

NOTES TO THE FINANCIAL STATEMENTS

Note 1 Significant Accounting Policies

1. General information

Godrej Agrovet Ltd. ("the Company") 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, an erstwhile division of Godrej Soaps Limited was incorporated under the Companies Act, 1956 on November 25, 1991. The Company is a diversified agribusiness company and its principal activities include manufacturing and marketing of high quality animal feed, innovative agricultural inputs and palm oil & allied products.

2. Basis of preparation

(i) Compliance with Ind AS:

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

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

These financial statements are the Company's first Ind AS financial statements and are covered by Ind AS 101, First-time adoption of Indian Accounting Standards. The transition to Ind AS has been carried out from the accounting principles generally accepted in India ("Indian GAAP") which is considered as the "Previous GAAP" for purposes of Ind AS 101. An explanation of how the transition to Ind AS has affected the Company's financial position, financial performance and cash flow is provided in Note 69.

The financial statements of the Company for year ended 31st March 2017 were authorized for issue in accordance with a resolution of the Board of Directors on 12th May 2017.

(ii) Historical cost convention

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;
- asset held for sale and biological Assets – measured at fair value less cost to sell;
- defined benefit plans – plan assets measured at fair value; and
- share-based payments

(iii) Functional and presentation currency

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

3. Key estimates and assumptions

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

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

Judgement, estimates and assumptions are required in particular for:

• Determination of the estimated useful lives of tangible assets

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

• 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.

• 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 Company determines whether the arrangement is or contains a lease.

At inception or on reassessment of an arrangement that contains a lease, the Company separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are 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 Company'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 Company's products. Rebates are based on purchases made during the period by distributor / customer. The Company 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 forward contracts, commodity futures and interest rate swaps. Fair value of foreign currency forward contracts are determined using the fair value reports provided by respective bankers. Fair value of interest rate swaps are determined with respect to current market rate of interest.

4. Measurement of fair values

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

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

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

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

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

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

5. Standards issued but not yet effective

[Not required to be given as per ITFG 8 issued recently]

i) Ind AS 102 Share-based Payment:

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

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

6. Significant accounting policies

A. Revenue

i. Sale of goods

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of contracts and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods.

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 Company, 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 statement of profit or loss.

B. Foreign currency

i. Functional and presentation currency

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

ii. Transactions and balances

Transactions in foreign currencies are translated into the respective functional currencies of the Company 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 Company's monetary items at the closing rate are recognized as income and expenses in the period in which they arise.

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

Exchange differences are generally recognised in profit or 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.

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 Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. The Company has a scheme of Performance Linked Variable Remuneration (PLVR) which rewards its employees based on either Economic Value Added (EVA) or Profit before tax (PBT). The PLVR amount is related to actual improvement made in either EVA or PBT over the previous year when compared with expected improvements.

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

ii. 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 Company.

The Company's contribution to the Provident Fund Trust as established by the Company, is also considered as a Defined Benefit Plan because, as per the rules of Company'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 Company. The Company's net obligations in respect of such plans is calculated by estimating the amount of future benefit that the employees have earned in return for their services and the current and prior periods that benefit is discounted to determine its present value and the fair value of the plan asset is deducted.

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

- Gratuity Fund

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

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

iv. Other long-term employee benefits

Liability toward Long-term Compensated Absences is 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 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 net profit in the statement of profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

i. Current tax

Current tax is the amount of tax payable (recoverable) in respect of the taxable profit or / (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 Company:

- 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 Company 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.

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

Deferred tax assets and liabilities are offset only if:

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

E. Inventories

Inventories are carried in the balance sheet as follows:

- (a) Raw materials, Stock in Trade and Stores & Spares: At lower of cost, on weighted average basis and net realisable value.
- (b) Work-in-progress-Manufacturing: At lower of cost of materials, plus appropriate production overheads and net realisable value.
- (c) Finished Goods-Manufacturing: 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 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.

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.

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 statement of profit or loss.

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

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

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

ii. Subsequent expenditure

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

iii. Depreciation/ 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:

- (a) Plant and Machinery: - 20 Years
- (b) Computer Hardware:
Depreciated over its 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 Company 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 Company and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

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

Amortisation

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

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

- Grant of licenses	:	10 years
- Computer Software	:	6 years
- Tree Development Cost	:	15 years
- Technical Know-how of a capital nature	:	6 years

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

J. Research and Development Expenditure

Research Expenditure:

Revenue expenditure on research & development is charged to the Statement of Profit and Loss of the year in which it is incurred.

Capital expenditure incurred during the period on research & development is accounted for as an addition to property, plant & equipment.

K. Share-based payments:

- Employees of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).
- 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.
- 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 Company's best estimate of the number of equity instruments that will ultimately vest.
- 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 Statement of Profit or Loss.
- The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

L. Financial Instruments

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

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

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

i. Financial assets

Classification

The Company 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 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 amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

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

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

Initial recognition & measurement

At initial recognition, the Company measures a financial asset at fair value plus, in the case of a financial asset not recorded at fair value through the Statement of Profit or 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 Company decides to classify the same either as at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.
- If the Company 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 Company 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 Statement of Profit and Loss.

Derecognition

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

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company 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 Company has retained.

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

Impairment of financial assets

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

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
- Trade receivables - The application of simplified approach does not require the Company 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 Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through the 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 Company 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 statement of profit and loss.

The Company'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 Company 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 statement of profit and loss.

Offsetting of financial instruments

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

Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks respectively. 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. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

M. Provisions and contingent liabilities

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 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 Company 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 of 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 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.

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 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 Company under leases that transfer to the Company 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 Company's statement of financial position.

O. Impairment of non-financial assets

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

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 Statement of Profit and Loss, to the extent the amount was previously charged to the 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 balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

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

Q. Grants / subsidies

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 Statement of Profit and Loss over the period and in proportion in which depreciation is charged.

Revenue grants are recognized in the 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 Company 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. Biological assets

Biological assets are measured at fair value less costs to sell, with any change therein recognized in Statement of Profit and Loss.

Note 2 Property, Plant & Equipment

(₹ in lakh)

PARTICULARS	Freehold Land	Leasehold Land	Buildings	Plant and Machinery	Furniture and Fixtures	Vehicles	Office & Other Equipment	Tree Development Cost	Leasehold Improvements	Livestock used for R&D	Research Center	Total
As at March 31, 2017												
Gross Block												
At April 1, 2016	3,371.54	3,072.59	23,589.72	36,650.52	659.22	1,801.85	1,430.96	80.49	29.05	45.82	0.68	70,732.44
Additions	800.39	-	1,944.77	3,663.48	137.75	708.52	480.97	-	80.03	5.57	-	7,821.48
Disposals	(621.25)	-	(0.16)	(85.96)	(25.25)	(131.71)	(8.28)	-	-	(5.70)	(0.57)	(878.88)
As at March 31, 2017	3,550.68	3,072.59	25,534.33	40,228.04	771.72	2,378.66	1,903.65	80.49	109.08	45.69	0.11	77,675.04
Accumulated Depreciation												
At April 1, 2016	-	25.41	767.32	2,849.98	68.56	237.21	199.61	40.25	5.37	3.68	-	4,197.39
For the year	-	35.04	902.77	3,143.38	78.70	295.60	249.61	40.24	10.04	4.48	-	4,759.86
Disposals	-	-	(0.02)	(40.93)	(5.72)	(36.57)	(6.01)	-	-	(0.77)	-	(90.02)
As at March 31, 2017	-	60.45	1,670.07	5,952.43	141.54	496.24	443.21	80.49	15.41	7.39	-	8,867.23
Net Block as at March 31, 2017	3,550.68	3,012.14	23,864.26	34,275.61	630.18	1,882.42	1,460.44	-	93.67	38.30	0.11	68,807.81
As at March 31, 2016												
Gross Block												
At April 1, 2015	3,313.08	1,370.10	12,359.13	31,075.30	236.41	1,428.63	893.72	80.49	17.57	44.49	0.80	50,819.72
Taken over	-	-	2.56	17.71	5.64	89.22	2.98	-	-	-	-	118.11
Additions	110.90	1,702.49	11,292.55	5,652.33	422.48	353.00	541.57	-	11.48	11.55	-	20,098.35
Disposals	(52.44)	-	(64.52)	(94.82)	(5.31)	(69.00)	(7.31)	-	-	(10.22)	(0.12)	(303.74)
As at March 31, 2016	3,371.54	3,072.59	23,589.72	36,650.52	659.22	1,801.85	1,430.96	80.49	29.05	45.82	0.68	70,732.44
Accumulated Depreciation												
At April 1, 2015	-	-	-	-	-	-	-	-	-	-	-	-
For the year	-	25.41	770.37	2,859.07	69.45	243.00	201.22	40.25	5.37	4.20	-	4,218.34
Disposals	-	-	(3.05)	(9.09)	(0.89)	(5.79)	(1.61)	-	-	(0.52)	-	(20.95)
As at March 31, 2016	-	25.41	767.32	2,849.98	68.56	237.21	199.61	40.25	5.37	3.68	-	4,197.39
Net Block as at March 31, 2016	3,371.54	3,047.18	22,822.40	33,800.54	590.66	1,564.64	1,231.35	40.24	23.68	42.14	0.68	66,535.05

Notes:

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), Hyderabad (as part of the merger of Godrej Plant Biotech Limited), Dhule (as part of the merger of Goldmohur Foods & Feeds Ltd), Hanuman Jn. (as part of the merger of Golden Feed Products Ltd), Chintampalli (as part of the merger of Godrej Gokarna Oil palm Limited), Ariyalur & Varanavasi (as part of the merger of Cauvery Oil Palm Limited) and at Kolkata are being complied with. Stamp duty payable thereon is not presently determinable.

Note No. 2.2 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. 61(i))

Note No. 2.3 Figures under taken over during the previous year relates to Assets taken over by the company as per the scheme of Arrangement for the demerger of Seeds business of Godrej Seeds and Genetics Limited into Godrej Agrovet Limited. (Refer Note No. 58)

The Company has availed the deemed cost exemption in relation to the property plant and equipment on the date of transition and hence, the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated depreciation on April 1, 2015 under the previous GAAP

Deemed cost as on 1 April 2015

(₹ in lakh)

PARTICULARS	Freehold Land	Leasehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Tree Development Cost	Leasehold Improvements	Livestock used for R&D	Research Center	Total
Gross Block as on 1 April, 2015	3,313.08	1,434.31	14,523.85	40,672.04	540.60	1,785.52	1,318.31	414.81	29.10	46.58	15.83	64,094.03
Accumulated Depreciation till 1 April, 2015	-	64.21	2,164.72	10,335.77	304.19	360.98	434.72	334.32	11.53	2.09	15.03	14,027.56
Net Block treated as Deemed cost upon transition	3,313.08	1,370.10	12,359.13	30,336.27	236.41	1,424.54	883.59	80.49	17.57	44.49	0.80	50,066.47
IND AS Adjustments- Adjustments for grants as on 1 April, 2015	-	-	-	739.03	-	4.09	10.13	-	-	-	-	753.25
Adjusted deemed cost as on 1 April, 2015	3,313.08	1,370.10	12,359.13	31,075.30	236.41	1,428.63	893.72	80.49	17.57	44.49	0.80	50,819.72

Note 3 Intangible Assets

(₹ in lakh)

PARTICULARS	Computer Software	Technical Know-how Fees	Grant of Licenses	Total
As at March 31, 2017				
Gross Block				
At April 1, 2016	568.30	-	1,700.46	2,268.76
Additions	63.02	-	-	63.02
Disposals	-	-	-	-
As at March 31, 2017	631.32	-	1,700.46	2,331.78
Accumulated amortisation				
At April 1, 2016	197.88	-	425.12	623.00
For the year	123.84	-	425.12	548.96
Disposals	-	-	-	-
As at March 31, 2017	321.72	-	850.24	1,171.96
Net Block as at March 31, 2017	309.60	-	850.22	1,159.82
As at March 31, 2016				
Gross Block				
At April 1, 2015	479.42	-	1,700.46	2,179.88
Additions	88.88	-	-	88.88
Disposals	-	-	-	-
As at March 31, 2016	568.30	-	1,700.46	2,268.76
Accumulated amortisation				
At April 1, 2015	-	-	-	-
For the year	197.88	-	425.12	623.00
Disposals	-	-	-	-
As at March 31, 2016	197.88	-	425.12	623.00
Net Block as at March 31, 2016	370.42	-	1,275.34	1,645.76

The Company has availed the deemed cost exemption in relation to the intangible assets on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated depreciation on April 1, 2015 under the previous GAAP.

Deemed cost as on April 1, 2015

(₹ in lakhs)

PARTICULARS	Computer Software	Technical Know-how Fees	Grant of Licenses	Total
Gross Block as on April 1, 2015	1,197.67	200.00	4,251.18	5,648.85
Accumulated Depreciation upto April 1, 2015	718.25	200.00	2,550.72	3,468.97
Net Block treated as Deemed cost upon transition	479.42	-	1,700.46	2,179.88

Note 4 Biological Assets

A. Reconciliation of carrying amount
March 31, 2017

Particulars	Note	Poultry		Oil palm saplings		Total
		Qty.	INR Lakhs	Qty.	INR Lakhs	
Balance as April 1, 2016		-	-	1,205,458	886.81	886.81
Add:						
i Purchases		-	-	60,000	12.44	12.44
ii Production/ Cost of Development		-	-	-	42.19	42.19
Less:						
i Sales / Disposals		-	-	(653,286)	(465.83)	(465.83)
ii Change in fair value less cost to sell:		-	-	-	(8.63)	(8.63)
Realised		-	-	-	(16.28)	(16.28)
Unrealised		-	-	-	7.65	7.65
Balance as at March 31, 2017				612,172	466.98	466.98

March 31, 2016

Particulars	Poultry		Oil palm saplings		Total
	Qty.	INR Lakhs	Qty.	INR Lakhs	
Balance as April 1, 2015	325,469	181.22	1,294,667	1,052.42	1,233.64
Add:					
i Purchases	14,013	25.31	492,200	178.07	203.38
ii Production/ Cost of Development	488,736	76.99	-	120.14	197.13
Less:					
i Sales/ Disposals	(828,218)	(301.12)	(581,409)	(452.70)	(753.82)
ii Change in fair value less cost to sell:	-	17.60	-	(11.12)	6.48
Realised	-	17.60	-	(24.13)	(6.53)
Unrealised	-	-	-	13.01	13.01
Balance as at March 31, 2016	-	-	1,205,458	886.81	886.81

The Company has trading operations in oil palm plantations whereby the Company purchases the saplings and sells the saplings once it has achieved the desired growth. During the year 2016-17, the Company purchased 60,000 (2015-2016: 492,200) number of saplings, out of which 60,000 (2015- 2016: 492,200) were still under cultivation.

