



**STANDALONE  
FINANCIAL  
STATEMENTS**



# Independent Auditors' Report

To the Members of Godrej Industries Limited

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the standalone financial statements of Godrej Industries Limited ("the Company"), which comprise the standalone Balance Sheet as at 31 March 2019, and the standalone Statement of Profit and Loss (including other comprehensive income), standalone statement of Change in Equity and standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and in the context of the overriding effect of the accounting treatment for the Appointed date in the Scheme of Amalgamation of Vora Soaps Limited with the Company approved by the National Company Law Tribunal vis-à-vis the treatment that would have been applicable otherwise, as described in Note 46 to the standalone financial statements, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter

We draw attention to Note 47 to the standalone financial statements, relating to remuneration paid to two Directors during the year ended 31 March 2019, which is in excess of the limits prescribed under Section 197 read with Schedule V of the Companies Act, 2013 by ₹ 7.96 crores, and is subject to the approval of the shareholders. Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Independent Auditors' Report

### Description of Key Audit Matter

#### Revenue recognition

See Note 27 to the standalone financial statements

| The key audit matter   | How the matter was addressed in our audit   |
|--|---|
| <p>Revenue is recognised when the control of the products being sold has been transferred to the customer.</p> <p>We have identified recognition of revenue as a key audit matter as revenue is a key performance indicator and there is a risk of revenue being fraudulently overstated through manipulation on the timing of transfer of control arising from pressure to achieve performance targets as well as meeting external expectations.</p>  | <p>Our audit procedures included:</p> <p>Assessing the appropriateness of the revenue recognition accounting policies, by comparing with applicable accounting standards.</p> <p>Testing the design, implementation and operating effectiveness of the Company's general IT controls and key IT/manual application controls over the Company's systems which govern recording of revenue in the general ledger accounting system.</p> <p>Performing substantive testing (including year-end cut-off testing) by selecting samples of revenue transactions recorded during the year (and before and after the financial year end) by verifying the underlying documents, which included sales invoices/contracts and shipping documents.</p> <p>We assessed manual journals posted to revenue to identify unusual items.</p> <p>Considering the adequacy of the Company's disclosures in respect of revenue.</p> |
| <p>Impairment Evaluation of Investment in Subsidiaries and Associate</p> <p>See Note 4 to the standalone financial statements</p>  |   |
| The key audit matter   | How the matter was addressed in our audit   |
| <p>The carrying amount of the investments in subsidiaries and associate held at cost less impairment represents 51 % of the Company's total assets.</p> <p>We do not consider the valuation of these investments to be at a high risk of significant misstatement, or to be subject to a significant level of judgement, except for the investment valuations based on discounted cash flows which involve significant estimates and judgement, due to the inherent uncertainty involved in forecasting and discounting future cash flows.</p> <p>Further due to their materiality in the context of total assets of the Company, this is considered to be significant to our overall audit strategy and planning.</p> | <p>Our audit procedures included:</p> <p>For subsidiaries and associate which are listed entities, comparing the carrying amount of investments with the Company's share of market value of such subsidiaries and associate to identify whether there were in excess of their carrying amount;</p> <p>For subsidiaries which are unlisted entities, comparing the carrying amount of investments with the relevant subsidiaries' balance sheet to identify whether their net assets, being an approximation of their minimum recoverable amount, were in excess of their carrying amount and assessing whether those subsidiaries have historically been profit-making;</p>   |

## Independent Auditors' Report

### Description of Key Audit Matter (Continued)

#### Impairment Evaluation of Investment in Subsidiaries (Continued)

See Note 4 to the standalone financial statements

| The key audit matter | How the matter was addressed in our audit  |
|----------------------|--|
|                      | <p>For the investments where the carrying amount exceeded the net asset value, comparing the carrying amount of the investment with the expected value of the business based on a suitable multiple of the subsidiaries' earnings or discounted cash flow analysis;</p> <p>Testing and challenging the assumptions used in the discounted cash flow analysis based on our knowledge of the Company and the markets in which the subsidiaries operate with the assistance of our valuations team;</p> <p>Considering the adequacy of disclosures in respect of investments in subsidiaries and associate.</p> |

#### Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

## Independent Auditors' Report

### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

## Independent Auditors' Report

### Report on Other Legal and Regulatory Requirements (Continued)

- (A) As required by Section 143(3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The standalone Balance Sheet, the standalone Statement of Profit and Loss (including other comprehensive income), the standalone Statement of Change in Equity and the standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its standalone financial statements - Refer Note 25 to the standalone financial statements;
  - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
  - iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2019.

