, comprising interest-bearing loans and borrowings less cash and cash equivalents. Equity comprises all components of equity.

The Group's adjusted net debt to equity ratio at March 31, 2018 was as follows.

(₹ in lakh)

	As at March 31, 2018	As at March 31, 2017
Total Borrowings	40,979.90	66,407.78
Less : Cash and cash equivalent	2,985.18	5,381.95
Adjusted net debt	**37,994.72**	**61,025.83**
Total equity (including non-controlling interests)	**1,68,064.71**	**1,26,284.81**
Adjusted net debt to adjusted equity ratio	0.23	0.48

Note 45 : Segment information for the period ending March 31, 2018

Factors used to identify the entity's reportable segments, including the basis of organisation

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the group. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director (MD) of the group. The group has identified the following segments as reporting segments based on the information reviewed by CODM:

1) Animal feed
2) Vegetable Oil
3) Crop Protection
4) Dairy
5) Other Business Segment includes, Seed Business, Energy Generation through Windmill and Real Estate Business

Segment information

(i) Information about primary business segments

(₹ in lakh)

Revenue	For the year ended March 31, 2018							
	Animal Feeds	Vegetable Oil	Crop Protection	Dairy	Other Business	Unallocated	Elimination	Total
Total sales	2,57,597.69	58,541.78	88,179.55	1,15,765.54	2,476.82	-	(1,970.17)	5,20,591.21
Result								
Segment result	**15,594.33**	**11,225.66**	**20,704.47**	**1,299.60**	**(339.82)**	**-**	**12.27**	**48,496.51**
Unallocated expenditure net of unallocated income	-	-	-	-	-	(9,971.62)	-	(9,971.62)
Interest expenses	-	-	(1,066.03)	(277.77)	(98.53)	(3,187.53)	98.53	(4,531.33)
Interest Income	-	-	88.31	35.69	0.19	324.03	(98.53)	349.69
Dividend income and profit on fair valuation / sale of investments	-	-	-	17.96	-	400.34	(400.26)	18.04

Notes to the Financial Statements

(₹ in lakh)

Revenue	For the year ended March 31, 2018							
	Animal Feeds	Vegetable Oil	Crop Protection	Dairy	Other Business	Unallocated	Elimination	Total
Profit before exceptional, tax & share of equity accounted investees	**15,594.33**	**11,225.66**	**19,726.75**	**1,075.48**	**(438.16)**	**(12,434.78)**	**(387.99)**	**34,361.29**
Share of equity accounted investees net of tax						1,607.99		1,607.99
Exceptional items						1,205.00		1,205.00
Profit before taxation	**15,594.33**	**11,225.66**	**19,726.75**	**1,075.48**	**(438.16)**	**(9,621.79)**	**(387.99)**	**37,174.28**
Provision for taxation	-	-	2,455.37	369.81	3.26	9,045.92	196.12	12,070.48
Profit after taxation	**15,594.33**	**11,225.66**	**17,271.38**	**705.67**	**(441.42)**	**(18,667.71)**	**(584.11)**	**25,103.80**
Other information								
Segment assets	96,199.41	30,484.39	1,03,700.41	76,575.04	13,445.24	78,814.66	(43,971.88)	3,55,247.27
Segment liabilities	69,454.82	9,648.33	43,477.53	29,656.41	1,851.03	34,347.89	(1,253.45)	1,87,182.56
Capital expenditure	1,714.27	11,579.67	4,725.17	2,570.57	6.43	695.45	-	21,291.56
Depreciation and amortisation	2,966.97	1,475.44	1,455.64	2,124.76	140.88	428.76	-	8,592.45

Segment information

(i) Information about Primary business segments

(₹ in lakh)

Revenue	For the year ended March 31, 2017							
	Animal Feeds	Vegetable Oil	Crop Protection	Dairy	Other Business	Unallocated	Elimination	Total
Total sales	2,62,082.16	50,664.16	76,472.52	1,00,991.70	4,097.78	-	(1,668.14)	4,92,640.18
Result								
Segment result	16,637.34	10,268.53	17,079.72	3,666.99	(1,082.22)	-	(39.00)	46,531.36
Unallocated expenditure net of unallocated income	-	-	-	-	-	(8,540.20)	-	(8,540.20)
Interest expenses	-	-	(1,223.53)	(492.96)	(356.39)	(6,803.57)	242.27	(8,634.18)
Interest income	-	-	99.18	392.44	199.82	1,030.92	(242.26)	1,480.10
Dividend income and profit on sale of investments	-	-	-	266.32	-	2,937.63	(440.52)	2,763.43
Profit before exceptional, tax & share of equity accounted investees	**16,637.34**	**10,268.53**	**15,955.37**	**3,832.79**	**(1,238.79)**	**(11,375.22)**	**(479.51)**	**33,600.51**
Share of equity accounted investees net of tax						1,855.76		1,855.76
Exceptional items						2,000.00		2,000.00
Profit before taxation	**16,637.34**	**10,268.53**	**15,955.37**	**3,832.79**	**(1,238.79)**	**(7,519.46)**	**(479.51)**	**37,456.27**
Provision for taxation	-	-	1,446.35	1,509.72	(4.05)	7,269.97	(57.48)	10,164.51
Profit after taxation	**16,637.34**	**10,268.53**	**14,509.02**	**2,323.07**	**(1,234.74)**	**(14,789.43)**	**(422.03)**	**27,291.76**
Other information								
Segment assets	94,766.13	19,102.05	86,737.00	69,356.68	8,590.74	84,609.87	(41,719.20)	3,21,443.27
Segment liabilities	71,989.40	1,730.73	36,870.76	22,642.06	3,218.65	59,778.40	(1,071.54)	1,95,158.46
Capital expenditure	4,627.55	1,746.25	2,727.75	11,003.99	542.06	353.20	-	21,000.80
Depreciation and amortisation	2,684.68	1,310.41	1,216.35	1,619.47	160.15	475.42	-	7,466.48

1. There are no transactions with single external customers which amounts to 10% or more of the company's revenue.
2. As the Group mainly caters to the need of domestic market and the total export turnover is not significant, separate geographical segment information has not been given in the consolidated financial statements.