B. Measurement of Fair value

i. Fair Value hierarchy

The fair value measurements for poultry and 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-

Particulars	March 31, 2017	March 31, 2016
Gain/(loss) included in 'other operating revenue'	(8.63)	6.48
Change in fair value (realised)	(16.28)	(6.53)
Change in fair value (unrealised)	7.65	13.01

iii. Valuation techniques and significant unobservable inputs

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Poultry stock - it comprises of parent chicken, eggs and livebirds	Discounted cashflows	Discounting is not done considering the plan to sell the inventory is less than one year.	The estimated fair valuation would increase/(decrease) if - Estimated price of each component of poultry stock was higher (lower) - discounting is done for the expected cashflows
Oil Palm Saplings - it comprises the stock under cultivation	Cost approach and percentage completion method	1. Estimated cost of completing the stock under cultivation ₹ 18.63 to ₹ 41.33 per sapling	The estimated fair valuation would increase/(decrease) if - Estimated cost to complete was lower (higher) - Estimated selling price per sapling is higher (lower)

B. Risk Management strategies related to agricultural activities

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

i. Regulatory and environmental risks

The company is subject to laws and regulations in the country in which it operates. It has established various environmental policies and procedures aimed at compliance with the local environmental and other laws.

ii. Supply and demand risks

"The company is exposed to risks arising from fluctuations in the price and sales volume of plants. When possible, the Company manages this risk by aligning its harvest volume to market supply and demand. Management performs regular industry trend analyses for projected harvest volumes and pricing."

iii. Climate and other risks

The company's plantations are exposed to the risk of damage from climatic changes, diseases, forest fires and other natural forces. The company 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)		Profit or (loss)	
	March 31,2017		March 31,2016	
	10% increase	10% decrease	10% increase	10% decrease
Estimated cost of completing the stock under cultivation	(0.70)	0.76	(5.57)	5.93
Cash flow sensitivity (net)	(0.70)	0.76	(5.57)	5.93

Note 5 : Non-current financial assets- Investments

A. Investments at Cost

I Investment in Equity Instrument (Fully Paid)

(a) Investment in equity of subsidiaries

i Quoted

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Astec LifeSciences Limited. 10,837,139 (Previous year 10,434,880, as of 1.04.2015 nil) Equity shares of ₹ 10/- each. (Acquired 402,259 Equity Shares during 2016-17)	23,406.45	21,066.52	-

ii Unquoted

i Godrej Seeds & Genetics Limited Previous Year and as of 1.04.2015 54,000 Equity Shares of ₹ 10/- each.	-	5.40	5.40
ii Godvet Agrochem Limited 9,950,000 (Previous Year 9,950,000, as of 1.04.2015 6,050,000) Equity Shares of ₹ 10/- each.	995.00	995.00	605.00
iii Creamline Dairy Products Limited. 5,879,008 (Previous Year 5,879,008, as of 1.04.2015 classified as current) equity shares of ₹ 10/- each.	16,207.21	16,207.21	-

(b) Investment in equity of associates

(Unquoted)

i Al Rahaba International Trading Limited Liability Company, Abu Dhabi, UAE. 24 (Previous year and as of 1.04.2015 24) Equity Shares of AED. 1500/- each.	4.32	4.32	4.32
ii Polchem Hygiene Laboratories Private Limited Classified as current during previous year (as of 1.04.2015 455,000 equity shares of 10 each).	-	-	162.75

(c) Investment in equity of joint ventures (Unquoted)

i Godrej Tyson Foods Limited 97,461 (Previous year 97,461, as of 1.04.2015 97,461) Equity Shares of ₹ 10/- each.	6,602.71	6,602.71	6,602.71
ii ACI Godrej Agrovet Private Limited, Dhaka, Bangladesh. 1,850,000 (Previous year 1,850,000, as of 1.04.2015 185,000) Equity Shares of Tk. 100/- each.	1,258.08	1,258.09	1,248.58
iii Omnivore India Capital Trust 2,125 (Previous year 1,875, as of 1.04.2015 1,250) units of ₹ 100,000 each. (Acquired 250 units during the year)	2,124.63	1,874.62	1,249.63
Total (A)	50,598.40	48,013.87	9,878.39

B. Investments at Fair Value through Statement of Profit & Loss

(a) Investment in Co-operative Society (Unquoted)	0.27	0.27	0.27
(b) Investment in Other Corporates (Unquoted)	0.14	0.14	-
(c) Investment in Limited Liability Partnership	-	-	0.50
Total B	0.41	0.41	0.77

C. Investment in Preference Shares (Fully paid, unquoted, valued at cost)

	As at March 31, 2017	As at March 31, 2016	(₹ in lakh) As at April 1, 2015
1 Investment in subsidiary companies			
i Godrej Seeds And Genetics Limited (As of 1.04.2015 500,000 preference shares of ₹ 100 each)	-	-	500.00
ii Godvet Agrochem Limited (As of 1.04.2015 350,000 preference shares of ₹ 100 each)	-	-	350.00
Total B	-	-	850.00
TOTAL	50,598.81	48,014.28	10,729.16

Note No. 5.1 Other Disclosures

Aggregate amount of quoted investment	23,406.45	21,066.52	-
Market value of quoted investment	65,394.01	20,629.76	-
Aggregate amount of unquoted investments	27,192.36	26,947.76	10,729.16

Note No. 5.2

Name of subsidiary, associate and joint ventures - Place of business	% of holding	% of holding	% of holding
1. Godvet Agrochem Limited -Mumbai	100.00	100.00	100.00
2. Godrej Seeds & Genetics Limited -Mumbai	-	90.00	90.00
3. Astec Lifescience Limited -Mumbai	55.54	53.64	-
4. Creamline Dairy Products Limited Hyderabad Classified as current during April 1,2015	51.91	51.91	26.00
5. ACI Godrej Agrovet Private Limited - Dhaka, Bangladesh	50.00	50.00	50.00
6. Godrej Tyson Foods Limited -Mumbai	49.00	49.00	49.00
7. Al Rahaba International Trading Limited Liability -Abu Dhabi, UAE.	24.00	24.00	24.00
8. Polchem Hygiene Laboratories Private Limited -Mumbai Classified as current during the year ended March 31,2016	-	26.00	26.00

Investment in units of Omnivore India Capital Trust, a venture capital organization, is considered as a joint venture as the Company participates in the key activities jointly with the Investment Manager.

Note 6 : Non Current Trade Receivables

Unsecured and considered doubtful	777.80	424.52	208.03
Less : Allowance for doubtful receivables	(777.80)	(424.52)	(208.03)
Total	-	-	-

Note 7 : Non Current Financial Assets - Loans

Unsecured, considered good (unless otherwise stated)			
1 Security deposits			
i Considered good	1,038.82	947.78	964.47
ii Considered doubtful	22.61	7.61	2.61
Less : Allowance for bad and doubtful loans and advances	(22.61)	(7.61)	(2.61)
Net Deposits	1,038.82	947.78	964.47
2 Loan to employees	51.19	45.75	32.40
TOTAL	1,090.01	993.53	996.87

Note 8 : Non-current financial assets-Others

1 Claims receivable	146.15	146.15	146.15
2 Interest accrued but not due on fixed deposits (unsecured) - non-current	5.14	4.10	3.25
3 Bank Deposit with more than 12 months maturity	23.64	10.44	20.94
TOTAL	174.93	160.69	170.34

	(₹ in lakh)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Note 9 : Deferred Tax Assets			
Deferred Tax Assets (Refer Note No. 47)	509.30	823.12	652.81
TOTAL	509.30	823.12	652.81
Note 10 : Other non-current assets			
1 Capital advances	1,008.97	782.93	996.02
2 Balance with Government Authorities	355.43	324.84	351.68
3 Others (Advances recoverable in cash or kind)			
i) Considered good	444.26	288.19	356.50
ii) Considered doubtful	19.81	19.07	18.89
Less : Allowance for doubtful advances	(19.81)	(19.07)	(18.89)
Net Advances Recoverable in cash or kind	444.26	288.19	356.50
Total Advance Other Than Capital Advance	799.69	613.03	708.18
TOTAL	1,808.66	1,395.96	1,704.20
Note 11 : Inventories			
(Valued at lower of cost and net realizable value)			
1 Raw materials	36,714.97	37,148.85	23,940.56
2 Raw Materials in Transit	-	205.85	2.43
3 Project in progress	6,071.91	-	-
4 Finished goods	6,507.61	7,453.81	5,505.95
5 Stock-in-Trade	6,424.65	5,800.65	4,919.15
6 Stores and Spares	1,585.21	1,674.84	1,095.61
TOTAL	57,304.35	52,284.00	35,463.70
Note 12 : Current Financial Assets -Investments			
Trade Investment (At lower of cost and fair value)			
I Investment in equity			
i Polchem Hygiene Laboratories Private Limited (Classified as non current on 1.04.2015)	-	162.75	-
Nil (Previous year 455,000) Equity Shares of ₹ 10/- each			
ii Creamline Dairy Products Limited (classified as non current in current year and previous year, as of 1.04.2015 2,671,993 Equity shares of ₹ 10/- each)	-	-	1,038.00
Total	-	162.75	1,038.00
II Investment at Fair value through statement of Profit and Loss			
Investment in other corporates			
Future Consumer Enterprises Limited	-	-	3,661.08
As of 1.04.2015 30,256,870 Equity shares of ₹ 6/- each			
Total	-	-	3,661.08
TOTAL	-	162.75	4,699.08
Note 13 : Current Trade Receivables			
i Secured and considered good (Refer Note No. 13.1)	7,544.62	8,024.98	7,708.25
ii Unsecured and considered good	33,199.92	28,592.05	18,287.64
TOTAL	40,744.54	36,617.03	25,995.89

Note No. 13.1: Secured by Security Deposits collected from customers or Bank Guarantees held against them.

	(₹ in lakh)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Note 14 : Cash and cash equivalents			
1 Cash on hand	62.48	90.51	122.15
2 Cheques, Drafts on Hand	299.01	165.72	38.14
3 Balances with Banks:			
(a) Current Accounts	3,298.47	1,685.62	1,001.59
(b) Saving Bank Account of Company's ESOP Trust	77.23	4.63	9.43
TOTAL	3,737.19	1,946.48	1,171.31
Note 15 : Bank Balances Other Than Cash and Cash Equivalents			
Fixed Deposits -more than 3 months and less than 12 months (Refer Note No. 15.1)	708.97	673.28	445.33
TOTAL	708.97	673.28	445.33
Note No. 15.1: Fixed Deposits of ₹ 77.02 lakh (Previous Year ₹ 27.20 lakh and as of 1.04.2015 26.51 lakh) are pledged with Banks for Guarantees issued			
Note 16 : Current Financial Assets -Loans Unsecured, Considered Good, Unless Otherwise Stated			
1 Loans and advances to related parties (Refer Note No. 67)	63.59	573.33	1,602.61
2 Loans and Advances - Others			
(a) Loans and advances to employees	53.66	51.47	35.71
(b) Loan to ESOP Trust of Holding Company			
(i) Considered good	1,633.76	5,476.79	5,902.45
(ii) Considered doubtful	-	2,083.45	2,083.45
Less : Allowance for Doubtful Advance	-	(2,083.45)	(2,083.45)
Net Loan to ESOP Trust of Holding Company	1,633.76	5,476.79	5,902.45
(c) Intercompany Deposits	988.50	7,168.25	3,590.25
(d) Deposits	58.34	51.97	40.40
(e) Advance recoverable in cash or kind	637.42	309.21	283.80
TOTAL	3,435.27	13,631.02	11,455.22
Note 17 : Other current financial assets			
1 Interest Accrued on Inter-Corporate Deposits	6.72	848.80	545.29
2 Interest Accrued on other Deposits	2.08	2.03	1.93
3 Non-Trade Receivables	738.70	3,881.78	308.35
4 Other Income Accrued	296.45	751.23	508.45
5 Interest on Bank Fixed Deposit	3.54	5.12	4.05
TOTAL	1,047.49	5,488.96	1,368.07
Note 18 : Other current assets			
1 Advances to suppliers	1,500.17	1,076.27	1,702.83
2 Balance with government authorities	254.53	464.64	405.12
3 Others	2,465.80	1,614.28	1,259.38
TOTAL	4,220.50	3,155.19	3,367.33

		(₹ in lakh)		
		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Note 19 : Share Capital				
1 Authorised :				
(a)	224,994,000 (Previous year 99,994,000 and as at April 1, 2015 100,000,000) Equity shares of the par value of ₹ 10 each	22,499.40	9,999.40	10,000.00
(b)	6,000 (Previous year 6,000 and as at April 1, 2015 nil) Preference shares of the par value of ₹ 10 each	0.60	0.60	-
TOTAL		22,500.00	10,000.00	10,000.00
2 Issued, Subscribed and Paid-up:				
	185,130,876 (Previous year 92,565,438 and as at April 1, 2015 92,565,438) Equity shares of ₹ 10 each fully paid up.	18,513.09	9,256.54	9,256.54
TOTAL		18,513.09	9,256.54	9,256.54

		(₹ in lakh)					
		As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
		No. of shares	₹ In Lakhs	No. of shares	₹ In Lakhs	No. of shares	₹ In Lakhs
3 Reconciliation of number of shares outstanding at the beginning and end of the year :							
Equity shares :							
	Outstanding at the beginning of the year	92,565,438	9,256.54	92,565,438	9,256.54	92,565,438	9,256.54
	Bonus Shares issued during the year	92,565,438	9,256.55	-	-	-	-
	Outstanding at the end of the year	185,130,876	18,513.09	92,565,438	9,256.54	92,565,438	9,256.54
Preference shares :							
	Outstanding at the beginning of the year	6,000	0.60	6,000	0.60	-	-
	Issued during the year	-	-	-	-	-	-
	Outstanding at the end of the year	6,000	0.60	6,000	0.60	-	-

		(₹ in lakh)					
		As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
		No. of shares	%	No. of shares	%	No. of shares	%
4 Rights, preferences and restrictions attached to Equity shares							
a) Equity Shares: The Company 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 Company 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.							
5 Shareholders holding more than 5% shares in the company is set out below:							
(a) Equity shares		117,878,964.00	63.67%	56,286,482.00	60.81%	56,286,482.00	60.81%
	1 Godrej Industries Limited -Holding Company						
	2 V-Sciences Investments Pvt Ltd	37,007,698.00	19.99%	18,503,849.00	19.99%	18,503,849.00	19.99%
6 There are no shares reserved for issue under options.							

		(₹ in lakh)		
		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Note 20 : Other Equity				
1.	Retained Earnings	58,439.94	45,206.33	38,057.82
2.	General Reserve	108.66	372.55	658.35
3.	Debenture Redemption Reserve	-	1,875.00	-
4.	Employee Stock Options Outstanding	-	10,614.18	9,477.59
5.	Reserve for employee compensation expenses	-	2,389.81	3,526.40
6.	Treasury Share reserve	-	(58.68)	(58.68)
7.	Share Premium Account	12,989.89	-	-
8.	Cash Flow Hedge Reserve	210.00	-	-
TOTAL EQUITY		71,748.49	60,399.19	51,661.48

Reserve for employee compensation expense:

This reserve was created to give effect to the Honorable Bombay High Court's orders dated March 8, 2013 and September 20, 2013 (refer Note no. 59 (b)(iii)). The expenses in respect of the Company's ESOP scheme will be charged against the Reserve for employee compensation expense.

Debenture redemption reserve

The Company is required to create a debenture redemption reserve out of the profits which is available for payment of dividend for the purpose of redemption of debentures.

Employee share 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.

Securities Premium Account

Securities 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.

Cash flow hedge reserve

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.

Treasury Share reserve:

Equity share reserve for ESOP Scheme (Refer Note 43).