- (C) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act, except for remuneration paid to two Directors during the year ended 31 March 2019, which is in excess of the limits prescribed under Section 197 read with Schedule V of the Companies Act, 2013 by ₹ 7.96 crores, and is subject to the approval of the shareholders. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act except as mentioned above. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

Our opinion is not modified in respect of this matter.

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

Place: Mumbai  
Date: 13 May 2019

**Vijay Mathur**  
Partner  
Membership No: 046476

## Annexure A to the Independent Auditor's Report - 31 March 2019

(Referred to in our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us, the title deeds of immovable properties, as disclosed in Note 3 of the standalone financial statements, are held in the name of the Company.
- (ii) The inventory, except goods-in-transit and goods lying with third parties, has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) In our opinion and according to information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'). Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and Section 186 of the Act, in respect of making investments as applicable. The Company has not granted any loans and guarantees or provided any security to the parties covered under Section 185 and Section 186 of the Act.
- (v) The Company has not accepted any deposits from the public in accordance with the provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by Central Government for maintenance of cost records under sub section 1 of Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including provident fund, employees state insurance, income tax, duty of customs, goods and service tax, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, goods and service tax, value added tax, cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of income tax, sales tax, value added tax, service tax, duty of customs, duty of excise and goods and service tax which have not been deposited with the appropriate authorities on account of any dispute other than those mentioned in Annexure I to this report.
- (viii) According to the information and explanations given to us and based on the records examined by us, there has been no default in the repayment of dues to banks. The Company does not have any dues to financial institutions, Government or debenture holders.
- (ix) According to the information and explanations given to us and records examined by us, the term loans obtained by the Company were applied for the purpose for which the loans were obtained. The Company has not raised any money by way of initial public offer, further public offer (including debt instruments) during the year.



## Annexure A to the Independent Auditor's Report - 31 March 2019

- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records, the Company has paid/provided for managerial remuneration to two Directors during the year ended 31 March 2019, which is in excess of the limits given under Section 197 read with Schedule V of the Companies Act, 2013 by ₹ 7.96 crores and is subject to the approval of the shareholders.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the standalone financial statements as required by applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

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

Mumbai  
13 May 2019

**Vijay Mathur**  
Partner  
Membership No: 046476

**Annexure A to the Independent Auditor's Report - 31 March 2019**

Annexure I

(₹ in Crores)