Notes to the Financial Statements

Note 46 : Contingent liabilities

(₹ in lakh)

Particulars			As at March 31, 2018	As at March 31, 2017
Claims against the group not acknowledged as debts:				
(i)	Excise Matter			
	Excise duty demands relating to disputed classification, assessable values, availment of credit etc. which the group has contested and is in appeal at various levels		13,411.09	16,269.85
(ii)	Service Tax Matter			
	a	Service Tax demands relating to reverse charge mechanism for the Services availed.	-	2.04
(iii)	Customs Matter			
	a	The group has preferred an appeal with the Customs Dept. in the matter of Assessable value of imported Capital goods and presently the case is pending with the Commissioner of Customs, Chennai.	106.44	99.05
(iv)	Income Tax			
	a	The group has received a rectification order u/s 154 of Income Tax Act 1961 for AY 2014-15 dated 23.01.2017, as per the said order amount determined to be payable is ₹ 132.43 Lakh which includes interest amounting to ₹ 25.45 Lakh.	132.43	132.43
	b	The group has preferred an appeal before the Commissioner of Income Tax (Appeals) against the order of the Assessing Officer for the A.Y 2013-14 in which a demand of ₹ 143.05 Lakh has been determined to be payable by the Company.	143.05	143.05
	c	The Group has preferred appeal against the order of assessing officer and CIT in which demand of ₹ 437.86 Lakh has been determined for various assessment years as under. The said demand also included interest payable up to the date of passing order by the competent authority i.e. assessing officer / CIT.	857.33	437.86
	d	The group had preferred an Appeal against the dis-allowance of deduction U/s 80-I of the Income Tax Act, 1961, the details of which are given below. The Appellate Tribunal Hyderabad has passed an order to, partly allow deduction under section 80-I of the Income Tax Act, in respect of Milk products manufactured. The Assessing Officer order for part refund of Income tax paid is still pending.	-	51.30
	e	The group has preferred an appeal against the disallowance of deduction U/s 32(1)(iia) of the Income Tax Act, 1961.Against the aforesaid demand, the group has deposited / adjusted payment aggregating to ₹ 33.72 Lakh.	38.21	38.21
	f	The group has preferred an appeal against the dis-allowance of deduction U/s 36(1)(iva) of the Income Tax Act, 1961 and other expenditure, the details of which are given below. Against the aforesaid demand, the company has deposited the demand amount of tax.	-	12.75
	g	The group has preferred an appeal against the dis-allowance u/s 14A & u/s.36 of the Income Tax Act, 1961, the details of which are given below. Against the aforesaid demand, the refund has adjusted (Tax Deposited)	-	10.75
(v)	Sales Tax Matters			
	a	Pending before JSCT (Appeal)	-	148.47
	b	Pending before Dy. Comm. Sales tax, Thane	-	3,613.05
	c	Contingent Liabilities against pending C & H Forms	124.90	163.29
	d	The group has preferred an appeal against levy of Sales Tax on sale of cream and has deposited the entire demand of tax.	15.05	26.22
	e	The group has preferred an appeal against levy of Sales Tax on sale of flavoured milk and has deposited the entire demand of tax.	1.05	-
	f	The group has received assessment orders for the F.Y.2010-11 in respect of assessment of Value Added Tax from the Assistant Commissioner (CT) for ₹ 1.08 Lakh. This pertains to disallowance of VAT input credit claimed. The group has gone on appeal and the same was remanded to assessing officer. The revision order from the assessing officer is awaited.	-	1.08

Notes to the Financial Statements

(₹ in lakh)

	Particulars	As at March 31, 2018	As at March 31, 2017
g	The group has filed writ petition in Telangana High Court against levy of Sales tax on sale of flavoured milk. The details of which are given below.The Honurable High Court of Telangana had passed a favourable order allowing the writ petition filed by the group.The order stating that the writ petition is allowed and impugned order is set aside only in so far as the taxing of flavoured milk @ 14.5%, the miscellaneous petitions, if any pending in this writ petition shall stand closed.	-	206.05
h	The group has filed writ petition in Telangana High Court against levy of Sales tax on sale of flavoured milk. The details of which are given below.The Honurable High Court of Telangana had passed a favourable order allowing the writ petition filed by the group.The order stating that the writ petition is allowed and impugned order is set aside only in so far as the taxing of flavoured milk @ 14.5%, the miscellaneous petitions, if any pending in this writ petition shall stand closed. (ADC Appeal)	13.84	-
(vi)	Civil Matter		
	Nath Bio-Genes (India) Ltd has filed a suit against the Group alleging that some product supplied by the Group was responsible for the poor germination of its seeds.	6,500.00	6,500.00
(vii)	Suit was filed by Model Financial Corporation Ltd (O.S. No.479/98) for recovery of dues from Ushodaya Agro Products Ltd and Creamline Dairy Products Ltd (CDPL) as borrowers and as alleged guarantor respectively. However, in case of OS No: 479/98, the company has deposited the title deeds of land along with the buildings therein and equipments pertaining to milk chilling center located at Kothapallimitta village Chittor Dist. as security, pending final orders. CDPL has deposited ₹ 47.00 Lakh as per the orders of Honourable City Civil Court, Hyderabad passed in C.M.P No.2777 of 2007 in C.M.P No.282 of 2006 in C.C.C.A no.94 of 2006 dt.14.6.2007. The Company is also liable to pay Interest at the rate of 6% p.a. on the balance due amount of ₹ 47 Lakh which is coming to ₹ 31.84 Lakh. The aggregate contingent liability would be ₹ 78.84 Lakh.	81.66	-
(viii)	The group has cancelled the Milk distributorhip for Hanamkonda (Warangal) due to large overdue outstanding to the extent of ₹ 6.07 Lakh. Consequent to the cancellation of distributionship, the distributor filed case against the group demanding ₹ 10 laksh Subseuently the group filed a counter claim and the matter is pending for listing in the Court.	10.00	-
(ix)	The complainant has been filed regarding the quality of products in Consumer Court towards grievance and expenses incurred by the applicant seeking damage. The complainant has not appeared before the forum during the last four hearings and the group has requested the President of the Consumer Forum to dismiss the case.	2.00	-
(x)	A Complaint has been filed under FSSAI for quality of curd in Guntur on the group and penalty has been levied The group has preferred an appeal in the Guntur sessions Court against the referred order.	3.00	-
(xi)	Food safety Officer imposed a penalty under FSSAI rules based on the FSSAI lab report declaring that jersey gold plus full cream milk, sample of which was picked up from a sales point in Vijayawada, is substandard/misbranded. The preferred an Appeal vide Crl. Apl. No.152/17 before Metropolitan Sessions Judge, Vijayawada. (for Summons).	3.00	-
(xii)	SE- Tangedco-Tirunelveli sent a demand notice to a subsidiary and included the same in the electricty bill for the month of January, 2018, based on an audit slip. The company challenged the same by filing writ petition on 5th February, 2018.	54.36	-
(xiii)	Surety Bond issued on behalf of related party.	120.67	120.67
(xiv)	Letters of Credit given by Group (Different letter of credits issued to various suppliers for supply of material to us.)	3,451.86	199.90
(xv)	Guarantees issued by the Banks and counter guaranteed by the group which have been secured by deposits with bank.	2,170.14	1,218.02
(xvi)	Claims against the company not acknowledged as debt	494.46	987.71