		(₹ in lakh)		
		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Note 21 : Non Current Financial Liabilities - Borrowings				
Unsecured				
	1 6,000 8% Cumulative Non-convertible Redeemable Preference Shares of the par value of ₹10 each (Refer Note No. 19.4.b)	0.60	0.60	-
	2 Deferred payment liabilities (Refer Note No.21.1)	411.82	420.66	-
	3 Deferred Sales Tax Loan (Refer Note No.21.2)	258.24	267.80	393.36
	4 Term Loan	-	-	6,800.00
TOTAL		670.66	689.06	7,193.36

Note No.21.1: 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 an Six monthly (period) basis 6 years from 1st July 2016 up to 1st Jan 2022. Total loan availed was ₹ 617.73 lakh and outstanding for the year 2016-17 was ₹ 514.77 Lakh with current maturity disclosed separately in note no. 28.2 at ₹ 102.96 Lakh .

Note No.21.2: 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 2016-17 was 376.78 lakhs with current maturity disclosed separately in note no. 28.2 at ₹ 35.15 lakh .

	(₹ in lakh)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Note 22 : Non-Current Financial Liabilities - Others			
1 Liability towards beneficiaries of Company's ESOP Trust	-	653.71	445.97
2 Preference dividend payable	0.05	0.00	-
3 Tax on preference dividend payable (Refer Note No. 22.1)	0.01	0.00	-
Total	<u>0.06</u>	<u>653.71</u>	<u>445.97</u>

Note No. 22.1: During previous year ₹ 0.00 represents Preference Dividend payable of ₹ 763 and corresponding tax on distributed profit ₹ 169 provided for

Note 23 : Non Current Liabilities - Provisions			
Provision for employee benefits :			
- Provision for compensated absences	309.62	183.52	138.39
Total	<u>309.62</u>	<u>183.52</u>	<u>138.39</u>

Note 24 : Deferred Tax Liabilities			
Deferred Tax Liabilities (Refer Note No. 47)	7,294.43	6,031.05	5,101.82
Total	<u>7,294.43</u>	<u>6,031.05</u>	<u>5,101.82</u>

Note 25 : Other non-current liabilities			
Deferred grant	1,325.29	1,239.69	720.38
Total	<u>1,325.29</u>	<u>1,239.69</u>	<u>720.38</u>

Note 26 : Current Financial Liabilities - Borrowings			
1 Secured			
(a) Cash credit from banks (Refer Note 26.1)	-	2,089.06	-
2 Unsecured			
(a) Term loans from Banks (Refer Note 26.2)	17,033.15	71,122.38	43,111.77
(b) Commercial paper (Refer Note 26.3)	27,500.00	40,000.00	12,500.00
(c) Cash credit (Refer Note 26.1)	2,964.31	854.45	3,624.28
Total	<u>47,497.46</u>	<u>114,065.89</u>	<u>59,236.05</u>

Note No. 26.1 : Cash Credit from banks are repayable on demand and carries interest at 9.55% to 11.85 % . This cash credit from Bank is secured against inventories and receivables.

Note No. 26.2 : Term Loans from Banks for the year 2016 -17 are at an Interest Rate of 5.96% to 13.60 %.

Note No. 26.3 : Commercial Paper carries interest rate of 5.95% to 8.85%

	(₹ in lakh)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Note 27 : Current -Trade Payables			
1 Trade Payables			
a. Due to Micro, Small and Medium Enterprises (Refer Note No. 27.1)	-	-	-
b. Others	21,818.37	20,800.61	19,699.19
2 Acceptances	52,810.16	2,667.77	-
Total	<u>74,628.53</u>	<u>23,468.38</u>	<u>19,699.19</u>

Note No. 27.1: Micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) have been identified by the Company on the basis of the information available with the Company and the auditors have relied on the same. Accordingly, there is no undisputed amount overdue as on March 31, 2017, to Micro, Small and Medium Enterprises on account of principal or interest (previous year ₹ Nil.)

	(₹ in lakh)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Note 28 : Other financial liabilities			
1 Current maturities of long-term debt			
2 Unsecured Loan			
Debentures -Nil (for the year 2015-16 750 and for the year 2014-15, nil) 8.63% Unsecured Non-convertible Debentures of ₹1,000,000 each (Refer Note No.28.1)	-	7,489.33	-
From others - Deferred Sales Tax Loan (Refer Note No. 21.2)	35.15	16.58	31.05
From others - Deferred payment liabilities (Refer Note No. 21.1)	102.96	102.96	-
3 Liabilities towards beneficiaries of Company's ESOP Trust	694.83	-	-
4 Security Deposit	5,477.39	5,488.23	5,247.80
5 Amount due for payment to Gratuity Fund	420.57	353.84	288.91
6 Non Trade Payables	1,458.96	1,673.37	1,124.52
7 Interest accrued but not due on borrowings	33.92	382.05	20.90
8 Derivative liability	44.82	28.40	7.93
9 Others	4,355.11	2,445.28	3,608.61
Total	<u>12,623.71</u>	<u>17,980.04</u>	<u>10,329.72</u>

Note No. 28.1: 8.63% Debentures are redeemable at par at the end of 15 Months from the date of allotment, viz., 7th December 2016.

Note 29 : Other current liabilities			
1 Advances from Customers	2,447.92	3,255.56	2,071.97
2 Employee Deductions	8.56	9.06	102.18
3 Statutory Liabilities	640.65	492.91	234.26
4 Deferred Grants - Current	106.79	98.54	51.72
Total	<u>3,203.92</u>	<u>3,856.07</u>	<u>2,460.13</u>

Note 30 : Current Liabilities - Provisions			
1 Provision for employee benefits			
- Provision for compensated absences	32.78	24.78	44.63
2 Provision for sales return	2,036.55	1,212.34	1,153.41
Total	<u>2,069.33</u>	<u>1,237.12</u>	<u>1,198.04</u>

	(₹ in lakh)	
	For the year ended 31st March 2017	For the year ended 31st March 2016
Note 31 : Revenue from operations		
1 Sale of products	359,204.57	334,387.29
2 Other operating revenue		
Sale of Scrap and Empties	2,409.48	2,205.11
Fair value of Biological Assets (Refer Note No. 4)	(8.63)	6.48
Total	<u>361,605.42</u>	<u>336,598.88</u>

Note 32 : Other Income			
1 Interest income			
(a) Instruments measured at amortised cost			
(i) Interest received on Deposits	313.82		788.32
(ii) Interest Received on ESOP Loan	717.10		-
2 Dividend income			
(i) Dividend received from cooperative bank	0.04		0.04
(ii) Dividend received from Subsidiary Company	-		47.08
(iii) Dividend from Associate Company	-		143.15

Note 41 Earnings per share**Calculation of weighted average number of equity shares - Basic**

Particulars	March 31, 2017	March 31, 2016
1 Calculation of weighted average number of equity shares - Basic		
(a) Number of shares at the beginning of the year	88,458,090.00	88,458,090.00
Effect of bonus issue	88,458,090.00	88,458,090.00
Revised number of shares at the beginning of the year	176,916,180.00	176,916,180.00
(b) Number of equity shares outstanding at the end of the year	185,130,876.00	88,458,090.00
Effect of bonus issue	-	88,458,090.00
Revised number of shares outstanding at the end of the year	185,130,876.00	176,916,180.00
Weighted average number of equity shares outstanding during the year	177,141,240.00	176,916,180.00
2 Calculation of weighted average number of equity shares - Diluted		
(a) Number of potential shares at the beginning of the year	176,916,180	176,916,180
Effect of potential equity shares	8,214,696	8,214,696
Revised number of potential shares at the beginning of the year	185,130,876	185,130,876
(b) Number of potential equity shares outstanding at the end of the year	185,130,876	176,916,180
Effect of potential equity shares	-	8,214,696
Revised number of potential equity shares outstanding at the end of the year	185,130,876	185,130,876
Weighted average number of potential equity shares outstanding during the year	185,130,876	185,130,876
3 Profit attributable to ordinary shareholders (Basic/diluted)		
Profit (loss) for the year, attributable to the owners of the Company	20,796.95	15,826.76
Income/(Expense) recognized in Reserves	(2,653.70)	(1,441.77)
Amortisation of Intangible Assets	(277.99)	(285.80)
Employee Compensation Expenses	(2,375.71)	(1,136.59)
Merger Expenses	-	(19.38)
Profit (loss) for the year, attributable to ordinary shareholders	18,143.25	14,384.99
4 Basic Earnings per share (₹)	10.24	8.13
5 Diluted Earnings per share (₹)	9.80	7.77
6 Nominal Value of Shares (₹)	10	10

Note 41.1

The calculation of diluted earning per share is based on profit attributed to equity shareholders and weighted 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. 42 Employee benefits

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

Defined Contribution Plans:

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

The Company recognised ₹ 682.46 lakh for the year ended March 31, 2017 (Previous Year ₹ 620.26 lakh) towards provident fund contribution and ₹ 57.07 lakh for the year ended March 31, 2017 (Previous year ₹ 54.95 lakhs) towards super-annuation fund contribution in the Statement of Profit and Loss.

Defined Benefit Plan:

The Company's gratuity and leave encashment/long-term compensated absences schemes are defined benefit plans. The Company's liability for the defined benefit schemes is

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

The company's contribution to the Provident Fund Trust as established by the Company, is also considered as a Defined Benefit Plan because, as per the rules of Company'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 Company. The Company's net obligations in respect of such plans is calculated by estimating the amount of future benefit that the employees have earned in return for their services and the current and prior periods that benefit is discounted to determine its present value and the fair value of the plan asset is deducted. Any actuarial losses are recognised immediately in the Statement of Profit and Loss.

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

Liabilities in respect of the gratuity plan are determined by an actuarial valuation, based upon which the Company makes annual contributions to the Group Gratuity cum Life Assurance Schemes administered by the LIC of India, a funded defined benefit plan for qualifying employees. Trustees administer the contributions made by the Company to the gratuity scheme.

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, 2017. 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 lakhs)		
	March 31, 2017	March 31, 2016	April 1, 2015
Defined benefit obligation	(1,822.78)	(1,407.57)	(1,187.50)
Fair value of plan assets	1,402.22	1,054.58	898.59
Net defined benefit (obligation)/assets	(420.56)	(352.99)	(288.91)

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

	Defined Benefit Obligation		Fair value of plan assets		Net defined benefit (asset) liability	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Opening balance	1,407.57	1,187.50	1,054.58	898.59	352.99	288.91
Included in profit or loss						
Current service cost	115.02	94.64	-	-	115.02	94.64
Past service cost	-	-	-	-	-	-
Interest cost (income)	113.17	94.40	84.79	71.44	28.38	22.96
Included in OCI						
Remeasurement loss (gain):	-	-	-	-	-	-
Actuarial loss (gain) arising from:						
Demographic assumptions	-	-	-	-	-	-
Financial assumptions	115.37	(10.97)	-	-	115.37	(10.97)
Experience adjustment	218.89	204.03	-	-	218.89	204.03
Return on plan assets excluding interest income	-	-	56.25	(42.33)	(56.25)	42.33
	1,970.02	1,569.60	1,195.62	927.70	774.40	641.90
Other						
Contributions paid by the employer	-	-	353.84	288.91	(353.84)	(288.91)
Benefits paid	(147.24)	(162.03)	(147.24)	(162.03)	-	-
Closing balance	1,822.78	1,407.57	1,402.22	1,054.58	420.56	352.99
Represented by						
Net defined benefit asset						
Net defined benefit liability	420.56	352.99	288.91			
	420.56	352.99	288.91			

ii. Plan assets

Plan assets comprise the following

	March 31, 2017	March 31, 2016	April 1, 2015
Insurer managed fund (100%)	1,402.22	1,054.58	898.59
	1,402.22	1,054.58	898.59

iii. Actuarial assumptions

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

	March 31, 2017	March 31, 2016
Discount rate	7.29%	8.04%
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.

	March 31, 2017		March 31, 2016	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(150.99)	176.41	(112.60)	130.72
Future salary growth (1% movement)	178.74	(155.41)	133.44	(116.66)
Rate of employee turnover (1% movement)	31.38	(35.91)	31.87	(36.23)

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

v. Expected future cash flows

The expected future cash flows in respect of gratuity as at March 31, 2017 were as follows

Expected contribution

The expected contributions for defined benefit plan for the next financial year will be in line with the contribution for the year ended March 31, 2017, i.e. ₹ 353.83 lakh.

Expected future benefit payments	March 31, 2017	March 31, 2016
	March 31, 2017	-
March 31, 2018	155.70	53.30
March 31, 2019	110.70	112.43
March 31, 2020	104.93	89.55
March 31, 2021	154.53	141.23
March 31, 2022	130.34	-
Thereafter	741.40	598.80

Other long-term employee benefits:

Compensated absences are payable to employees at the rate of daily salary for each day of accumulated leave on death or on resignation or upon retirement. The charge towards compensated absences for the year ended 31 March 2017 based on actuarial valuation using the projected accrued benefit method is ₹ 269.00 lakh (Previous year : ₹ 257.02 lakhs).

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

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

Note 43: Share-based payment arrangements:**Description of share-based payment arrangements****Employee stock options - cash settled**

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 ₹ 1 per equity share as provided in the scheme. The Company has provided ₹ 190 lakh (Previous Year ₹ 187 lakh) for the aforesaid eligible employees for the current financial year.

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 586,764 options convertible into 586,764 equity shares of ₹ 10 each and Bonus Shares issued against the initial allotment for 3,520,584 shares of ₹ 10 each to eligible employees of the company.

The scheme is administered by an independent ESOP Trust created. The Company has issued 586,764 equity shares and Bonus Shares issued against the initial allotment for 7,627,932 shares to the said ESOP Trust at face value of ₹ 10 each amounting to ₹ 58.68 lakh. During the current year, all the stock options were vested, exercised and transferred to the eligible employees by March 31, 2017.