| Name of Statute            | Nature of Dues | Amount Demanded (₹ In crores) | Period to which the amount relates                           | Forum where dispute is pending |
|----------------------------|----------------|-------------------------------|--|--------------------------------|
| Central Excise Act, 1944   | Excise duty    | 1.47                          | 2005-06, 2009-10, 2014- 15, 2011-14, 2012-13,2013-14         | Commissioner (Appeals)         |
| Central Excise Act, 1944   | Excise duty    | 0.67                          | 2009-10, 2010-11, 2012-14,2013-14, 2013-15, 2014-15,2015-16  | Assistant Commissioner         |
| Central Excise Act, 1944   | Excise duty    | 3.75                          | 2008-11, 2009-13,2010-11, 2013-16                            | CESTAT                         |
| The Customs Act, 1962      | Customs duty   | 2.63                          | 2010-11  | Commissioner (Appeals)         |
| VAT Acts of Various States | VAT            | 0.02                          | 1997-98  | Sales Tax Officer              |
| VAT Acts of Various States | VAT            | 1.29                          | 2006-07, 2007-08, 2008-09, 2009-10,2010-11,2011-12           | Joint Commissioner             |
| VAT Acts of Various States | VAT            | 10.90                         | 2005-06  | Joint Commissioner (Appeals)   |
| VAT Acts of Various States | VAT            | 1.84                          | 2003-04, 2006-07   | High Court                     |
| VAT Acts of Various States | VAT            | 31.99                         | 2002-03, 2003-04   | Supreme Court                  |
| Octroi                     | Octroi         | 0.24                          | 1997-2003  | Tribunal                       |
| Octroi                     | Octroi         | 0.03                          | 1997-98  | Deputy Commissioner            |
| Octroi                     | Octroi         | 0.02                          | 1998-99, 2000-01   | Supreme Court                  |
| Stamp Duty                 | Stamp duty     | 1.82                          | 2000-01  | Controlling Revenue Authority  |
| Income-tax Act, 1961       | Income tax     | 42.28                         | AY 2006-2007, AY 2007-2008, AY 2008-2009, AY 15-16, AY 16-17 | Assessing Officer              |
| Income-tax Act, 1961       | Income tax     | 5.86                          | AY 2009-2010, AY 2013-2014, AY 2014-2015                     | CIT                            |
| Income-tax Act, 1961       | Income tax     | 19.96                         | AY 2010-11, AY 2011-2012, AY 2012-13                         | ITAT                           |
| Income-tax Act, 1961       | Income tax     | 28.65                         | AY 2009-2010, AY 2013-2014, AY 2014-2015                     | High Court                     |

## **Annexure B to the Independent Auditors' report on the standalone financial statements of Godrej Industries Limited for the year ended 31 March 2019.**

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 1(A) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

### **Opinion**

We have audited the internal financial controls with reference to standalone financial statements of Godrej Industries Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