Contingent liabilities represents estimates made mainly for probable claims arising out of litigation/ disputes pending with authorities under various statutes (Excise duty, Customs duty, Income tax).The probability and timing of outflow with regard to these matters depend on the final outcome of litigations/ disputes. Hence the Group is not able to reasonably ascertain the timing of the outflow.

Notes to the Financial Statements

Note 47 : Commitments

(₹ in lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
Estimated value of contracts remaining to be executed on capital account (net of Advances), to the extent not provided for:	3,892.49	9,832.89
Outstanding Export obligation Under EPCG Scheme	3,936.17	3,895.62

Based on the share purchase agreement ("SPA") entered into with the erstwhile promoter of its subsidiary company, Astec Lifesciences Limited, the Company has a commitment to purchase 10% of the subsidiary's Equity shares from erstwhile promoter and the same has been disclosed as Put option liability.

Note 48 : Leases

Operating lease:

The group's leasing arrangements are in respect of operating leases for premises occupied by the group. These leasing arrangements are non cancellable, and are renewable on a periodic basis by mutual consent on mutually acceptable terms.

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

(₹ in lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
Future lease commitments		
- Within one year	341.18	304.30
- Later than one year and not later than five years	1,054.24	964.91
- Later than five years	-	279.70

b. Lease payments recognised in the Statement of Profit & Loss for the year :

(₹ in lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
Minimum lease payments	**1,638.67**	**1,506.09**

Finance leases

A. Leases as lessor

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.

i. Future minimum lease receivables

At March 31, the future minimum lease receivable under finance lease arrangement as follows.

(₹ in lakh)

	March 31, 2018			March 31, 2017		
	Future value of minimum lease receivables	Unearned finance income	Present value of minimum lease receivables	Future value of minimum lease receivables	Unearned finance income	Present value of minimum lease receivables
Less than one year	-	-	-	108.93	52.85	56.08
Between one and five years	-	-	-	435.72	119.64	316.08
More than five years	-	-	-	-	-	-
	-	**-**	**-**	**544.65**	**172.49**	**372.16**

Notes to the Financial Statements

Note 49 : Grants/subsidies from government

Subsidy amounting to ₹ Nil (previous year ₹ 200.00 Lakh) received during the year is in the nature of capital subsidy.

Note 50 : Investments in associates

On January 18, 2018, the Company has subscribed to 307,915 equity shares of Godrej Maxximilk Pvt. Ltd (GMPL) for a consideration of ₹ 434.16 Lakh. Pursuant to this acquisition of 49.90% stake, GMPL has become an associate of the Company.

Note 51 : Information in respect of investment in associates.

During the year, the management has decided to divest its stake in AL Rahaba International Trading Limited Liability Company. Further the equity accounted investment in Al Rahba is ₹ Nil as at March 31, 2018 on account of losses for the year.

Note 52 : Amalgamation of Goldmuhor Agrochem & Feeds Limited.

A Scheme of Amalgamation ("the Scheme") for the amalgamation of Goldmuhor Agrochem & Feeds Limited (called "the Transferor Company") with Godrej Agrovet Limited (the "Transferee Company"), with effect from October 1, 2013, ("the Appointed date") was sanctioned by the Honorable High Court of Judicature at Bombay ("the Court"), vide its Order dated September 20, 2013 and certified copies of the Order of the Court sanctioning the Scheme were filed with the Registrar of Companies, Maharashtra on December 13, 2013 (the "Effective Date").

To give effect to the Honourable Bombay High Court's Order dated September 20, 2013 regarding Scheme of the Arrangement, the following entry has been recorded.

An amount of ₹ 2,000 Lakh has been transferred from the General Reserve Account and used to increase the Reserve for Employee Compensation Expenses, of which ₹ 1,986 Lakh has been utilised for the Financial Year ended March 31, 2017. Had the Scheme not prescribed this treatment the profit for the Financial Year ended March 31, 2017 would have been lower by ₹ 1,986 Lakh.

Note 53 : Reserve created for employee compensation expenses.

To give effect to the Honorable Bombay High Court's Order dated March 8, 2013, an amount of ₹ 11,004.00 Lakh standing to the credit of the Securities Premium Account of the Company has been utilised to create Reserve for Employee Compensation Account of the Company. The expenses in respect of the Company's ESOP scheme will be charged against the Reserve for Employee Compensation Account, of which ₹ 389.81 Lakh has been utilised for the Financial Year ended March 31, 2017.

Had the Scheme not prescribed this treatment the profit for the Financial Year ended March 31, 2017 would have been lower by ₹ 389.81 Lakh.

Note 54 : Amalgamation of oil palm companies.

To give effect to the Scheme of Amalgamation ("the Scheme") of Godrej Gokarna Oil Palm Ltd (GGOPL), Godrej Oil Palm Ltd (GOPL) and Cauvery Palm Oil Ltd (CPOL) ("the Transferor Companies") with Godrej Agrovet Limited ("the Transferee Company"), effective April 1, 2011, ("the Appointed date") as sanctioned by the Hon'ble High Court of Judicature at Bombay ("the Court"), vide its Order dated March 16, 2012, the following entries have been recorded.

i. Amortisation of Intangible Assets of the Transferor Companies amounting to ₹ 425.12 Lakh each for the Financial year ended March 31, 2018 and March 31, 2017 recorded in the books of the Transferee Company are charged against the balance in the General Reserve Account of the Transferee Company. The Gross Book value of these Assets now held by the Transferee Company is ₹ 4,251.18 Lakh.

ii. Provision created against the loan advanced to the ESOP Trust of Godrej Industries Limited amounting to ₹ 2,000 lakh was directly charged against the balance in the Securities Premium Account of the Transferee Company. During the Financial Year ended March 31, 2017, the Company has written back this provision of ₹ 2,000 Lakh as the said advance has been recovered and hence, no longer doubtful and the same has been shown as exceptional item.