Category A

Particulars	For the year ended 31 March 2017			
	Shares arising out of options	Range of exercise prices	Weighted average exercise price	Weighted average remaining contractual life
Options outstanding at the beginning of the year	1,843,457.00	10.00	1.43	21.5 months
Add: Options granted during the year	148,463.00	10.00	1.43	
Less: Options lapsed during the year	(148,463.00)	-	-	
Bonus shares issue against the allotment	1,843,457.00	-	-	
Less: Options exercised during the year	(3,686,914.00)	10.00	0.71	-
Options outstanding at the year end	-	-	-	-
Exercisable at the end of the period	-	-	-	-

Particulars	For the year ended 31 March 2016			
	Shares arising out of options	Range of exercise prices	Weighted average exercise price	Weighted average remaining contractual life
Options outstanding at the beginning of the year	1,843,457.00	10.00	1.43	33.5 months
Add: Options granted during the year	-	-	-	
Less: Options lapsed during the year	-	-	-	
Bonus shares issue against the allotment	-	-	-	
Less: Options exercised during the year	-	-	-	
Options outstanding at the year end	1,843,457.00	10.00	1.43	21.5 months
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 and 2016 was ₹ 309.20 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	2,263,891.00	10.00	1.43	
Add: Options granted during the year	-	-	-	
Less: Options lapsed during the year	-	-	-	
Bonus shares issue against the allotment	2,263,891.00	10.00	-	
Less: Options exercised during the year	(4,527,782.00)	10.00	0.71	-
Options outstanding at the year end	-	-	-	-
Exercisable at the end of the period	-	-	-	-

Particulars	For the year ended 31 March 2016			
	Shares arising out of options	Range of exercise prices	Weighted average exercise price	Weighted average remaining contractual life
Options outstanding at the beginning of the year	2,263,891.00	10.00	1.43	
Add: Options granted during the year	-	-	-	
Less: Options lapsed during the year	-	-	-	
Less: Options exercised during the year	-	-	-	
Options outstanding at the year end	2,263,891.00	10.00	1.43	
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 and 2016 was ₹ 309.20 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 period has been measured using the Black-Scholes option pricing model at the date of the grant. The Black-Scholes option pricing model includes assumptions regarding dividend yields, expected volatility, expected terms and risk free interest rates. The key inputs and assumptions used are as follows:

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

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

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

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

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

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

These assumptions reflect management's best estimates, but these assumptions involve inherent market uncertainties based on market conditions generally outside of the Company's control. As a result, if other assumptions had been used in the current period, stock-based compensation expense could have been materially impacted. Further, if management uses different assumptions in future periods, stock based compensation expense could be materially impacted in future years. The estimated fair value of stock options is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was, in-substance, multiple awards. The weighted average inputs used in computing the fair value of options granted were as follows:

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%

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Note 44: Financial instruments – Fair values and risk management**Note 44.1: 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, 2017	Carrying amount			Fair value				
		FVTPL	FVOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
I	Financial assets								
	Non Current Financial Assets								
1	Non-current investments	0.41	-	-	0.41	-	0.41	-	0.41
2	Long-term loans and advances	-	-	1,090.01	1,090.01	-	-	-	-
3	Other Non-current financial asset	-	-	174.93	174.93	-	-	-	-
II	Current Financial Assets								
1	Trade and other receivables	-	-	40,744.54	40,744.54	-	-	-	-
2	Cash and cash equivalents	-	-	3,737.19	3,737.19	-	-	-	-
3	Bank balance other than (iii) above	-	-	708.97	708.97	-	-	-	-
4	Short-term loans and advances	-	170.28	3,435.27	3,605.55	-	170.28	-	170.28
5	Other current financial assets	-	-	1,047.49	1,047.49	-	-	-	-
		0.41	170.28	50,938.40	51,109.09	-	170.69	-	170.69
I	Financial liabilities								
	Non Current Financial Liabilities								
1	Long term borrowings	258.24	-	412.42	670.66	-	258.24	-	258.24
2	Other non-current financial liabilities	-	-	0.06	0.06	-	-	-	-
II	Current Financial liabilities								
1	Short term borrowings	-	-	47,497.46	47,497.46	-	-	-	-
2	Trade and other payables	-	-	74,628.53	74,628.53	-	-	-	-
3	Other financial liabilities	44.82	-	12,578.89	12,623.71	-	44.82	-	44.82
		303.06	-	135,117.36	135,420.42	-	303.06	-	303.06

	March 31, 2016	Carrying amount			Fair value				
		FVTPL	FVOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
I	Non-current Financial Assets								
1	Non-current investments	0.41	-	-	0.41	-	0.41	-	0.41
2	Long-term loans and advances	-	-	993.53	993.53	-	-	-	-
3	Other non-current financial assets	-	-	160.69	160.69	-	-	-	-
II	Current Financial Assets								
1	Trade and other receivables	-	-	36,617.03	36,617.03	-	-	-	-
2	Cash and cash equivalents	-	-	1,946.48	1,946.48	-	-	-	-
3	Bank balance other than (iii) above	-	-	673.28	673.28	-	-	-	-
4	Short-term loans and advances	-	-	13,631.02	13,631.02	-	-	-	-
5	Other current financial assets	-	-	5,488.96	5,488.96	-	-	-	-
		0.41	-	59,510.99	59,511.40	-	0.41	-	0.41
I	Non-current Financial liabilities								
1	Long term borrowings	267.80	-	421.26	689.06	-	267.80	-	267.80
2	Other non-current financial liabilities	-	-	653.71	653.71	-	-	-	-
II	Current Financial liabilities								
1	Short term borrowings	-	-	114,065.89	114,065.89	-	-	-	-
2	Trade and other payables	-	-	23,468.38	23,468.38	-	-	-	-
3	Other financial liabilities	28.40	-	17,951.64	17,980.04	-	28.40	-	28.40
		296.20	-	156,560.88	156,857.08	-	296.20	-	296.20

	April 1, 2015	Carrying amount			Fair value				
		FVTPL	FVOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
I	Non-current Financial Assets								
1	Non-current investments	0.77	-	850.00	850.77	-	0.77	-	0.77
2	Long-term loans and advances	-	-	996.87	996.87	-	-	-	-
3	Other non-current financial assets	-	-	170.34	170.34	-	-	-	-
II	Current Financial Assets								
1	Current investments	3,661.08	-	-	3,661.08	3,661.08	-	-	3,661.08
2	Trade and other receivables	-	-	25,995.89	25,995.89	-	-	-	-
3	Cash and cash equivalents	-	-	1,171.31	1,171.31	-	-	-	-
4	Bank balance other than (iii) above	-	-	445.33	445.33	-	-	-	-
5	Short-term loans and advances	-	-	11,455.22	11,455.22	-	-	-	-
6	Other current financial assets	-	-	1,368.07	1,368.07	-	-	-	-
		3,661.85	-	42,453.03	46,114.88	3,661.08	0.77	-	3,661.85
I	Non-current Financial liabilities								
1	Long term borrowings	-	-	7,193.36	7,193.36	-	302.42	-	302.42
2	Other non-current financial liabilities -	-	-	445.97	445.97	-	-	-	-
II	Current Financial liabilities								
1	Short term borrowings	-	-	59,236.05	59,236.05	-	-	-	-
2	Trade and other payables	-	-	19,699.19	19,699.19	-	-	-	-
3	Other financial liabilities	7.93	-	10,321.80	10,329.72	-	7.93	-	7.93
		7.93	-	96,896.37	96,904.29	-	310.35	-	310.35

Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include :

- the fair value of the forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2 where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

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

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, 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 company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

Note 44.2: Credit risk

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

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

Trade receivables and loans and advances.

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

The Risk Management Committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. Further for domestic sales, the company segments the customers into Distributors and Others for credit monitoring.

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

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

The Company 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, 2017	March 31, 2016	April 1,2015
Trade receivables	40,744.54	36,617.03	25,995.89
Exports			
Distributors	-	-	-
Other	372.41	476.54	135.76
Domestic			
Distributors	39,181.71	34,300.19	24,143.13
Other	1,190.42	1,840.30	1,717.00
Total of Trade Receivables	<u>40,744.54</u>	<u>36,617.03</u>	<u>25,995.89</u>
Total of other Receivables	2,672.58	6,424.57	6,866.92

Impairment

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

	March 31, 2017	March 31, 2016	April 1 2015
Neither past due nor impaired	25,442.36	22,626.95	9,165.55
Past due 1-30 days	6,045.42	5,105.58	6,596.00
Past due 31-90 days	3,956.31	3,578.82	5,435.46
Past due 91-180 days	1,488.24	1,366.96	3,065.04
> 180 days	3,812.21	3,938.72	1,733.84
	<u>40,744.54</u>	<u>36,617.03</u>	<u>25,995.89</u>

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

	March 31, 2017	March 31, 2016
For Trade receivables		
Balance as at April 1	424.52	208.03
Impairment loss recognised	948.77	632.22
Amounts written off	(595.49)	(415.73)
Balance as at March 31	<u>777.80</u>	<u>424.52</u>
For other receivables		
Balance as at April 1	2,091.06	2,086.06
Impairment loss recognised	(2,033.81)	18.35
Amounts written off	(34.64)	(13.35)
Balance as at March 31	<u>22.61</u>	<u>2,091.06</u>

Cash and cash equivalents

The Company held cash and cash equivalents of ₹ 3,737.19 lakh at March 31, 2017 (previous year ₹ 1,946.48 lakh as on April 1, 2015 ₹ 1171.31 Lac). The cash and cash equivalents are held with bank and financial institution counterparties with good credit rating.

Note 44.3: Liquidity risk

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

Exposure to liquidity risk

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

March 31, 2017	Contractual cash flows						(₹ in lakh)
	Carrying amount	Total	0-6 months	6-12 months	1-2 years	2-5 years	More than 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 Liability	411.82	411.82	-	-	102.96	308.86	-
Other non-current financial liabilities-Others	0.06	0.06	-	-	-	-	0.06
Current, non derivative financial liabilities							
Cash credit from bank	2,964.31	2,964.31	2,964.31	-	-	-	-
Term loans from banks	17,033.15	17,033.15	17,033.15	-	-	-	-
Commercial papers	27,500.00	27,500.00	27,500.00	-	-	-	-
Trade and other payables- others	21,818.37	21,818.37	21,818.37	-	-	-	-
Acceptances	52,810.16	52,810.16	52,810.16	-	-	-	-
Other current financial liabilities	12,578.88	12,578.88	12,492.25	86.63	-	-	-
Derivative liability	44.82	44.82	-	44.82	-	-	-
Total	135,420.41	135,503.80	134,618.24	131.45	187.87	565.58	0.66
March 31, 2016							
Contractual cash flows						(₹ in lakh)	
	Carrying amount	Total	0-6 months	6-12 months	1-2 years	2-5 years	More than 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	267.80	376.78	-	-	35.15	341.63	-
Other non-current financial liabilities-Liability towards beneficiaries of Company's ESOP Trust	653.71	653.71	-	-	653.71	-	-
Deferred payment Liabilities	420.66	420.66	-	-	8.85	308.85	102.96
Current, non derivative financial liabilities							
Cash credit from bank	2,943.52	2,943.52	2,943.52	-	-	-	-
Term loans from banks	71,122.38	71,122.38	71,122.38	-	-	-	-
Commercial papers	40,000.00	40,000.00	40,000.00	-	-	-	-
Trade and other payables- others	20,800.61	20,800.61	20,800.61	-	-	-	-
Acceptances	2,667.77	2,667.77	2,667.77	-	-	-	-
Other current financial liabilities	17,951.63	17,951.63	10,242.05	7,709.58	-	-	-
Derivative liability	28.40	28.40	-	28.40	-	-	-
Total	156,857.08	156,966.06	147,776.33	7,737.98	697.71	650.48	103.56
April 1, 2015							
Contractual cash flows						(₹ in lakh)	
	Carrying amount	Total	0-6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Non current, non derivative financial liabilities							
Deferred Sales Tax Loan	393.36	393.36	-	-	16.58	376.78	-
Term loans	6,800.00	6,800.00	-	-	5,000.00	1,800.00	-
Other non-current financial liabilities-Liability towards beneficiaries of Company's ESOP Trust	445.97	445.97	-	-	445.97	-	-
Current, non derivative financial liabilities							
Cash credit from bank	3,624.28	3,624.28	3,624.28	-	-	-	-
Term loans from banks	43,111.77	43,111.77	43,111.77	-	-	-	-
Commercial papers	12,500.00	12,500.00	12,500.00	-	-	-	-
Trade and other payables- others	19,699.19	19,699.19	19,699.19	-	-	-	-
Other current financial liabilities	10,321.79	10,321.79	10,290.74	31.05	-	-	-
Derivative liability	7.93	7.93	-	7.93	-	-	-
Total	96,904.29	96,904.29	89,225.98	38.98	5,462.55	2,176.78	-

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.

Financial instruments – Fair values and risk management (continued)**Note 44.4 : 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 Company'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.

The Company adopts a policy of ensuring that between 80 and 90% of its interest rate risk exposure is at a fixed rate. And hence, 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 functional currency of Company is primarily the local currency in which it operates. The currencies in which these transactions are primarily denominated are INR. The Company is exposed to currency risk in respect of transactions in foreign currency. Foreign currency revenues and expenses are in the nature of export sales and import purchases.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company 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, 2017	March 31, 2016	April 1, 2015
	USD	USD	USD
Financial Assets			
Trade receivables	362.40	472.84	136.52
Foreign exchange forward contracts		-	
Net exposure to foreign currency risk (Assets)	<u>362.40</u>	<u>472.84</u>	<u>136.52</u>
Financial Liabilities			
Foreign currency loan	(2,433.15)	-	-
Trade payables	(1,235.93)	(839.43)	(1,619.30)
Foreign exchange forward contracts	3,641.91	839.43	1,494.30
Net exposure to foreign currency risk (Liabilities)	<u>(27.17)</u>	<u>-</u>	<u>(125.00)</u>
Net exposure	<u>335.23</u>	<u>472.84</u>	<u>11.52</u>
Un-hedged foreign currency exposures			
Purchase	(27.17)	-	(125.00)
Sale	362.40	472.84	136.52

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against all other currencies at 31 March 2017 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.

Effect in INR lakhs	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
March 31, 2017				
USD (1% movement)	3.35	(3.35)	3.35	(3.35)
	<u>3.35</u>	<u>(3.35)</u>	<u>3.35</u>	<u>(3.35)</u>
March 31, 2016				
USD (3% movement)	14.15	(14.15)	14.15	(14.15)
	<u>14.15</u>	<u>(14.15)</u>	<u>14.15</u>	<u>(14.15)</u>
01-Apr-15				
USD (2% movement)	0.23	(0.23)	0.23	(0.23)
	<u>0.23</u>	<u>(0.23)</u>	<u>0.23</u>	<u>(0.23)</u>

Note: Sensitivity has been calculated using standard Deviation % of USD rate movement.

Note 44.5: 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 Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

Nominal amount	(₹ in lakh)		
	March 31, 2017	March 31, 2016	April 1, 2015
Fixed-rate instruments			
Financial assets			
Loans and Advances	51.19	45.75	32.40
Other financial assets	3,616.38	14,019.39	11,654.43
Total	<u>3,667.57</u>	<u>14,065.14</u>	<u>11,686.83</u>
Financial liabilities			
Borrowings	47,909.88	114,487.15	66,036.05
Other financial liabilities	5,580.35	13,080.52	5,247.80
Total	<u>53,490.23</u>	<u>127,567.67</u>	<u>71,283.85</u>

Fair value sensitivity analysis for fixed-rate instruments

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

Note. 45 Hedge accounting

The Company's risk management policy is to hedge its foreign currency exposure in accordance with the exposure limits advised from time to time. The Company uses forward exchange contracts to hedge its currency risk. Such contracts are generally designated as cash flow hedges.