### **Management's Responsibility for Internal Financial Controls**

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

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

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

### **Meaning of Internal Financial controls with Reference to Financial Statements**

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

### **Inherent Limitations of Internal Financial controls with Reference to Financial Statements**

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

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

Mumbai  
13 May 2019

Vijay Mathur  
Partner  
Membership No: 046476

## Balance Sheet as at March 31, 2019

Amount ₹ in Crore

| Particulars  | Note No. | As at<br>March 31, 2019 | As at<br>March 31, 2018<br>(Restated) |
|--|----------|-------------------------|---------------------------------------|
| <b>ASSETS</b>  |          |                         |                                       |
| <b>Non Current Assets</b>  |          |                         |                                       |
| Property, Plant and Equipment  | 3        | 1,328.46                | 1,360.07                              |
| Capital Work in Progress   |          | 8.72                    | 7.66                                  |
| Investment Property  | 3a       | 151.94                  | 132.02                                |
| Other Intangible Assets  | 3b       | 2.37                    | 1.78                                  |
| <b>Financial Assets</b>  |          |                         |                                       |
| Investments in Subsidiaries and Associates                           | 4        | 2,696.06                | 2,828.20                              |
| Other Investments  | 4a       | 0.02                    | 0.02                                  |
| Loans  | 5        | 3.72                    | 3.74                                  |
| Other Financial Assets   | 6        | 10.90                   | 12.09                                 |
| Deferred Tax Assets (Net)  | 7        | 0.94                    | 0.87                                  |
| Other Tax Assets (Net)   |          | 28.48                   | 12.81                                 |
| Other Non Current Assets   | 8        | 18.58                   | 16.27                                 |
| <b>Current Assets</b>  |          |                         |                                       |
| Inventories  | 9        | 300.86                  | 299.91                                |
| <b>Financial Assets</b>  |          |                         |                                       |
| Investments  | 10       | -                       | -                                     |
| Trade Receivables  | 11       | 177.03                  | 117.89                                |
| Cash & cash equivalents  | 12a      | 514.18                  | 61.03                                 |
| Other Bank balances  | 12b      | 2.11                    | 13.91                                 |
| Loans  | 13       | 0.17                    | 0.17                                  |
| Other Financial Assets   | 14       | 13.81                   | 37.22                                 |
| Other Current Assets   | 15       | 61.98                   | 79.29                                 |
| <b>TOTAL ASSETS</b>  |          | <b>5,320.33</b>         | <b>4,984.95</b>                       |
| <b>EQUITY AND LIABILITIES</b>  |          |                         |                                       |
| <b>EQUITY</b>  |          |                         |                                       |
| Equity Share Capital   | 16       | 33.64                   | 33.63                                 |
| Other Equity   | 17       | 1,598.05                | 1,781.48                              |
| <b>Total Equity</b>  |          | <b>1,631.69</b>         | <b>1,815.11</b>                       |
| <b>LIABILITIES</b>   |          |                         |                                       |
| <b>Non Current Liabilities</b>                                       |          |                         |                                       |
| <b>Financial Liabilities</b>   |          |                         |                                       |
| Borrowings   | 18       | 625.00                  | 405.49                                |
| Provisions   | 19       | 8.73                    | 7.04                                  |
| <b>Current Liabilities</b>   |          |                         |                                       |
| <b>Financial Liabilities</b>   |          |                         |                                       |
| Borrowings   | 20       | 2,286.58                | 1,682.75                              |
| Trade Payables   | 21       |                         |                                       |
| Outstanding dues of Micro and Small Enterprises                      |          | 8.43                    | 8.86                                  |
| Outstanding dues of Creditors other than Micro and Small Enterprises |          | 345.35                  | 343.43                                |
| Other Financial Liabilities  | 22       | 365.05                  | 682.02                                |
| Other Current Liabilities  | 23       | 36.58                   | 35.32                                 |
| Provisions   | 24       | 4.87                    | 4.83                                  |
| Current Tax Liabilities (Net)  |          | 8.05                    | 0.10                                  |
| <b>Total Liabilities</b>   |          | <b>3,688.64</b>         | <b>3,169.84</b>                       |
| <b>TOTAL EQUITY &amp; LIABILITIES</b>                                |          | <b>5,320.33</b>         | <b>4,984.95</b>                       |
| Significant Accounting Policies                                      | 2        |                         |                                       |

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

As per our Report attached

For and on behalf of the Board of Directors of  
**Godrej Industries Limited**  
CIN No.: L24241MH1988PLC097781