Had the Scheme not prescribed the above treatment, profit for the Financial year ended March 31, 2018 would have been lower by ₹ 276.77 Lakh (previous year ₹ 277.99 Lakh).

Notes to the Financial Statements

Note 55 :Goodwill and other intangible assets with indefinite useful life.

The Goodwill and Indefinite life intangible assets (Brand) are tested for impairment and accordingly no impairment charges were identified for the year ended March 31, 2018

The Goodwill and intangible asset (Brand) arises from the following Group's Cash Generating Units (CGU):

(₹ in lakh)

Particulars	March 31, 2018	March 31, 2017
Astec Lifesciences Limited (Crop Protection)	**11,816.50**	**11,816.50**
Creamline Dairy Products Limited (Dairy)		
- Goodwill	7,670.22	7,670.22
- Brand	3,822.17	3,822.17
Total	**23,308.89**	**23,308.89**

Astec Lifesciences Limited

The recoverable amount of this Cash Generating Unit (CGU) is the higher of its fair value less cost to sell and its value in use. The goodwill allocated pertains to a listed entity and accordingly, the fair value of the CGU is determined based on market capitalisation.

Creamline Dairy Products Limited

The recoverable amount of a CGU is based on its value in use. The value in use is estimated using discounted cash flows over a period of 5 years. Cash flows beyond 5 years is estimated by capitalising the future maintainable cash flows by an appropriate capitalisation rate and then discounted using pre-tax discount rate.

Operating margins and growth rates for the five year cash flow projections have been estimated based on past experience and after considering the financial budgets/forecasts provided by the management. Other key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industry and have been based on historical data from both external and internal sources.

Particulars	As at March 31, 2018
Pre tax discount rate	**9%**
Long term growth rate beyond 5 years	**2%**

The management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the CGU.

Note 56 : Managerial remuneration.

During the year ended March 31, 2017, the stock options granted under the Company's stock option scheme were fully vested, exercised and transferred to the eligible employees including the Managing Director of the Company. The perquisite value of the said stock options have been included in the managerial remuneration which resulted in the same exceeding the limits prescribed under Section 197 of the Companies Act, 2013 by an amount of ₹ 8,661.10 Lakh. The Company is in the process of obtaining approval from Central Government of India for ratification of payment of excess remuneration.

Note 57 : IPO utilisation

The proceeds from Initial Public Offer is ₹ 29,151.24 Lakh (including issue related expenses of ₹ 1,425.95 Lakh.). The utilisation of the same are as follows.

(₹ in lakh)

Particulars	Object of the issue as per the Prospectus	Utilised upto March 31, 2018
Repayment or prepayment of working capital facilities availed by the Company	10,000	10,000
Repayment of commercial papers issued by the Company	15,000	15,000
General corporate purposes (including repayment of debts)	2,725	2,725
Total	27,725	27,725

Notes to the Financial Statements

The Company has incurred ₹ 5,661.06 Lakh of IPO expenses. These IPO expenses have been allocated between the Company ₹ 1,425.95 Lakh (which has been adjusted against the securities premium account) and the selling shareholders ₹ 4,235.11 Lakh in proportion to the equity shares allotted to the public as fresh issue by the Company and under offer for sale by the selling shareholders.

Note 58 :

The Government of India introduced the Goods and Services Tax (GST) with effect from July 1, 2017, consequently revenue from operations for the year ended March 31, 2018 is net of GST, however revenue for quarter ended June 30, 2017 is inclusive of excise duty and hence, total income from operations for year ended March 31, 2018 and year ended March 31, 2017 are not comparable.

Note 59 : Exceptional item

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 ₹ 1932.83 Lakh and loss due to inventory written off by the subsidiary company aggregating ₹ 727.83 Lakh.

Note 60 : Movement in borrowings

(₹ in lakh)

Particulars	March 31, 2017	Cash Flow	Non-cash changes	March 31, 2018
Long term borrowings	2,482.54	(420.95)	52.02	2,113.61
Short term borrowings	63,925.24	(25,286.40)	227.46	38,866.30
Total borrowings	**66,407.78**	**(25,707.35)**	**279.48**	**40,979.90**

Note 61 : Specified bank notes

Disclosure of the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016, required as per Notification G.S..R 308 (E) dated 30 March 2017 issued by the Ministry of Corporate Affairs.

(₹ in lakh)

SBNs other denomination notes total	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	236.10	96.26	332.36
(+) Permitted receipts	844.28	6,770.64	7,614.92
(-) Permitted payments	11.37	796.36	807.72
(-) Amount deposited in banks	1,069.02	5,773.53	6,842.55
Closing cash in hand as on 30.12.2016	-	297.01	297.01

The opening balance includes imprest/advance with employees and amounts collected by field staff on or before 8th November 2016, which has been deposited into the group's bank account subsequently.

Notes to the Financial Statements

Note 62 : Additional information, as required under Schedule III to the Companies Act, 2013

(₹ in lakh)

Name of the entity in	Net assets - total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
1	2	3	4	5	6	7	8	9
Parent								
Godrej Agrovet Limited	74.10%	1,24,537.33	74.66%	18,502.49	46.18%	(421.79)	74.93%	18,080.70
Subsidiaries								
Indian								
2. Godvet Agrochem Limited	0.68%	1,135.43	0.24%	59.49	0.00%	-	0.15%	59.49
3. Astec Lifesciences Limited	1.95%	3,277.12	16.84%	4,228.14	-8.13%	(28.89)	10.31%	4,199.25
4. Creamline Dairy Products Limited	17.94%	30,148.17	2.81%	705.67	-112.69%	(92.79)	8.28%	612.88
Minority interest in all subsidiaries associates (investment as per equity method)								
Indian								
Godrej Maxximilk Private Limited	-0.01%	(20.61)	-0.08%	(20.61)	0.00%	-	0.23%	(20.61)
Foreign								
Al Rahaba International Trading Limited Liability Company	0.00%	(4.32)	-1.08%	(20.36)	0.00%	-	-1.08%	(20.36)
Joint Ventures (as per proportionate consolidation / investment as per equity method)								
Indian								
Godrej Tyson Foods Limited	1.36%	2,290.84	3.73%	436.80	-25.36%	(8.67)	3.68%	428.13
Omnivore India Capital Trust	0.69%	1,161.48	-0.21%	560.50	0.00%	-	-0.21%	560.50
Foreign								
ACI Godrej Agrovet Private Limited	3.30%	5,539.29	4.13%	651.67	0.00%	(127.12)	4.14%	524.55
Total	**100.00%**	**1,68,064.73**	**100.00%**	**25,103.78**	-100.00%	**(679.25)**	**100.00%**	**24,424.53**