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

The Company 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 Company 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, 2017

(₹ in lakh)

Type of hedge	Nominal Value (in respective currencies)		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	Assets	Liabilities						
Forward exchange forward contracts on outstanding borrowings	-	2,665.30	170.28	-	Current Asset- Others	May 1,2017 to Sep 25,2017	1:1	71.02	237.13	(237.13)
Forward exchange forward contracts on account of future interest payments	-	9.70	0.54	-						
		2,675.00	170.82							

b. Disclosure of effects of hedge accounting on financial performance

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	(321.14)	-	-	-	-

c. 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	Amount
As at March 31, 2016	-
Add : Changes in fair value	(321.14)
Less : Amounts reclassified to profit or loss	-
Less: Deferred tax relating to the above	111.14
As at March 31, 2017	(210.00)

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Note 46. Tax expense**(a) Amounts recognised in profit and loss**

(₹ in lakh)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Current income tax	5,684.42	4,501.74
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	1,585.56	761.12
Reduction in tax rate	-	100.31
Recognition of previously unrecognised tax losses	-	-
Deferred tax expense	<u>1,585.56</u>	<u>861.43</u>
Tax expense for the year	<u>7,269.98</u>	<u>5,363.17</u>

(b) Amounts recognised in other comprehensive income

	For the year ended March 31, 2017			For the year ended March 31, 2016		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Remeasurements of defined benefit liability (asset)	278.00	(96.21)	181.79	235.39	(81.46)	153.93
Exchange difference arising on currency translation cash flow hedge reserve	(321.14)	111.14	(210.00)	-	-	-
	<u>(43.14)</u>	<u>14.93</u>	<u>(28.21)</u>	<u>235.39</u>	<u>(81.46)</u>	<u>153.93</u>

(c) Amounts recognised directly in equity

	For the year ended March 31, 2017			For the year ended March 31, 2016		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
<u>General Reserve</u>						
Less: Amortisation of Intangibles as per Oil Palm Companies Merger Scheme approved by Bombay High Court (Refer Note No. 61).	425.12	147.13	277.99	425.12	139.32	285.80
	<u>425.12</u>	<u>147.13</u>	<u>277.99</u>	<u>425.12</u>	<u>139.32</u>	<u>285.80</u>

(d) Reconciliation of effective tax rate

	For the year ended March 31, 2017	For the year ended March 31, 2016
Profit before tax.	28,066.93	21,189.93
Company's domestic tax rate	34.61%	34.61%
Tax using the Company's domestic tax rate (Current year 34.61% and Previous Year 34.61%)	9,713.40	7,333.42
Tax effect of:		
Expense not allowed for tax purposes	295.90	68.35
Additional allowance for tax purpose	(1,617.13)	(853.93)
Brought forward losses on which deferred tax asset not recognised	-	(382.30)
Income not considered for tax purpose	(692.16)	(1,125.10)
Tax paid at lower rate for profit on sales of Investment	(382.87)	-
Change in Tax Rate	-	325.49
Others	(47.16)	(2.76)
	<u>7,269.98</u>	<u>5,363.17</u>
Current tax	5,684.42	4,501.74
Deferred tax	1,585.56	861.43

The Company's weighted average tax rates for the years ended March 31, 2017 and 2016 were 25.90% and 25.31%, respectively. The effective tax rate for the year ended March 31, 2017 was higher primarily as a result of a lower tax exempted income as compared to previous year.

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Note 47 : 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 liability	Deferred tax asset	Net Deferred Tax
Deferred tax asset/(liabilities)							
Property, plant and equipment & Intangible assets	(6,564.55)	(750.69)	-	119.51	(7,609.34)	413.61	(7,195.73)
Compensated absences	72.07	(20.90)	-	-	51.17	-	51.17
Investments	129.99	(34.30)	-	-	-	95.69	95.69
Biological Assets	(14.01)	2.99	-	-	(11.02)	-	(11.02)
Doubtful Debtors	185.30	98.49	-	-	283.79	-	283.79
Brought forward capital losses	308.67	(308.67)	-	-	-	-	-
MAT Credit Entitlement	606.87	(606.87)	-	-	-	-	-
Other items	67.73	34.39	(111.14)	-	(9.03)	-	(9.03)
Total	(5,207.93)	(1,585.56)	(111.14)	119.51	(7,294.43)	509.30	(6,785.13)

Movement in deferred tax balances for the year ended March 31, 2016

(₹ in lakh)

	Net balance April 1, 2015	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Deferred tax liability(net)	Deferred tax asset	Net Deferred Tax
Deferred tax asset/(liabilities)							
Property, plant and equipment & Intangible assets	(5,817.65)	(849.40)	-	102.50	(6,949.01)	384.46	(6,564.55)
Compensated absences	-	72.07	-	-	72.07	-	72.07
Investments	328.83	(198.84)	-	-	-	129.99	129.99
Biological Assets	(11.56)	(2.45)	-	-	(14.01)	-	(14.01)
Doubtful Debtors	106.38	78.92	-	-	185.30	-	185.30
Brought forward capital losses	681.81	(373.14)	-	-	-	308.67	308.67
Employee benefits	61.78	(61.78)	-	-	-	-	-
MAT Credit Entitlement	127.12	479.75	-	-	606.87	-	606.87
Other items	74.28	(6.55)	-	-	67.73	-	67.73
Tax assets (Liabilities)	(4,449.01)	(861.43)	-	102.50	(6,031.05)	823.12	(5,207.93)

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

Significant management judgement 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.

Given that the Company 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.

Note 48 : Capital Management

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

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

The Company 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 Company's policy is to keep the ratio below 2.00. The Company's adjusted net debt to equity ratio at March 31, 2017 was as follows.

	(₹ in lakh)	
	As at March 31, 2017	As at March 31, 2016
Total borrowings	48,306.22	122,363.82
Less : Cash and cash equivalent	3,737.19	1,946.48
Adjusted net debt	44,569.03	120,417.34
Adjusted equity	90,261.58	69,655.73
Adjusted net debt to adjusted equity ratio	0.49	1.73

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Note 49: Segment information for the year ended 31st March 2017**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 Company. 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 Company. The Company has identified the following segments as reporting segments based on the information reviewed by CODM:

- 1) Animal feed
- 2) Crop Protection
- 3) Vegetable Oil
- 4) Others

(i) Information about Primary business Segments

Particulars	For the period ended March 31, 2017					(₹ in lakh)	
	Animal Feed	Vegetable Oil	Crop Protection	Other Business	Unallocated	Total	
Total Sales	262,082.16	50,664.16	45,132.17	3,726.93	-	361,605.42	
Result							
Segment Result	16,637.33	10,268.53	11,696.58	(1,160.25)	-	37,442.19	
Unallocated expenditure net of unallocated income					(8,540.21)	(8,540.21)	
Interest expenses					(6,803.58)	(6,803.58)	
Interest Income					1,030.92	1,030.92	
Dividend Income and Profit on sale of Investments (net)					2,937.63	2,937.63	
Profit before taxation and exceptional item						26,066.93	
Exceptional Items :Write back of provision for loan given to ESOP Trust of holding company					2,000.00	2,000.00	
Profit before taxation						28,066.93	
Provision for taxation					7,269.98	7,269.98	
Profit after taxation	-	-	-	-	-	20,796.95	
Other Information							
Segment assets	94,766.14	19,102.05	42,255.50	6,488.45	77,272.49	239,884.63	
Segment liabilities	71,989.40	1,730.73	13,784.07	2,192.29	59,926.51	149,623.00	
Capital expenditure	4,627.55	1,746.25	694.54	11.41	353.20	7,432.95	
Depreciation	2,684.68	1,310.41	253.03	160.15	475.43	4,883.70	

(ii) The Segment revenue in each of the above business segments consists of sales (net of returns, sales tax, rebates etc.)

(iii) Segment Revenue, Results, Assets and liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis

(ii) Information about Primary business Segments

Particulars	For the period ended March 31, 2016					(₹ in lakh)	
	Animal Feed	Vegetable Oil	Crop Protection	Other Business	Unallocated	Total	
Total Sales	254,420.18	40,419.24	38,257.01	3,502.45	-	336,598.88	
Result							
Segment Result	18,468.89	6,168.70	9,595.27	(1,359.68)	-	32,873.18	
Unallocated expenditure net of unallocated income					(6,125.66)	(6,125.66)	
Interest expenses					(9,108.13)	(9,108.13)	
Interest Income					788.32	788.32	
Dividend Income and Profit on sale of Investments (net)					2,762.22	2,762.22	
Profit before taxation and exceptional item						21,189.93	
Exceptional Item						-	
Profit before taxation						21,189.93	
Provision for taxation					5,363.17	5,363.17	
Profit after taxation						15,826.76	
Other Information							
Segment assets	95,869.86	20,603.04	34,406.28	7,279.87	80,901.19	239,060.24	
Segment liabilities	58,299.69	3,110.19	14,622.66	5,337.62	88,034.32	169,404.48	
Capital expenditure	5,189.93	3,063.50	347.33	260.77	881.80	9,743.33	
Depreciation	2,399.64	1,180.64	203.43	138.98	493.53	4,416.22	

Note 50 : Contingent Liabilities

Particulars	(₹ in lakh)		
	March 31,2017	March 31,2016	April 1,2015
Claims against the Company not acknowledged as debts:			
(i) Excise Matter			
Excise duty demands relating to disputed classification, assessable values, availment of credit etc. which the Company has contested and is in appeal at various levels	9,988.80	6,298.99	5,455.15
(ii) Service Tax demand amounting to ₹ 1.02 lakh raised by Central Excise Department at Lote in respect of dispute arising out of works contract transaction. An equal amount is levied by the department towards interest and penalty. The Company has preferred an Appeal against this Order of Assessing Officer.	2.04	-	-
(iii) Customs Matter			
a The Company 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.	85.35	-	12.81
(iv) Income Tax			
a The Company 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	-	-
b The Company 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	1,059.23	
c The Company has preferred an Appeal before the Commissioner of Income Tax (Appeals) against the order of the Assessing Officer for the A.Y 2012-13 and A.Y 2013-14 in which a demand of ₹ 1.96 lakh and ₹ 3.00 lakh respectively has been determined to be payable by the Company. The above demand pertains to Dividend Distribution Tax paid by Bahar Agrochem & Feeds Ltd (since merged with Godrej Agrovet Ltd) the credit of which has not been granted by the Income Tax department and disallowances under section 14 A of the Income Tax Act.	-	4.96	1.96
d The company has preferred appeal before the Commissioner of Income Tax (Appeals) against the order of the Assessing Officer for the A.Y. 2012-13 in which a demand of ₹ 916.18 lakh has been determined to be payable by the company. The above demand includes taxes amounting to ₹ 769.88 lakh towards which credit has not been granted by the Income Tax department	-	-	916.18
(v) Sales Tax Matters			
The Company has preferred an appeal before the Deputy Excise and Taxation Commissioner, Jalandhar against the penalty order issued by the VAT officer for the F.Y. 2010-11	-	0.99	0.99
The Company has preferred an appeal before the Joint Commissioner, Kashipur against the penalty order issued by the VAT officer for the F.Y 2008-09 & F.Y 2012-13	-	12.62	12.62
The company has preferred an appeal before the VAT Tribunal at Bhatinda against the penalty order issued by the VAT officer for the F.Y. 2013-14	-	-	1.73

Note 50 : Contingent Liabilities

Particulars	(₹ in lakh)		
	March 31,2017	March 31,2016	April 1,2015
(vi) Buy-back guarantee issued to Industrial Promotional & Development Company on behalf of Joint Venture.	-	411.25	411.25
(vii) Surety Bond issued on behalf of Fellow Subsidiary.	120.67	120.67	2,028.13
(viii) Guarantees issued by the Banks and counter guaranteed by the company which have been secured by deposits with bank.	410.12	436.22	354.22
(ix) Gurantee issued to banks on behalf of the Joint Venture Company	-	-	703.23
(x) Claims against the Company not acknowledge as Debt	905.87	640.91	671.08

Note 51 : Commitments

Particulars	(₹ in lakh)		
	March 31,2017	March 31,2016	April 1,2015
Estimated value of contracts remaining to be executed on capital account (net of Advances), to the extent not provided for:	6,455.35	3,600.66	2,566.82
Outstanding Export obligation Under EPCG Scheme	3,472.31	3,472.31	3,472.31

Note 52 : Lease taken by the Company

Operating Lease:

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

Particulars	(₹ in lakh)	
	As at March 31, 2017	As at March 31, 2016
Future lease commitments		
- Within one year	295.68	211.94
- Later than one year and not later than five years	958.85	731.58
- Later than five years	279.70	425.42
b. Lease payments recognised in the Statement of Profit & Loss for the year :		
Minimum lease payments	1,669.42	1,186.55

Note 53 : Grants/subsidies from government

Subsidy amounting to ₹ 200.00 lakh (previous year ₹ 300.00 lakh) received during the year is in the nature of capital subsidy.

Note 54 : Investments in Subsidiary

During the year the company has extinguished its investment in Godrej Seeds And Genetics Limited and accordingly Godrej seeds And Genetics Limited ceased to be subsidiary of the company

Note 55 : Balance confirmation

Current Assets, Loans and Advances, Deposits and Sundry Creditors are subject to confirmation / reconciliation and consequential adjustments, if any.

Note 56 : Common expenses shared by the companies

Expenses include ₹474.45 lakh (Previous Year ₹ 499.46 lakh) charged by Godrej Industries Limited, the Holding Company.

Note 57 : Information in Respect of Current Investment in Associates.

During the previous year , the management has decided to divest its stake in Polchem Hygiene Laboratories Private Limited Consequently, the same has been reclassified as current investment in previous year .During the current year the investment in the said associate company has been extinguished.

Note 58 : Acquisition of Seeds business.

- a A scheme of Arrangement ("the Scheme") for the demerger of Seeds business of Godrej Seeds and Genetics Limited ("the Demerged Company) into Godrej Agrovet Limited ("the Resulting Company") effect from April 1st, 2015, ("the Appointed date") was sanctioned by the Honourable High Court of Judicature at Bombay ("the Court"), vide its Order dated January 8th, 2016 and certified copies of the Order of the Court

sanctioning the Scheme were filed with the Registrar of Companies, Maharashtra on February 9, 2016 (the "Effective Date").

- b To give effect to the Honourable Bombay High Court's Order dated January 8th, 2016 regarding Scheme of the Arrangement, the following actions have been performed.
- i The excess of face value of the preference shares held by the transferee Company over book value of the net assets of the Transferor Company taken over, along with face value of preference shares issued on account of the amalgamation, amounting to ₹1,694.47 lakh has been debited to the Surplus in Statement of Profit and Loss as per the Scheme.
- ii The cost and expenses arising out of or incurred in carrying out and implementing the scheme amounting to ₹ 19.38 lakh had been directly charged against the Surplus in Statement of Profit and Loss of the Resulting Company.
- c Had the Scheme not prescribed the above treatment, the Surplus in Statement of Profit and Loss would have been higher by ₹ 1,694.47 Lakh.

Note 59 : Amalgamation of Goldmuhor Agrochem & Feeds Limited.

- a 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 1st, 2013, ("the Appointed date") was sanctioned by the Honourable High Court of Judicature at Bombay ("the Court"), vide its Order dated September 20th, 2013 and certified copies of the Order of the Court sanctioning the Scheme were filed with the Registrar of Companies, Maharashtra on December 13th, 2013 (the "Effective Date").
- b To give effect to the Honourable Bombay High Court's Order dated September 20th, 2013 regarding Scheme of the Arrangement, the following actions have been performed:
- i The excess of face value of the shares held by the transferee Company over book value of the net assets of the Transferor Company taken over, amounting to ₹ 71.11 lakh has been debited to the General Reserve Account of the Transferee Company as per the Scheme.
- ii The cost and expenses arising out of or incurred in carrying out and implementing the scheme amounting ₹ 40.73 lakh have been directly charged against the balance in General Reserve Account of the Transferee Company.
- iii An amount of ₹ 2,000.00 lakh standing to the credit of the General Reserve Account of the Transferee Company has been utilised to increase the Reserve for Employee Compensation Account of the Transferee Company. The expenses in respect of the Company's ESOP scheme will be charged against the Reserve for Employee Compensation Account.
- c Had the Scheme not prescribed the above treatment, the balance in General Reserve would have been higher by ₹ 2,111.84 lakh.

Note 60 : Amalgamation of Golden Feed Products Limited.

- a A scheme of Amalgamation ("the Scheme") for the amalgamation of Golden Feed Products Limited (called "the Transferor Company"), with Godrej Agrovet Limited (the "Transferee Company"), with effect from March 31st, 2014, ("the Appointed date") was sanctioned by the Hon'ble High Court of Judicature at Bombay ("the Court"), vide its Order dated April 29th, 2014 and certified copies of the Order of the Court sanctioning the Scheme were filed with the Registrar of Companies, Maharashtra on May 19th, 2014 (the "Effective Date").
- b To give effect to the Honourable Bombay High Court's Order dated April 29th, 2014 regarding Scheme of the Arrangement, the following actions have been performed.
- The excess of face value of the shares held by the transferee Company over book value of the net assets of the Transferor Company taken over, amounting to R. 97.06 lakh has been debited to the Surplus in Statement of Profit and Loss as per the Scheme.
- c Had the Scheme not prescribed the above treatment, the Surplus in Statement of Profit and Loss would have been higher by ₹97.06 Lakh.

Note 61 : Amalgamation of Oil Palm Companies.

As per 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"), with effect from 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 passed.

- i Amortisation on Intangible Assets of the Transferor Companies amounting to ₹ 425.12 Lakh in the current year and ₹ 425.12 Lakh in the previous year 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 The excess of book value of the net assets of the Transferor Company taken over,

amounting to ₹ 6,055.32 lakh over the face value of the shares held by the transferee Company has been credited to the Securities Premium Account as per the Scheme.

Had the Scheme not prescribed the above treatment, the balance in the Securities Premium Account would have been higher by ₹ 6,055.32 Lakh, the balance in General Reserve would have been higher by ₹ 850.24 Lakh.

Note 62 : Amalgamation of Godrej Gold Coin Aquafeed Limited (GGCAL) .

As per the scheme of Amalgamation ("the Scheme") of Godrej Gold Coin Aquafeed Ltd (the Transferor Company), with Godrej Agrovet Limited with effect from April 1,2010, ("the Appointed date") as sanctioned by the Hon'ble High Court of Judicature at Bombay ("the Court"), vide its Order dated January 5, 2011, the following entries have been passed

- i The Intangible assets held by GGCAL amounting to ₹ 1,669.14 lakh were adjusted against the balance in the Securities Premium Account of the Holding Company.
- ii The excess of book value of the net assets of the Transferor Company taken over, amounting to ₹ 2,505.71 lakh over the face value of the shares held by the transferee Company was credited to the Securities Premium Account as per the Scheme.

Had the Scheme not prescribed the treatment of adjusting Intangibles against the balance in the Securities Premium Account, The balance in Securities Premium Account would have been higher by ₹ 4,174.85 Lakh, the Surplus in Statement of Profit & Loss would have been lower by 4,174.85 Lakh.

Note 63 :Managerial Remuneration .

During the year, 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 requisite 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 ₹8,661.12 lakh. The Company is in the process of obtaining approval from the Shareholders and Central Government of India for ratification of payment of excess remuneration.

Note 64 : Corporate Social Responsibility expenditure.

Total expenditure incurred on Corporate Social Responsibility activities during the current year is ₹406.02 lakh (previous year ₹214.68 lakh).

	Amount spent during the year on:		(₹ in lakh)
	In cash	Yet to be paid in cash	TOTAL
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	406.02	-	406.02

Note 65 : Comparative Accounts for the Previous Year.

Figures of the previous year have been regrouped & re-classified wherever necessary to conform to the current year's classification

Note 66 : Research and Development .

Consolidated Summary of Expenditure on Scientific Research

(₹ in lakh)

Particulars	Current Year			Previous Year		
	Vikhroli R & D Centre	Nashik R & D Centre	Total	Vikhroli R&D Centre	Nashik R & D Centre	Total
Revenue Expenditure						
Cost of Materials Consumed	16.12	183.39	199.51	15.62	139.28	154.90
Employee Benefit Expenses	154.19	411.74	565.93	147.67	155.45	303.12
Other Expenses						
i) Power & Fuel	0.65	35.86	36.51	0.66	33.00	33.66
ii) Rates & Taxes	2.65	29.02	31.66	10.46	17.47	27.93
iii) Repairs & Maintenance						
Machinery	0.91	4.53	5.44	1.11	3.38	4.49
Equipments	-	4.18	4.18	-	-	-
Other Assets	-	-	-	0.15	2.41	2.56
iv) Travel & Conveyance	8.19	27.70	35.89	10.50	16.40	26.90
v) Research Expenses	-	-	-	-	-	-
vi) Professional Fees	-	5.73	5.73	-	-	-
vii) Contract charges	-	-	-	-	71.37	71.37
vii) Misc Expenses	11.66	42.09	53.75	24.21	23.81	48.02
Sub Total	194.37	744.24	938.61	210.38	462.57	672.95
Capital Expenditure						
Plant & Machinery	-	81.52	81.52	-	81.41	81.41
Computers	0.86	8.03	8.90	2.04	0.44	2.48
Office & Other Equipments	-	-	-	-	-	-
Laboratory Equipments	-	125.47	125.47	15.53	6.90	22.43
Furniture & Fixtures	-	5.82	5.82	-	1.53	1.53
Livestock/Biological assets	-	5.57	5.57	-	11.55	11.55
Sub Total	0.86	226.41	227.28	17.57	101.83	119.40
Total Expenditure Incurred	195.24	970.65	1,165.89	227.95	564.40	792.35
Less : Income earned by R & D	-	117.60	117.60	-	113.16	113.16
Net Expenditure Incurred	195.24	853.05	1,048.29	227.95	451.24	679.19

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Note No. 67: Related Party Disclosures

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

1 Relationships:**(i) Holding Companies:**

Godrej Industries Limited (GIL), Holding Company holds 63.67% Equity Shareholding in Godrej Agrovet Limited (GAVL) as on March 31, 2017. GIL was a subsidiary of Godrej & Boyce Manufacturing Company Limited (G&B) till March 29, 2017. Consequently, G&B was also the Ultimate Holding Company of GAVL till March 29, 2017 and ceased to be so w.e.f. March 30, 2017. GIL became a subsidiary of Vora Soaps Limited (VSL) w.e.f. March 30, 2017. Consequently, VSL is the Ultimate Holding Company of GAVL w.e.f. March 30, 2017.

(ii) Subsidiary Companies:

- 1 Godvet Agrochem Limited
- 2 Godrej Seeds & Genetics Limited (upto March 18, 2017)
- 3 Astec LifeSciences Limited
- 4 Behram Chemicals Private Limited (a subsidiary of Astec LifeSciences Limited)
- 5 Astec Europe Sprl (a subsidiary of Astec LifeSciences Limited)
- 6 Comercializadora Agricola Agrostrachem Cia Ltda (a subsidiary of Astec LifeSciences Limited)
- 7 Creamline Dairy Products Limited
- 8 Nagavalli Milkline Private Limited (a subsidiary of Creamline Dairy Products Limited)

(iii) Fellow Subsidiaries:**A. Subsidiaries of Godrej & Boyce Mfg. Co. Ltd. (G&B), Fellow subsidiaries upto March 29, 2017 :**

- 1 Godrej Infotech Ltd.
- 2 Godrej (Singapore) Pte. Ltd., Singapore
- 3 Veromatic International BV, Netherlands
- 4 Busbar Systems (India) Ltd.
- 5 Mercury Mfg. Co. Ltd.
- 6 Godrej Americas Inc., USA
- 7 India Circus Retail Pvt. Ltd.

B. Subsidiaries of Godrej Industries Ltd. (GIL) :

- 1 Godrej Properties Ltd. (GPL)
- 2 Ensemble Holdings & Finance Ltd.
- 3 Godrej International Ltd., Isle of Man
- 4 Natures Basket Ltd.
- 5 Godrej International Trading & Investments Pte Ltd., Singapore
- 6 Godrej International Ltd., Labuan Malaysia

C. Subsidiaries of Godrej Properties Limited (GPL) :

- 1 City Infraprojects Limited
- 2 Godrej Realty Pvt. Ltd.
- 3 Godrej Real Estate Pvt. Ltd.
- 4 Godrej Buildcon Pvt. Ltd.
- 5 Godrej Projects Development Pvt. Ltd. (GPDPL)
- 6 Godrej Redevelopers (Mumbai) Pvt. Ltd. (a subsidiary of GPDPL)
- 7 Godrej Garden City Properties Pvt. Ltd.
- 8 Godrej Landmark Redevelopers Pvt. Ltd.
- 9 Godrej Green Homes Ltd.
- 10 Godrej Home Developers Pvt. Ltd.
- 11 Godrej Hillside Properties Pvt. Ltd.
- 12 Godrej Prakriti Facilities Private Limited (a subsidiary of Happy Highrises Ltd.)
- 13 Godrej Investment Advisers Private Limited
- 14 Godrej Highrises Properties Private Limited
- 15 Godrej Genesis Facilities Management Private Limited (a subsidiary of Happy Highrises Ltd.)
- 16 Godrej Residency Private Limited

- 17 Godrej Skyline Developers Private Limited
- 18 Godrej Vikhroli Properties India Limited (Godrej Vikhroli Properties LLP converted into a Public Limited Company)
- 19 Prakritiplaza Facilities Management Private Limited
- 20 Godrej Property Developers LLP
- 21 Mosiac Landmarks LLP
- 22 Dream World Landmarks LLP
- 23 Oxford Realty LLP
- 24 Godrej SSPDL Green Acres LLP
- 25 Oasis Landmarks LLP
- 26 M S Ramaiah Ventures LLP
- 27 Caroa Properties LLP
- 28 Godrej Construction Projects LLP
- 29 Godrej Housing Projects LLP
- 30 Godrej Land Developers LLP
- 31 Godrej Developers & Properties LLP
- 32 Godrej Highrises Realty LLP
- 33 Godrej Project Developers & Properties LLP
- 34 Godrej Highview LLP
- 35 Prakhhyat Dwellings LLP
- 36 Godrej Skyview LLP
- 37 Bavdhan Realty @ Pune 21 LLP
- 38 Godrej Green Properties LLP
- 39 Godrej Projects (Pune) LLP
- 40 Godrej Projects (Bluejay) LLP
- 41 Godrej Projects (Soma) LLP
- 42 Godrej Century LLP
- 43 A R Landcraft LLP

D. Subsidiaries of Godrej Infotech Ltd. (Fellow subsidiaries upto March 29, 2017) :

- 1 Godrej Infotech Americas Inc., North Carolina, USA
- 2 Godrej Infotech (Singapore) Pte. Ltd., Singapore
- 3 LVD Godrej Infotech NV, Belgium

E. Subsidiaries of Godrej (Singapore) Pte. Ltd. (Fellow subsidiaries upto March 29, 2017) :

- 1 JT Dragon Pte. Ltd., Singapore
- 2 Godrej (Vietnam) Co. Ltd., Vietnam (a wholly owned subsidiary of JT Dragon Pte. Ltd.)

F. Other Fellow Subsidiaries (where Godrej & Boyce Mfg. Co. Ltd. owns directly and/or indirectly through one or more subsidiaries, more than one-half of the equity share capital) (Fellow subsidiaries upto March 29, 2017) :

- 1 Godrej Consumer Products Ltd. (GCPL)
- 2 Godrej One Premises Management Private Limited

G. Subsidiaries and Sub-subsidiaries of Godrej Consumer Products Limited (GCPL) (Fellow subsidiaries upto March 29, 2017) :

- 1 Godrej South Africa (Proprietary) Ltd., South Africa (formerly, Rapidol (Pty) Ltd.)
- 2 Godrej Netherlands BV, Netherlands
- 3 Godrej UK Ltd. (a subsidiary of Godrej Netherlands BV)
- 4 Godrej Consumer Products Holding (Mauritius) Ltd., Mauritius
- 5 Godrej Global Mid East FZE (incorporated in Sharjah, U.A.E.) (a subsidiary of Godrej Consumer Products Holding (Mauritius) Ltd.)
- 6 Godrej Consumer Products Mauritius Ltd., Mauritius
- 7 Godrej Household Products Lanka (Private) Ltd., Sri Lanka
- 8 Godrej Household Products Bangladesh Pvt. Ltd., Bangladesh
- 9 Godrej Consumer Products Bangladesh Ltd., Bangladesh
- 10 Godrej Mauritius Africa Holdings Ltd., Mauritius
- 11 Godrej West Africa Holdings Ltd., Mauritius (a subsidiary of Godrej Mauritius Africa Holdings Ltd.)