Notes to the Financial Statements

Note 63 : Disclosure of joint venture and associates

Equity accounted investees

Financial information of joint ventures and associates that are material to the Group is provided below :

(₹ in lakh)

Name of the entity	Place of business	% of ownership interest	Relationship	Accounting method	Carrying amounts	
					March 31, 2018	March 31, 2017
Godrej Tyson Foods Limited*	Maharashtra	49.0%	Joint Venture	Equity method	8,893.55	8,465.42
ACI Godrej Agrovet Private Limited*	Bangladesh	50.0%	Joint Venture	Equity method	6,797.37	6,272.82
Omnivore India Capital Trust	Maharashtra		Investment entity	Equity method	3,418.00	2,786.39
Al Rahaba International Trading Limited Liability Company	Abu Dhabi	24.0%	Associate	Equity method	-	20.36
Godrej Maxximilk Private Limited.	Maharashtra	49.9%	Associate	Equity method	413.55	-
Total equity accounted investments					**19,522.47**	**17,544.99**

* Unlisted equity, no quoted prices available

Summary financial information of Godrej Tyson Foods Limited and ACI Godrej Agrovet Private Limited not adjusted for the percentage ownership held by the Company, is as follows:

(₹ in lakh)

Pariculars	Godrej Tyson Foods Limited		ACI Godrej Agrovet Private Limited	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Ownership	49%	49%	50%	50%
Cash and cash equivalent	878.00	1,953.31	859.79	335.16
Other current assets	4,350.82	4,845.70	13,781.57	11,186.33
Total current assets	5,228.82	6,799.01	14,641.36	11,521.49
Total non-current assets	17,790.72	15,935.75	17,839.86	20,004.99
Total assets	**23,019.54**	**22,734.76**	**32,481.22**	**31,526.48**
Current liabilites				
Financial liabilities (excluidng trade payables and provisions)	1,946.01	2,168.00	12,971.49	8,079.77
Other liabilities	1,731.95	1,497.49	1,963.23	3,173.68
Total current liabilities	3,677.96	3,665.49	14,934.72	11,253.45
Total non-current liabilities	1,095.94	1,220.69	3,861.78	6,352.58
Total liabilities	**4,773.90**	**4,886.18**	**18,796.50**	**17,606.03**
Net assets	**18,245.64**	**17,848.58**	**13,684.72**	**13,920.45**
Groups' share of net assets	**8,940.36**	**8,745.81**	**6,842.36**	**6,960.23**
Carrying amount of interest in joint venture	**8,893.55**	**8,465.42**	**6,797.37**	**6,272.82**

Particulars	Godrej Tyson Foods Limited		ACI Godrej Agrovet Private Limited	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Revenues	43,352.68	44,754.42	67,534.93	60,404.72
Interest income	68.31	97.22	7.13	7.87
Depreciation and amortisation	(1,506.40)	(1,512.38)	(1,993.95)	(1,607.33)
Interest expense	(1.88)	(0.69)	(908.30)	(1,090.90)
Income tax expense	(227.56)	(991.81)	(868.25)	(549.44)
Profit from continuing opertaions	**414.77**	**1,599.42**	**1,303.33**	**2,256.12**
Profit from discontinued opertaions	-	-		-
Profit for the year	**414.77**	**1,599.42**	**1,303.33**	**2,256.12**
Other comprehensive income	(17.69)	(15.49)	(200.68)	
Total comprehensive income	**397.08**	**1,583.93**	**1,102.65**	**2,256.12**
Group's share of profit - As per JV's books	203.24	783.72	651.67	1,128.06
Add: Adjustments at GAVL	233.56	233.56	-	
Group's share of profit	**436.80**	**1,017.28**	**651.67**	**1,128.06**
Group's share of Other comprehensive income	**(8.67)**	**(7.59)**	**(100.34)**	**-**
Group's share of Total comprehensive income	**428.13**	**1,009.69**	**551.33**	**1,128.06**

Notes to the Financial Statements

Note 64 : Non-Controlling Interest

Non controlling interest

Financial information of 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
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	
Godvet Agrochem Limited	India	100.00%	100.00%	0.00%	0.00%	Investment Property
Astec LifeSciences Ltd.	India	57.45%	55.53%	42.55%	44.47%	Manufacturing and distribution of agrochemical active ingredients and pharmaceutical intermediates.
Creamline Dairy Products Limited	India	51.91%	51.91%	48.09%	48.09%	The Company is principally engaged in milk procurement, processing of milk and manufacturing of milk products. The Company is also engaged in generation of power through renewable energy sources.

The following table summarises information relating to each of the Group's subsidiary, before any inter-company eliminations

I. Summarised statement of profit or loss

(a) Astec LifeSciences Ltd.

(₹ in lakh)

	March 31, 2018	March 31, 2017
Total revenue	37,895.14	31,340.35
Profit for the year	4,228.14	2,812.44
Other comprehensive income	(28.64)	(6.74)
Profit allocated to non-controlling interests	**1,841.63**	**1,292.99**
OCI allocated to non-controlling interests	**(14.13)**	**(2.28)**
Dividends paid to non-controlling interests	**-**	

(b) Creamline Dairy Products Limited

(₹ in lakh)

	March 31, 2018	March 31, 2017
Total revenue	116,025.07	100,991.70
Profit for the year	705.67	2,323.07
Other comprehensive income	(92.79)	(68.82)
Profit allocated to non-controlling interests	**341.27**	**2,323.07**
OCI allocated to non-controlling interests	**(44.62)**	**(33.09)**
Dividends paid to non-controlling interests	**-**	

II. Summarised balance sheet

(a) Astec LifeSciences Ltd.

(₹ in lakh)

	March 31, 2018	March 31, 2017
Non-current liabilities	560.22	181.75
Current liabilities	23,838.78	19,372.29
	24,399.00	19,554.04
Non-current assets	18,249.57	12,827.70
Current assets	23,167.91	19,837.30
	41,417.48	32,665.00
Net assets	**17,018.48**	**13,110.96**
Net assets attributable to non-controlling interest	**7,270.49**	**5,830.44**

Notes to the Financial Statements

(b) Creamline Dairy Products Limited

(₹ in lakh)

	March 31, 2018	March 31, 2017
Non-current liabilities	8,770.40	9,270.33
Current liabilities	19,084.72	11,560.48
	27,855.12	20,830.81
Non-current assets	51,556.04	49,259.04
Current assets	17,183.84	12,252.53
	68,739.88	61,511.57
Net assets	**40,884.76**	**40,680.76**
Net assets attributable to non-controlling interest	**19,660.20**	**19,562.10**

III. Summarised cash flow information

(a) Astec LifeSciences Ltd.

(₹ in lakh)

	March 31, 2018	March 31, 2017
Cash flows from (used in) in operating activities	6,467.43	1,862.97
Cash flows from (used in) in investing activities	(4,894.16)	(1,709.05)
Cash flows from (used in) in financing activities	(1,824.48)	(94.34)
Net increase /(decrease) in cash and cash equivalents	**(251.21)**	**59.58**

(b) Creamline Dairy Products Limited

(₹ in lakh)

	March 31, 2018	March 31, 2017
Cash flows from (used in) in operating activities	4,821.04	2,208.25
Cash flows from (used in) in investing activities	(5,142.41)	(1,550.88)
Cash flows from (used in) in financing activities	759.81	(255.00)
Net increase /(decrease) in cash and cash equivalents	**438.44**	**402.37**

IV. Transactions with non-controlling interests - Astec Lifescience Limited

During the current year, the Group has acquired 1.92% (previous year acquired 1.90%) of subsequent interest in Astec Lifescience Limited. The carrying amount of such additional NCI stake acquired is ₹ 282.86 Lakh (previous year 258.28 Lakh).

(₹ in lakh)

	March 31, 2018	March 31, 2017
Carrying amount of non-controlling interests acquired	282.86	258.28
Consideration paid	2,083.04	2,348.04
Decrease in equity attributable to the owners of the Company	1,800.18	2,089.76

Notes to the Financial Statements

Note No. 65 : Related Party Disclosures.

In compliance with Ind AS 24 - “Related Party Disclosures”, as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended, the required disclosures are given below:

			GODREJ AGROVET LIMITED
(a)	(i)	**Key management personnel**	**Mr. N. B. Godrej (Chairman)**
			Mr. A. B. Godrej
			Mr. J. N. Godrej
			Mr. V. M. Crishna
			Ms. Tanya A. Dubash
			Ms. Nisaba Godrej
			Mr. B. S. Yadav (Managing Director)
			Mr. K. N. Petigara
			Mr. A. B. Choudhury
			Dr. S. L. Anaokar
			Dr. R. A. Mashelkar (w.e.f. July 18, 2017)
			Dr. Ritu Anand (w.e.f. July 18, 2017)
			Ms. Aditi Kothari Desai (w.e.f. July 18, 2017)
			Ms. Roopa Purushothaman (w.e.f. July 18, 2017)
			Mr. Rohit Sipahimalani (Resigned w.e.f. July 13, 2017)
			Mr. Vivek Raizada (Company Secretary)
			Mr. S. Varadaraj (Chief Financial Officer)
(b)	(i)	**Holding companies**	Godrej & Boyce Manufacturing Company Limited (ultimate holding company upto March 29, 2017)
			Godrej Industries Limited (holding company)
			Vora Soaps Limited (ultimate holding company w.e.f. March 30, 2017)
	(ii)	**Fellow subsidiary companies**	Godrej Properties Ltd.
			Natures Basket Limited
			Godrej One Premises Management Private Limited
			Godrej Vikhroli Properties India Limited
	(iii)	**Joint ventures**	Godrej Tyson Foods Limited
			ACI Godrej Agrovet Private Limited, Bangladesh
			Omnivore India Capital Trust
	(iv)	**Associates**	Godrej Maxximilk Private Limited
			AL Rahba international Trading LLC, (UAE)
			Polchem Hygiene Laboratories Private Limited (upto December 12, 2016)
	(v)	**Other related parties**	Godrej & Boyce Manufacturing Company Limited (w.e.f. March 30, 2017)
			Godrej Consumer Products Limited (w.e.f. March 30, 2017)
			Godrej Seeds & Genetics Limited (w.e.f. March 19, 2017)
			Godrej Infotech Limited (w.e.f. March 30, 2017)
			Anamudi Real Estates LLP
			Astec Crop Care Private Limited
			Hikal Limited
			Nichem Solutions
			Khammam Milkline Private Limited
			Dhulipalla Milkline Private Limited
			Mohan Milkline Private Limited
			Vidya Milkline Private Limited

Notes to the Financial Statements

		GODREJ AGROVET LIMITED
		Ongole Milkline Private Limited
		Pamuru Milkline Private Limited
		Kavali Milkline
		Pragathi Milkline
		Orga Farms Private Limited
		Nutramaax Food Specialities Private Limited
		Asha Holdings Private Limited
		PVR Enterprises
		PSR Enterprises
		Prima Food tech Pvt Ltd
(vi)	**Post-employment benefit plan (entities) for the benefit of employees of the company**	Godrej Agrovet Limited Provident Fund Trust
		Godrej Agrovet Limited Superannuation Scheme
		Godrej Agrovet Limited Group Gratuity Trust

Related party disclosures as required by IND AS - 24, "Related Party Disclosures", are given below

2. The following transactions were carried out with the related parties in the ordinary course of business :

(i) Details relating to parties referred to in items (b) - (i), (ii), (iii), (iv), (v), (vi) & (vii)

(₹ in lakh)