- 12 Godrej Consumer Products (UK) Ltd. (a subsidiary of Godrej UK Ltd.)
 - 13 Godrej Consumer Investments (Chile) Spa, Chile (a subsidiary of Godrej Netherlands BV)
 - 14 Godrej Mideast Holdings Limited, Dubai (a subsidiary of Godrej Indonesia IP Holdings Limited)
 - 15 Godrej Holdings (Chile) Limitada, Chile (a subsidiary of Godrej Consumer Investments (Chile) Spa)
 - 16 Cosmetica Nacional, Chile (a subsidiary of Godrej Holdings (Chile) Limitada)
 - 17 Plasticos Nacional, Chile (a subsidiary of Cosmetica Nacional)
 - 18 Kinky Group (Proprietary) Ltd. (a subsidiary of Godrej Mauritius Africa Holdings Ltd.)
 - 19 Godrej Nigeria Ltd., Nigeria (a subsidiary of Godrej Consumer Products Mauritius Ltd.)
 - 20 Indovest Capital Ltd., Malaysia (a subsidiary of Godrej Consumer Products Holding (Mauritius) Ltd.)
 - 21 Godrej Consumer Products Dutch Cooperatief UA, Netherlands (a subsidiary of Godrej Consumer Products Holding (Mauritius) Ltd.)
 - 22 Godrej Consumer Products (Netherlands) BV, Netherlands (a subsidiary of Godrej Consumer Products Dutch Cooperatief UA)
 - 23 Godrej Consumer Holdings (Netherlands) BV, Netherlands (a subsidiary of Godrej Consumer Products Dutch Cooperatief UA)
 - 24 PT Megasari Makmur, Indonesia (a subsidiary of Godrej Consumer Holdings (Netherlands) BV)
 - 25 PT Intrasari Raya, Indonesia (a subsidiary of Godrej Consumer Holdings (Netherlands) BV)
 - 26 PT Ekamas Sarijaya, Indonesia (a subsidiary of Godrej Consumer Holdings (Netherlands) BV)
 - 27 PT Indomas Susemi Jaya, Indonesia (a subsidiary of Godrej Consumer Holdings (Netherlands) BV)
 - 28 PT Sarico Indah, Indonesia (a subsidiary of Godrej Consumer Holdings (Netherlands) BV)
 - 29 Panamar Produccioness Srl, Argentina (a subsidiary of Godrej Netherlands Argentina BV)
 - 30 Argencos S.A., Argentina (a subsidiary of Godrej Netherlands Argentina BV)
 - 31 Laboratoria Cuenca S.A., Argentina (a subsidiary of Godrej Netherlands Argentina BV)
 - 32 Deciral Ltd., Uruguay (a subsidiary of Laboratoria Cuenca S.A.)
 - 33 Issue Group Brazil Ltda., Brazil (a subsidiary of Godrej Netherlands Argentina BV)
 - 34 Consell S.A., Argentina (a subsidiary of Laboratoria Cuenca S.A.)
 - 35 Subinite Pty. Ltd., South Africa (a subsidiary of Godrej West Africa Holdings Ltd.)
 - 36 Lorna Nigeria Ltd., Nigeria (a subsidiary of Godrej Mauritius Africa Holdings Ltd.)
 - 37 Weave IP Holding Mauritius Pvt. Ltd., Mauritius (a subsidiary of Godrej West Africa Holdings Ltd.)
 - 38 Weave Trading Mauritius Pvt. Ltd., Mauritius (a subsidiary of Godrej Mauritius Africa Holdings Ltd.)
 - 39 Hair Trading (Offshore) S. A. L., Lebanon (a subsidiary of Weave Trading Mauritius Pvt Ltd.)
 - 40 Weave Mozambique Limitada, Mozambique (a subsidiary of Godrej West Africa Holdings Ltd.)
 - 41 Godrej East Africa Holdings Ltd., Mauritius (a subsidiary of Godrej Consumer Products Ltd.)
 - 42 Style Industries Ltd., Kenya (a subsidiary of DGH Phase Two Mauritius Pvt. Ltd.)
 - 43 DGH Phase Two Mauritius, Mauritius (a subsidiary Godrej East Africa Holdings Ltd.)
 - 44 Godrej Tanzania Holdings Ltd., Mauritius (a subsidiary of Godrej Consumer Products Ltd.)
 - 45 DGH Tanzania Ltd., Tanzania (a subsidiary of Godrej Tanzania Holdings Ltd.)
 - 46 Sigma Hair Ind. Ltd., Tanzania (a subsidiary of DGH Tanzania Ltd.)
 - 47 Weave Ghana Ltd., Ghana (a subsidiary of Godrej Mauritius Africa Holdings Ltd.)
 - 48 Godrej Consumer Products US Holding Limited, Mauritius
 - 49 Darling Trading Company Ltd., Mauritius (a subsidiary of Godrej Mauritius Africa Holdings Ltd.)
 - 50 Godrej Africa Holdings Ltd., Mauritius (a subsidiary of Godrej Mauritius Africa Holdings Ltd.)
 - 51 Godrej Indonesia IP Holdings Ltd., Mauritius (a subsidiary of Godrej Consumer Products Holding (Mauritius) Ltd.)
 - 52 Frika Weave (Pty) Ltd., South Africa (a subsidiary of Godrej Mauritius Africa Holdings Ltd.)
 - 53 Belaza Mozambique LDA
 - 54 Charm Industries Ltd.
 - 55 Canon Chemicals Ltd.
 - 56 Godrej Hair Weave Nigeria Ltd.
 - 57 Godrej International Trading Company, Sharjah
 - 58 DGH Angola (name changed from 'Godrej Megasari Holdings')
 - 59 Godrej Hair Care Nigeria Limited
 - 60 Godrej Household Insecticide Nigeria Ltd.
 - 61 Hair Credentials Zambia Limited
 - 62 Godrej SON Holdings Inc., USA
 - 63 Old Pro International Inc
 - 64 Strength of Nature LLC, USA
 - 65 Strength of Nature South Africa Proprietary Limited
 - 66 Style Industries Uganda Limited
 - 67 Weave Senegal Ltd.
 - 68 DGH Uganda
 - 69 Godrej Consumer Products FZCO
- (iv) Joint Ventures of Godrej Agrovet Limited:**
- 1 Godrej Tyson Foods Limited
 - 2 ACI Godrej Agrovet Private Limited, Bangladesh
- (v) Associates of Godrej Agrovet Limited:**
- 1 Polchem Hygiene Laboratories Private Limited (upto December 12, 2016)
 - 2 Crop Science Advisors LLP
 - 3 Al Rahba International Trading LLC
- (vi) Other related parties**
- 1 Anamudi Real Estates LLP
 - 2 Godrej Agrovet Limited Employees Provident Fund Trust.
 - 3 Godrej Agrovet Limited Employees Superannuation Scheme.
 - 4 Godrej Agrovet Limited Employees Group Gratuity Trust.
- (vii) Individuals owning, directly or indirectly, an interest in the voting power of Godrej Agrovet Limited that gives them control or significant influence over the enterprise and relatives of any such individual.**
- 1 Mr. Adi B. Godrej
 - 2 Mr. Nadir B. Godrej
 - 3 Mrs. Rati Nadir Godrej (Wife of Mr. Nadir B. Godrej)
 - 4 Ms. Tanya Dubash (Daughter of Mr. Adi B. Godrej)
 - 5 Mr. Arvind Darab Dubash (Husband of Ms. Tanya Dubash)
 - 6 Ms. Nisaba Godrej (Daughter of Mr. Adi B. Godrej)
 - 7 Mr. Kalpesh Mehta (Husband of Ms. Nisaba Godrej)
 - 8 Mr. Pirojsha Godrej (Son of Mr. Adi B. Godrej)
 - 9 Mrs. Karla Godrej (Wife of Mr. Pirojsha Godrej)
 - 10 Mr. Burjis Nadir Godrej (Son of Mr. Nadir B. Godrej)
 - 11 Mr. Sohrab Nadir Godrej (Son of Mr. Nadir B. Godrej)
 - 12 Mr. Hormazad Nadir Godrej (Son of Mr. Nadir B. Godrej)
- Key Management Personnel and relatives of such Personnel**
- 1 Mr. B. S. Yadav (Managing Director)
 - 2 Mrs. Upassna Singh
 - 3 Mrs. Kamal Yadav
 - 4 Mr. Anirudh Singh
 - 5 Ms. Anika Singh
 - 6 Mrs. Monica Yadav
 - 7 Ms. Charu Yadav
 - 8 Mr. S. Varadaraj (Chief Financial Officer)
 - 9 Mr. Vivek Raizada (Company Secretary)

Note No. 67: Related Party Disclosures (Contd.)

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

3. Significant Related Party Transactions :

(₹ in lakh)

Sr. No.	Nature of Transaction	As at March 31,2017	As at March 31,2016
1	Purchase of Fixed Assets		
	Godrej & Boyce Mfg Co Limited	76.71	211.86
	Godrej Industries Limited	-	32.85
2	Sale / Transfer of Fixed Assets		
	Godrej Tyson Foods Limited	-	14.17
3	Investment in Share Capital		
	Godvet Agrochem Limited	-	390.00
	Godrej One Premises Management Pvt. Ltd.	-	0.14
4	Investment in Preference Share Redeemed		
	Godvet Agrochem Limited	-	350.00
5	Sundry Deposits placed		
	Godrej Industries Limited	6.60	14.21
	Godrej One Premises Management Pvt. Ltd.	9.00	-
6	Intercompany Deposits placed during the year		
	Godvet Agrochem Limited	1,119.08	3,595.00
	Astec LifeSciences Ltd.	5,000.00	1,000.00
7	Intercompany Deposits Returned		
	Godvet Agrochem Limited	5,453.83	17.00
	Astec LifeSciences Ltd.	5,000.00	1,000.00
8	Sale of materials / finished goods		
	ACI Godrej Agrovet Private Limited	916.40	486.94
	Creamline Dairy Products Limited (Associates)	-	78.32
	Godrej Consumer Products Limited	-	144.06
	Godrej Seeds & Genetics Limited	0.38	1.87
	Godrej Tyson Foods Limited	23,182.20	24,798.50
	Creamline Dairy Products Limited (Subsidiary)	361.17	58.11
9	Purchase of Materials / Finished Goods		
	Godrej Industries Limited	163.73	5.36
	Godrej Consumer Products Limited	30.18	41.02
	Godrej Tyson Foods Limited	292.64	384.78
	Godrej Seeds & Genetics Limited	414.81	-
	Astec LifeSciences Ltd.	891.76	37.13
	Polchem Hygiene Laboratories (P) Ltd	574.69	319.73
10	Expenses Charged to / Reimbursement made from other companies		
	Crop Science Advisors LLP	-	0.11
	Godrej Consumer Products Limited	-	1.67
	Godrej Industries Limited	11.81	0.09
	Godrej Seeds & Genetics Limited	53.59	26.83
	Godrej Tyson Foods Limited	288.16	258.20
	Godvet Agrochem Limited	79.91	78.16
	Creamline Dairy Products Limited (Subsidiary)	16.47	4.71
	Astec LifeSciences Ltd.	64.16	20.86
	Natures Basket Limited	21.39	-
11	Expenses Charged by / Reimbursement made to other companies		
	Godrej Infotech Limited	3.62	3.94
	Godrej & Boyce Mfg Co Limited	13.18	30.40
	Godrej Consumer Products Limited	13.71	4.37
	Godrej Industries Limited	743.25	773.61
	Godrej Tyson Foods Limited	1.48	42.75
	Godvet Agrochem Limited	282.09	116.21
	Creamline Dairy Products Limited (Subsidiary)	1.08	0.09
	Natures Basket Limited	0.27	-
	Polchem Hygiene Laboratories (P) Ltd	-	1.67
	Godrej One Premises Management Pvt. Ltd.	294.63	137.64
	Creamline Dairy Products Limited (Associates)	-	0.47

		(₹ in lakh)
	Astec LifeSciences Ltd.	0.03
	Godrej Properties Limited	5,175.00
12	Dividend Income	
	Godvet Agrochem Limited	-
	Creamline Dairy Products Limited (Associates)	-
	Polchem Hygiene Laboratories (P) Ltd	-
13	Dividend Paid	
	Godrej & Boyce Mfg Co Limited	-
	Godrej Industries Limited	-
	Mr. N. B. Godrej	-
	Mr. A. B. Godrej	-
	Mr. B. S. Yadav	-
14	Interest income on intercorporate deposits placed	
	Godvet Agrochem Limited	93.86
	Natures Basket Limited	6.98
	Anamudi Real Estates LLP	21.78
	Astec LifeSciences Ltd.	57.45
15	Interest income on Loans Given	
	Godrej Seeds & Genetics Limited	56.91
16	Sundry Income	
	ACI Godrej Agrovet Private Limited	247.50
	Godrej Consumer Products Limited	1.39
17	Outstanding Intercompany Deposit Receivable	
	Godvet Agrochem Limited	988.50
	Natures Basket Limited	-
	Anamudi Real Estates LLP	-
18	Capital Advance Given	
	Godrej & Boyce Mfg Co Limited	-
	Godrej Vikhroli Properties India Limited	364.78
19	Outstanding Receivables (Net of Payables)	
	Godrej & Boyce Mfg Co Limited	-
	Godrej Industries Limited	69.16
	Godrej Seeds & Genetics Limited	-
	Godvet Agrochem Limited	0.03
	Godrej Properties Limited	13.95
	Godrej Consumer Products Limited	(2.48)
	Godrej Infotech Limited	(0.43)
	Natures Basket Limited	0.00
	Godrej Tyson Foods Limited	72.05
	ACI Godrej Agrovet Private Limited	933.29
	Creamline Dairy Products Limited (Subsidiary)	26.80
	Polchem Hygiene Laboratories (P) Ltd	-
	Astec LifeSciences Ltd.	56.21
	Anamudi Real Estates LLP	-
	Godrej One Premises Management Pvt. Ltd.	-
	Godrej Agrovet Limited Employees Group Gratuity Trust.	(420.57)
20	Guarantees outstanding	
	Godrej Consumer Products Limited	120.67
21	Remuneration to Key Management Personnel	
	Short Term Employee Benefit	405.40
	Post Employee Gratuity & Medical Benefits	7.89
	Shared Based Payment	9,952.12
22	Director's Sitting Fees	
	Mr. A.B. Godrej	6.00
23	Contribution to Post-employment Benefit Plans	
	Godrej Agrovet Limited Employees Provident Fund Trust.	1,456.19
	Godrej Agrovet Limited Employees Superannuation Scheme.	57.07
	Godrej Agrovet Limited Employees Group Gratuity Trust.	353.84

Note No. 67: Related Party Disclosures (Contd.)

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 1 (i), (ii), (iii), (iv), (v)

(₹ in lakh)

Sr. NO.	Nature of Transactions	Holding Companies (i)	Subsidiaries & LLP (ii)	Fellow Subsidiaries (iii)	Joint Ventures (iv)	Associates (v)	Other related Parties (vi)
1	Purchase / Transfer of fixed assets	76.71	-	-	-	-	-
		244.71	-	-	14.17	-	-
2	Investment in share capital	-	-	-	-	-	-
		-	390.00	-	-	-	0.14
3	Investment in Preference Share Redeemed	-	-	-	-	-	-
		-	350.00	-	-	-	-
4	Sundry Deposits Placed	6.60	-	-	-	-	9.00
		14.21	-	-	-	-	-
5	Intercorporate Deposits Placed during the year	-	6,119.08	-	-	-	-
		-	4,595.00	-	-	-	-
6	Intercorporate Deposits Returned	-	10,453.83	-	-	-	-
		-	1,017.00	-	-	-	-
7	Sale of materials / finished goods	-	361.55	-	24,098.59	-	-
		-	59.98	144.06	25,285.44	78.32	-
8	Purchase of materials / finished goods	188.12	1,306.58	30.18	292.64	574.69	-
		5.36	37.13	41.02	384.78	319.73	-
9	Expenses Charged to / Reimbursement made from other companies	11.81	214.13	21.39	288.16	-	-
		0.09	130.67	1.67	258.20	-	-
10	Expenses Charged by / Reimbursement made to other companies	756.43	283.19	5,192.60	1.48	-	294.63
		804.01	116.30	8.32	42.75	2.14	137.64
11	Dividend Income	-	-	-	-	-	-
		-	47.08	-	-	143.15	-
12	Dividend Paid	-	-	-	-	-	-
		2,611.02	-	-	-	-	-
13	Interest income on intercorporate deposits placed	-	208.23	6.98	-	-	21.78
		-	212.65	52.14	-	-	132.86
14	Sundry Income	-	-	1.39	247.50	-	-
		-	-	39.01	284.50	-	-
15	Outstanding Intercorporate Deposit Receivable	-	988.50	-	-	-	-
		-	5,323.25	520.00	-	-	1,325.00
16	Capital Advance Given	-	-	364.78	-	-	-
		27.31	-	179.54	-	-	-
17	Outstanding receivables (Net of Payables)	69.16	83.04	11.04	1,005.34	-	(420.57)
		113.06	799.51	121.29	976.40	0.36	482.55
18	Guarantees Outstanding	-	-	120.67	-	-	-
		-	-	120.67	-	-	-
19	Contribution to Post-employment Benefit Plans	-	-	-	-	-	1,867.10
		-	-	-	-	-	1,656.88

(ii) Details relating to persons referred to in items 1 (iv) & (v) above		As at March 31, 2017	As at March 31, 2016
1	Remuneration to Key Management Personnel		
	Short Term Employee Benefit	405.40	484.45
	Post Employee Gratuity & Medical Benefits	7.89	7.27
	Shared Based Payment	9,952.12	-
2	Dividend Paid	-	120.60
3	Director's Sitting Fees	6.00	6.00

Note 68 : 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.

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(₹ In lakhs)

SBNs Other denomination notes Total	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	117.01	30.25	147.26
(+) Permitted receipts	-	968.78	968.78
(-) Permitted payments	11.37	507.53	518.90
(-) Amount deposited in Banks	105.64	371.29	476.93
Closing cash in hand as on 30.12.2016	-	120.21	120.21

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.