Sr. No.	Nature of transactions	Holding Companies	Fellow Subsidiaries	Joint Ventures	Associates	Other related Parties
		(i)	(iii)	(iv)	(v)	(vi) & (vii)
1	Purchase of property, plant and equipment	**-**	**-**	**-**	**-**	**63.44**
		76.71	-	-	-	3,037.79
2	Sale / transfer of fixed assets	**-**	**-**	**-**	**-**	**-**
		-	-	-	-	300.00
3	Investment in share capital	**-**	**-**	**131.88**	**434.16**	**-**
		-	-	250.00	-	-
4	Sundry deposits placed	**4.05**	**0.39**	**-**	**-**	**-**
		6.60	9.00	-	-	-
5	Intercorporate deposits placed during the year	**-**	**-**	**-**	**783.70**	**-**
		-	5,000.00	-	-	-
6	Intercorporate deposits taken during the year	**-**	**-**	**-**	**-**	**-**
		-	7,700.00	-	-	-
7	Intercorporate deposits returned	**-**	**-**	**-**	**-**	**-**
		-	7,700.00	-	-	-
8	Sale of materials / finished goods	**-**	**-**	**22,763.47**	**8.40**	**67.43**
		-	-	24,098.59	-	289.31
9	Purchase of materials / finished goods	**431.33**	**-**	**162.07**	**-**	**15,753.32**
		213.33	5,205.18	292.64	574.69	17,849.94
10	Expenses Charged to / reimbursement received from other companies	**-**	**0.74**	**307.30**	**152.04**	**6.74**
		11.81	21.39	288.16	-	-
11	Expenses charged by / reimbursement made to other companies	**872.32**	**282.00**	**4.40**	**-**	**74.18**
		764.53	312.22	1.48	-	-
12	Dividend income	**-**	**-**	**60.78**	**-**	**-**
		-	-	-	-	-

Notes to the Financial Statements

(₹ in lakh)

Sr. No.	Nature of transactions	Holding Companies (i)	Fellow Subsidiaries (iii)	Joint Ventures (iv)	Associates (v)	Other related Parties (vi) & (vii)
13	Dividend paid	**5,304.55**	**-**	**-**	**-**	**-**
		-	-	-	-	-
14	Interest income on intercorporate deposits placed	**-**	**-**	**-**	**13.71**	**3.89**
		83.73	6.98	-	-	151.35
15	Interest expenses on intercorporate deposits placed	**-**	**-**	**-**	**-**	**-**
		-	250.26	-	-	-
16	Sundry income	**-**	**-**	**131.00**	**-**	**1.41**
		-	1.39	247.50	-	-
17	Outstanding intercorporate deposit receivable	**-**	**-**	**-**	**783.70**	**-**
		-	-	-	-	-
18	Capital advance given during the year	**-**	**449.69**	**-**	**-**	**-**
		-	185.24	-	-	-
19	Outstanding capital advance	**-**	**814.47**	**-**	**-**	**-**
		-	364.78	-	-	-
20	Outstanding receivables (net of payables)	**(75.30)**	**9.07**	**652.41**	**220.01**	**(979.65)**
		69.16	13.52	1,005.34	-	(1,067.23)
21	Guarantees outstanding	**-**	**-**	**-**	**-**	**120.67**
		-	120.67	-	-	-
22	Contribution to post-employment benefit plans	**-**	**-**	**-**	**-**	**2,058.87**
		-	-	-	-	1,867.10

(ii) Details relating to persons referred to in items (a) - (i) (₹ in lakh)

		As at March 31, 2018	As at March 31, 2017
1	**Remuneration to key management personnel**		
	Salary and short term employee benefit	639.91	405.40
	Post employee gratuity & medical benefits	8.64	7.89
	Share based payment	229.67	9,952.12
2	Dividend paid	602.78	-
3	Director's sitting fees	63.11	26.80

3. Significant Related Party Transactions :

(₹ in lakh)

Sr. No.	Nature of transaction	As at March 31, 2018	As at March 31, 2017
1	**Purchase of property, plant and equipment**		
	Godrej & Boyce Mfg Co Limited	63.44	76.71
	Nutramaax Food Specalities Private Limited	-	3,037.79
2	**Sale / Transfer of property, plant and equipment**		
	Asha Holdings Private Limited	-	300.00
3	**Investment in share capital / acquisition of shares**		
	Godrej Maxximilk Pvt. Ltd.	434.16	-
	Omnivore India Capital Trust	131.88	250.00

Notes to the Financial Statements

(₹ in lakh)

Sr. No.	Nature of transaction	As at March 31, 2018	As at March 31, 2017
4	**Sundry deposits placed**		
	Godrej Industries Limited	4.05	6.60
	Godrej One Premises Management Pvt. Ltd.	0.39	9.00
5	**Intercorporate deposits placed during the year**		
	Natures Basket Limited	-	5,000.00
	Godrej Maxximilk Pvt. Ltd.	783.70	-
6	**Intercorporate deposits taken during the year**		
	Natures Basket Limited	-	7,700.00
7	**Intercorporate deposits returned**		
	Natures Basket Limited	-	7,700.00
8	**Sale of materials / finished goods**		
	ACI Godrej Agrovet Private Limited	610.12	916.40
	Godrej Maxximilk Pvt. Ltd.	8.40	-
	Godrej Tyson Foods Limited	22,153.35	23,182.20
	Astec Crop Care Private Limited	47.11	282.64
	Nichem Solutions	0.95	0.16
	Khammam Milkline Private Limited	19.37	1.35
	Kavali Milkline Private Limited	-	5.16
9	**Purchase of materials / finished goods / services**		
	Godrej & Boyce Mfg Co Limited	63.03	49.60
	Godrej Industries Limited	431.33	163.73
	Godrej Consumer Products Limited	43.76	30.18
	Godrej Tyson Foods Limited	162.07	292.64
	Polchem Hygiene Laboratories Private Limited	-	574.69
	Nutramaax Food Specalities Private Limited	-	23.91
	Ongole Milkline Private Limited	3,371.27	2,556.33
	Mohan Milkline Private Limited	3,916.71	3,469.07
	Vidya Milkline Private Limited	1,063.40	1,289.59
	Khammam Milkline Private Limited	1,763.91	1,889.67
	Pamuru Milkline Private Limited	1,300.45	1,218.35
	Kavali Milkline Private Limited	3,011.86	4,710.68
	Pragathi Milkline Private Limited	648.82	1,202.22
	Dhulipalla Milkline Private Limited	171.88	1,023.07
	Orga Farms Private Limited	188.78	120.04
	PVR Enterprises	140.54	55.01
	PSR Enterprises	42.90	292.01
	Prima Food Tech Private Limited	25.99	-
	Godrej Properties Limited	-	5,175.00

Notes to the Financial Statements

(₹ in lakh)