Note 69 : First Time Adoption**A. Reconciliation between previous GAAP and Ind AS**

Ind AS 101 requires an entity to reconcile equity and total comprehensive income for prior periods. The following table represents the equity reconciliation from previous GAAP to Ind AS:

Reconciliation of equity as at April 01, 2015

		(₹ in lakh)				
		Amount as per previous GAAP	Reclassification - Ind AS	Sch III	Measurement - Ind AS	Ind AS
ASSETS						
(1) Non-current assets						
(a) Property, Plant and Equipment	1a, 1b	50,066.47	-	50,066.47	753.25	50,819.72
(b) Capital work-in-progress		13,804.89	-	13,804.89	-	13,804.89
(c) Other Intangible Asset		2,179.88	-	2,179.88	-	2,179.88
(d) Intangible assets under development		-	-	-	-	-
(e) Biological assets other than bearer plants	2	-	1,199.63	1,199.63	34.01	1,233.64
(f) Financial Assets						
(i) Investments						
Investments in Subsidiary, Associate and Joint Venture		9,878.39	-	9,878.39	-	9,878.39
Other investments		850.77	-	850.77	-	850.77
(ii) Trade Receivables						
(iii) Loans	3	4,022.14	(2,978.67)	1,043.47	(46.60)	996.87
(iv) Others		170.34	-	170.34	-	170.34
(g) Deferred tax assets (net)	4	-	-	-	652.81	652.81
(h) Other tax assets		-	1,310.74	1,310.74	(127.11)	1,183.63
(i) Other non - current assets	3	-	1,667.88	1,667.88	36.32	1,704.20
Total non current assets		80,972.88	1,199.58	82,172.46	1,302.68	83,475.14
(2) Current Assets						
(a) Inventories	9	37,204.92	(1,199.63)	36,005.29	(541.59)	35,463.70
(b) Financial Assets		-	-	-	-	-
(i) Investment		4,699.08	-	4,699.08	-	4,699.08
(ii) Trade and other receivables		25,995.90	-	25,995.90	(0.01)	25,995.89
(iii) Cash and cash equivalents	7	1,227.59	(65.71)	1,161.88	9.43	1,171.31
(iv) Bank balances other than (iii) above	7	-	65.71	65.71	379.62	445.33
(v) Loans		13,897.72	(2,442.49)	11,455.23	(0.01)	11,455.22
(vi) Others	7	-	1,369.83	1,369.83	(1.76)	1,368.07
(c) Other current assets	3,11	1,369.83	1,072.71	2,442.54	924.79	3,367.33
Total current assets		84,395.04	(1,199.58)	83,195.46	770.47	83,965.93
TOTAL ASSETS		165,367.92	-	165,367.92	2,073.15	167,441.07
EQUITY AND LIABILITIES						
(1) Equity						
(a) Equity share capital		9,256.54	-	9,256.54	-	9,256.54
(b) Other equity	1 to 12	51,245.99	-	51,245.99	415.49	51,661.48
Total equity		60,502.53	-	60,502.53	415.49	60,918.02
(2) Liabilities						
(1) Non Current liabilities						
(a) Financial liabilities						
(i) Borrowings		7,193.36	-	7,193.36	-	7,193.36
(ii) Other financial liabilities	7	-	-	-	445.97	445.97
(b) Provisions		138.39	-	138.39	-	138.39
(c) Deferred tax liabilities	4	5,249.18	-	5,249.18	(147.36)	5,101.82
(d) Other non-current liabilities	1b	-	-	-	720.38	720.38
Total non current liabilities		12,580.93	-	12,580.93	1,018.99	13,599.92
(2) Current liabilities						
(a) Financial liabilities						
(i) Borrowings	9	18,624.28	41,176.72	59,801.00	(564.95)	59,236.05
(ii) Trade and other payables	9	60,875.92	(41,176.72)	19,699.20	(0.01)	19,699.19
(iii) Other financial liabilities	10	-	10,331.22	10,331.22	(1.50)	10,329.72
(b) Other current liabilities	1b,7	12,739.63	(10,331.22)	2,408.41	51.72	2,460.13
(c) Provisions	11	44.63	-	44.63	1,153.41	1,198.04
(d) Current tax Liabilities (Net)		-	-	-	-	-
Total current liabilities		92,284.46	-	92,284.46	638.67	92,923.13
Total liabilities		104,865.39	-	104,865.39	1,657.66	106,523.05
Total Equity and Liabilities		165,367.92	-	165,367.92	2,073.15	167,441.07

Reconciliation of equity as at March 31, 2016

(₹ in lakh)

		Amount as per previous GAAP	Reclassification - Ind AS	Sch III	Measurement - Ind AS	Ind AS
ASSETS						
(1) Non-current assets						
(a) Property, Plant and Equipment	1b	65,585.25	-	65,585.25	949.80	66,535.05
(b) Capital work-in-progress		3,695.23	-	3,695.23	-	3,695.23
(c) Other Intangible assets		1,645.76	-	1,645.76	-	1,645.76
(d) Intangible assets under development		14.86	-	14.86	-	14.86
(e) Biological assets other than bearer plants	2	-	846.32	846.32	40.49	886.81
(f) Financial Assets						
(i) Investments		48,004.36	-	48,004.36	9.51	48,013.87
(ii) Trade Receivables		0.41	-	0.41	-	0.41
(iii) Loans	3	4,025.73	(2,991.38)	1,034.35	(40.82)	993.53
(iv) Others		-	160.69	160.69	-	160.69
(g) Deferred tax assets (net)	4	-	-	-	823.12	823.12
(h) Other tax assets		-	1,625.84	1,625.84	(689.58)	936.26
(i) Other Non Current Asset	3	160.69	1,204.85	1,365.54	30.42	1,395.96
Total non current assets		123,132.29	846.32	123,978.61	1,122.94	125,101.55
(2) Current Assets						
(a) Inventories	9	53,604.52	(846.32)	52,758.20	(474.20)	52,284.00
(b) Financial Assets						
(i) Investments		162.75	-	162.75	-	162.75
(ii) Trade Receivables		36,617.03	-	36,617.03	-	36,617.03
(iii) Cash and cash equivalents	7	2,013.24	(71.39)	1,941.85	4.63	1,946.48
(iv) Bank balances other than (iii) above	7	-	71.39	71.39	601.89	673.28
(v) Loans		15,757.64	(2,126.62)	13,631.02	-	13,631.02
(vi) Others	7	5,488.91	-	5,488.91	0.05	5,488.96
(c) Other current assets	3,11	-	2,126.62	2,126.62	1,028.57	3,155.19
Total current assets		113,644.09	(846.32)	112,797.77	1,160.94	113,958.71
TOTAL ASSETS		236,776.38	-	236,776.38	2,283.88	239,060.26
EQUITY AND LIABILITIES						
(1) Equity						
(a) Equity share capital	5	9,257.14	(0.60)	9,256.54	-	9,256.54
(b) Other equity	1 to 12	60,103.13	-	60,103.13	296.06	60,399.19
Total equity		69,360.27	(0.60)	69,359.67	296.06	69,655.73
(2) Liabilities						
(1) Non Current Liabilities						
(a) Financial liabilities						
(i) Borrowings	5	376.78	524.22	901.00	(211.94)	689.06
(ii) Trade Payables		-	-	-	-	-
(iii) Other financial liabilities	7	-	-	-	653.71	653.71
(b) Provisions		183.52	-	183.52	-	183.52
(c) Deferred tax liabilities(net)	4	6,354.49	-	6,354.49	(323.44)	6,031.05
(d) Other non-current liabilities		-	-	-	1,239.69	1,239.69
Total non current liabilities		6,914.79	524.22	7,439.01	1,358.02	8,797.03
(2) Current liabilities						
(a) Financial liabilities						
(i) Borrowings	9	71,943.51	42,606.63	114,550.14	(484.25)	114,065.89
(ii) Trade Payables	9	66,075.00	(42,606.62)	23,468.38	-	23,468.38
(iii) Other financial liabilities	3,6	-	18,105.58	18,105.58	(125.54)	17,980.04
(b) Other current liabilities	1b, 7	22,386.75	(18,629.22)	3,757.53	98.54	3,856.07
(c) Provisions	11	96.06	(71.28)	24.78	1,212.34	1,237.12
(d) Current tax Liabilities (Net)		-	71.29	71.29	(71.29)	-
Total current liabilities		160,501.32	(523.62)	159,977.70	629.80	160,607.50
Total liabilities		167,416.11	0.60	167,416.71	1,987.82	169,404.53
Total Equity and Liabilities		236,776.38	-	236,776.38	2,283.88	239,060.26

Reconciliation of total comprehensive income for the year ended March 31, 2016

		(₹ in lakh)		
		Amount as per previous GAAP	Effects of transition to Ind AS	Amount as per Ind AS
I. Revenue from Operations (Gross)	11	353,849.76	(17,250.88)	336,598.88
II. Other income	1b, 12	5,227.65	301.30	5,528.95
III. Total Income		359,077.41	(16,949.58)	342,127.83
IV. Expenses				
Cost of materials consumed	9,11	254,311.47	(3,894.52)	250,416.95
Purchases of Stock-in-Trade	11	16,929.19	523.01	17,452.20
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	9	(2,478.23)	(4.30)	(2,482.53)
Employee Benefits Expenses	13	13,747.07	(235.39)	13,511.68
Finance costs	9	5,260.20	3,847.93	9,108.13
Depreciation and Amortization Expenses	1b	4,358.66	57.56	4,416.22
Other Expenses	9	46,008.46	(17,493.21)	28,515.25
Total Expenses (IV)		338,136.82	(17,198.92)	320,937.90
V. Profit Before Exceptional Items and Tax		20,940.59	249.34	21,189.93
VI. Exceptional Items		-	-	-
VII. Profit Before Tax (V + VI)		20,940.59	249.34	21,189.93
VIII. Tax expense:		5,009.02	354.15	5,363.17
1. Current Tax		4,383.46	118.28	4,501.74
2. Deferred Tax	4	1,105.31	(243.88)	861.43
Less: MAT credit entitlement	4	(479.75)	479.75	-
IX. Profit/(Loss) for the year		15,931.57	(104.81)	15,826.76
Items that will not be reclassified to profit and loss account				-
Remeasurements of defined benefit liability	13	-	(235.39)	(235.39)
Tax on Remeasurements of defined benefit liability		-	81.46	81.46
Total comprehensive income for the year		15,931.57	(258.74)	15,672.83
Attributable to:				
Equity holders of the Company		15,931.57	(258.74)	15,672.83
Non-controlling interest				

B. Reconciliation of Consolidated statement of Equity as previously reported under IGAAP and Ind AS

Particulars	March 31, 2016	April 1, 2015
Total Equity as per Indian GAAP	69,360.27	60,502.53
Consolidation of ESOP Trust - Treasury Stock	(58.68)	(58.68)
Fair Valuation of Assets and Provision for returns	(101.97)	(134.27)
Deferred tax	485.95	611.87
Other IND AS adjustments	(29.84)	(3.43)
Total Equity as per IND AS	69,655.73	60,918.02

C. Reconciliation of Statement of Profit and Loss as previously reported under IGAAP and IND AS

Particulars	March 31, 2016
Profit as per IGAAP	15,931.57
Reclass of actuarial loss	235.39
Impact on account of Acceptances reclassified as borrowing	(33.30)
Tax on Ind AS adjustments	(354.15)
Other Ind AS adjustments	(106.68)
	15,672.83

D. Impact of Ind AS adoption on Cash Flows

(₹ in lakh)

Particulars	For the year ended March 31, 2016		
	Previous GAAP	Adjustments	Ind AS
Net Cash flow from Operating Activities	2,019.14	2,317.08	4,336.22
Net Cash flow from Investing Activities	(42,127.13)	(0.00)	(42,127.13)
Net Cash flow from Financing Activities	40,876.06	(2,321.88)	38,554.18
Net Increase in Cash and Cash Equivalent	768.07	(4.80)	763.27
Cash and Cash Equivalent as at April 1, 2015	1,161.88	9.43	1,171.31
Seeds Business of Godrej Seeds and Genetics Limited	11.90	-	11.90
Cash and Cash Equivalent as at March 31, 2016	1,941.85	4.63	1,946.48

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1. Property Plant and Equipment (PPE)

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

b) Under Ind AS, government grants relating to property, plant and equipment are required to be presented on a gross basis as an addition to the related asset & as deferred government grant, and the same is recognised in the statement of profit & loss on a systematic basis over the useful life of the asset.

Under IGAAP, for certain grants the Company presented the amount received as part of the reserves and surplus, while for the remaining grants, the carrying value of the related property plant and equipment are reduced by the amount of the grant.

2. Biological Assets other than bearer plants:

Under IGAAP, biological assets are measured at cost. Ind AS requires all biological assets to be measured on each reporting date at their respective fair values with the fair value changes being recognised in the Statement of Profit and Loss. The impact as of the date of transition has been adjusted through retained earnings.

3. Financial Assets/ liabilities:

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

4. Deferred Tax Asset/Liability:

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind-AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of the balance sheet approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

Further, corresponding impact of all Ind AS adjustments (as applicable) has been considered. Minimum Alternate Tax related credit has been reclassified to deferred tax.

5. Under Ind AS, redeemable preference shares are classified as financial liabilities with the dividend payout (if any) being reflected as finance cost.

6. Interest bearing loans and borrowings

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

7. Company's ESOP Trust

The Company has set up an ESOP Trust (the Trust) to administer the ESOP scheme for its employees. On consolidation of the Trust, in addition to elimination of transactions between the Company and the Trust, shares of the Company held by the Trust have been presented as a reduction from Shareholders' Funds as Treasury Shares. Other assets and liabilities of the Trust have been presented in the respective sections.

8. Offsetting:

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

9. Acceptances:

Acceptances earlier classified as trade payables have been reclassified to short term borrowings.

Application of derecognition requirements prescribed under Ind AS 109 have resulted in derecognition of trade payables and recognition of borrowings towards supplier financing facilities of the Company. Corresponding impact of such derecognition and finance cost have been considered in inventories, borrowings, trade and other payables, cost of materials consumed and finance cost.

10. Derivative contracts:

Under Indian GAAP, the premium and discount on forward contracts were amortised over the contract period. However, under Ind AS such premium or discount is recognised upfront in the profit and loss account and the mark-to-market on such derivative contracts are to be recognised as derivative asset/liability.

11. Revenue from Operations:

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

12. Other Income:

Under Ind AS, corporate guarantee issued on behalf of joint venture without any commission has been measured at fair value with corresponding impact adjusted with investment in the respective joint venture. Consequently, guarantee commission for the respective period has been recognised through income statement.

13. Employee benefit:

Both under Indian GAAP and Ind AS the Company recognised costs related to post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, actuarial gains and losses are charged to profit or loss, however in Ind AS the actuarial gains and losses are recognised through other comprehensive income.

For and on behalf of the Board

N. B. GODREJ
Chairman
DIN: 00066195

B.S.YADAV
Managing Director
DIN: 00294803

S. VARADARAJ
Chief Financial Officer
ICAI Memb. No. 047959

VIVEK RAIZADA
Company Secretary
ICSI Memb. No. ACS11787