Sr. No.	Nature of transaction	As at March 31, 2018	As at March 31, 2017
10	**Expenses charged to / reimbursement received from other companies**		
	ACI Godrej Agrovet Private Limited	5.26	-
	Omnivore India Capital Trust	8.37	-
	Godrej Consumer Products Limited	6.74	-
	Godrej Industries Limited	-	11.81
	Godrej Tyson Foods Limited	293.67	288.16
	Natures Basket Limited	-	21.39
	Godrej Properties Limited	0.74	-
	Godrej Maxximilk Pvt. Ltd.	152.04	-
11	**Expenses charged by / reimbursement made to other companies**		
	Godrej Infotech Limited	2.45	3.62
	Godrej & Boyce Mfg Co Limited	33.90	19.67
	Godrej Consumer Products Limited	31.83	13.71
	Godrej Industries Limited	872.32	744.86
	Godrej Tyson Foods Limited	4.40	1.48
	Natures Basket Limited	2.04	0.27
	Godrej One Premises Management Pvt. Ltd.	279.95	294.63
	Nichem Solutions	6.00	-
12	**Dividend income**		
	Omnivore India Capital Trust	60.78	-
13	**Dividend paid**		
	Godrej Industries Limited	5,304.55	-
	Mr. N. B. Godrej (Chairman)	186.58	-
	Mr. A. B. Godrej	0.23	-
	Mr. B. S. Yadav (Managing Director)	198.30	-
	Mr. J. N. Godrej	93.29	-
	Ms. Tanya A. Dubash	62.19	-
	Ms. Nisaba Godrej	62.19	-
14	**Interest income on intercorporate deposits placed / loans given**		
	Natures Basket Limited	-	6.98
	Anamudi Real Estates LLP	-	137.87
	Vora Soaps Limited	-	83.73
	Astec Crop Care Private Limited	-	13.48
	Godrej Seeds & Genetics Limited	3.89	-
	Godrej Maxximilk Pvt. Ltd.	13.71	-
15	**Interest expenses on intercorporate deposits taken**		
	Natures Basket Limited	-	250.26
16	**Sundry income**		
	ACI Godrej Agrovet Private Limited	131.00	247.50
	Godrej Consumer Products Limited	1.41	1.39

Notes to the Financial Statements

(₹ in lakh)

Sr. No.	Nature of transaction	As at March 31, 2018	As at March 31, 2017
17	**Outstanding intercorporate deposit receivable**		
	Godrej Maxximilk Pvt. Ltd.	783.70	-
18	**Capital advance given during the year**		
	Godrej Vikhroli Properties India Limited	449.69	185.24
19	**Outstanding capital advance**		
	Godrej Vikhroli Properties India Limited	814.47	364.78
20	**Outstanding receivables (net of payables)**		
	Godrej & Boyce Mfg Co Limited	0.81	(208.30)
	Godrej Industries Limited	(75.30)	69.16
	Godrej Seeds & Genetics Limited	(16.84)	-
	Godrej Properties Limited	-	13.95
	Godrej Consumer Products Limited	(3.48)	(11.68)
	Godrej Infotech Limited	(2.25)	(0.43)
	Natures Basket Limited	(0.47)	0.00
	Godrej Tyson Foods Limited	101.43	72.05
	ACI Godrej Agrovet Private Limited	445.98	933.29
	Kavali Milkline Private Limited	(56.03)	(32.58)
	Khammam Milkline Private Limited	(65.32)	(77.65)
	Mohan Milkline Private Limited	(98.95)	(49.82)
	Orgaa Farms Private Limited	(6.56)	(0.90)
	Pamuru Milkline Private Limited	(12.70)	(27.16)
	Pragathi Milkline	(12.34)	(9.57)
	PSR Enterprises	(16.94)	(16.10)
	PVR Enterprises	(13.46)	(9.38)
	Vidya Milkline Private Limited	(26.24)	(10.02)
	Ongole Milkline Private Limited.	(74.04)	(19.15)
	Dhulipalla Milkline Private Limited.	(5.65)	(13.74)
	Nutramaax Food Specalities Private Limited	-	1.71
	Prima Food Tech Private Limited	(8.49)	-
	Omnivore India Capital Trust	105.00	-
	Godrej Maxximilk Pvt. Ltd.	220.01	-
	Hikal Limited	-	(37.97)
	Nichem Solutions	(3.24)	-
	Godrej One Premises Management Pvt. Ltd.	9.53	-
	Godrej Agrovet Limited Employees Provident Fund Trust.	(50.68)	(119.32)
	Godrej Agrovet Limited Employees Superannuation Scheme.	(5.03)	(5.05)
	Godrej Agrovet Limited Employees Group Gratuity Trust.	(502.21)	(420.57)
21	**Guarantees outstanding**		
	Godrej Consumer Products Limited	120.67	120.67

Notes to the Financial Statements

(₹ in lakh)

Sr. No.	Nature of transaction	As at March 31, 2018	As at March 31, 2017
22	**Director's sitting fees**		
	Mr. A. B. Godrej, (Director)	8.18	6.00
	Mr. K. N. Petigara, (Independent Director)	11.67	6.40
	Dr. S. L. Anaokar, (Independent Director)	6.60	6.80
	Mr. Amit B. Choudhury, (Independent Director)	9.58	7.60
	Dr. Ritu Anand, (Independent Director)	8.27	-
	Ms. Aditi Kothari Desai, (Independent Director)	7.27	-
	Dr. Raghunath A. Mashelkar, (Independent Director)	6.77	-
	Ms. Roopa Purushothaman, (Independent Director)	4.77	-
23	**Contribution to post-employment benefit plans**		
	Godrej Agrovet Limited Employees Provident Fund Trust.	1,581.15	1,456.19
	Godrej Agrovet Limited Employees Superannuation Scheme.	57.15	57.07
	Godrej Agrovet Limited Employees Group Gratuity Trust.	420.57	353.84

Note 66 : The figures for the previous year have been regrouped/ reclassified to correspond with current year's classification/ disclosure that include changes consequent to the issuance of "Guidance Note on Division II - Ind AS Schedule III to the Companies Act, 2013".

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number 101248W/W-100022

KOOSAI LEHERY
Partner
Membership Number: 112399
Mumbai, May 14, 2018

For and on behalf of the Board of Directors of Godrej Agrovet Limited
CIN:L15410MH1991PLC135359

N. B. GODREJ
Chairman
DIN: 00066195

B.S.YADAV
Managing Director
DIN: 00294803

S. VARADARAJ
Chief Financial Officer
ICAI Membership No. 047959

VIVEK RAIZADA
Company Secretary
ICSI Membership No. ACS 11787