**For BSR & Co. LLP**

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

**A. B. Godrej**

Chairman  
DIN : 00065964

**N. B. Godrej**

Managing Director  
DIN : 00066195

**Vijay Mathur**

Partner  
M.No. : 046476

**N. S. Nabar**

Executive Director &  
President (Chemicals)  
DIN : 06521655

**Clement Pinto**

Chief Financial Officer

**Tejal Jariwala**

Company Secretary

Mumbai, May 13, 2019

## Statement of Profit and Loss for the Year Ended March 31, 2019

Amount ₹ in Crore

| Particulars   | Note No. | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018<br>(Restated) |
|---|----------|------------------------------|--|
| Revenue from Operations   | 27       | 2,143.99                     | 1,986.32                                   |
| Other Income  | 28       | 41.79                        | 33.70                                      |
| <b>Total Income</b>   |          | <b>2,185.78</b>              | <b>2,020.02</b>                            |
| <b>Expenses</b>   |          |                              |  |
| Cost of Materials Consumed  | 29       | 1,289.35                     | 1,278.94                                   |
| Purchases of Stock in Trade   |          | 0.80                         | 7.81                                       |
| Changes in Inventories of Finished Goods, Stock in Trade and Work in Progress | 30       | 7.65                         | 13.29                                      |
| Excise Duty   |          | -                            | 27.99                                      |
| Employee Benefits Expenses  | 31       | 130.17                       | 133.55                                     |
| Finance Costs   | 32       | 239.59                       | 212.43                                     |
| Depreciation and Amortisation Expense   |          | 54.30                        | 68.58                                      |
| Other Expenses  | 33       | 310.93                       | 287.93                                     |
| <b>Total Expenses</b>   |          | <b>2,032.79</b>              | <b>2,030.52</b>                            |
| Profit / (Loss) Before Exceptional Items and Tax                              |          | 152.99                       | (10.50)                                    |
| Exceptional Items   | 34       | (243.79)                     | 267.38                                     |
| (Loss) / Profit Before Tax  |          | (90.80)                      | 256.88                                     |
| <b>Tax Expense</b>  |          |                              |  |
| Current Tax   |          | -                            | 4.44                                       |
| Deferred Tax  |          | (0.07)                       | 1.77                                       |
| Tax Liability of earlier years  |          | -                            | 9.16                                       |
| <b>Total Tax Expenses</b>   |          | <b>(0.07)</b>                | <b>15.37</b>                               |
| (Loss) / Profit After Tax for the Year  |          | (90.73)                      | 241.51                                     |
| <b>Other Comprehensive Income</b>   |          |                              |  |
| Items that will not be reclassified to Profit or Loss                         |          |                              |  |
| Remeasurements of defined benefit plans                                       |          | (0.60)                       | (0.28)                                     |
| Income Tax on Items that will not be reclassified to Profit or Loss           |          | -                            | -  |
|   |          | (0.60)                       | (0.28)                                     |
| <b>Total Comprehensive Income for the Year</b>                                |          | <b>(91.33)</b>               | <b>241.23</b>                              |
| Earnings Per Equity Share (Face Value ₹ 1 each)                               | 35       |                              |  |
| Basic   |          | (2.70)                       | 7.18                                       |
| Diluted   |          | (2.70)                       | 7.18                                       |
| Significant Accounting Policies   | 2        |                              |  |

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

As per our Report attached

For and on behalf of the Board of Directors of  
**Godrej Industries Limited**  
CIN No.: L24241MH1988PLC097781

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

**A. B. Godrej**  
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President (Chemicals)  
DIN : 06521655

**Clement Pinto**  
Chief Financial Officer

**Tejal Jariwala**  
Company Secretary

Mumbai, May 13, 2019

## Statement of Changes in Equity for the Year Ended March 31, 2019

### Equity Share Capital

| Particulars                                     | As at March 31, 2019 |                      | As at March 31, 2018<br>(Restated) |                      |
|---|----------------------|----------------------|------------------------------------|----------------------|
|   | No. of Shares        | Amount<br>₹ in Crore | No. of Shares                      | Amount<br>₹ in Crore |
| Balance at the beginning of the year            | 336,272,731          | 33.63                | 336,139,786                        | 33.61                |
| Changes in equity share capital during the year | 111,636              | 0.01                 | 132,945                            | 0.02                 |
| Balance at the end of the year                  | 336,384,367          | 33.64                | 336,272,731                        | 33.63                |

### Other Equity

Amount ₹ in Crore

| Particulars  | Other Equity (Restated) |                 |                            |                    |                 |                                  | Total           |
|--|-------------------------|-----------------|----------------------------|--------------------|-----------------|----------------------------------|-----------------|
|  | Retained Earnings       | General Reserve | Capital Redemption Reserve | Securities Premium | Capital Reserve | Employee Stock Grant Outstanding |                 |
| <b>Balance at April 01, 2017</b>   | 541.87                  | 52.70           | 31.46                      | 939.21             | 9.88            | 6.70                             | 1,581.82        |
| Profit for the year  | 241.51                  | -               | -                          | -                  | -               | -                                | 241.51          |
| Other Comprehensive Income (net of tax) - Remeasurements of the defined benefit plans              | (0.28)                  | -               | -                          | -                  | -               | -                                | (0.28)          |
| Transfer from Employee Stock Option Grant  | -                       | -               | -                          | 4.49               | -               | -                                | 4.49            |
| Exercise of Stock Grant (Net of Deferred Stock Grant Expense)                                      | -                       | -               | -                          | -                  | -               | 5.22                             | 5.22            |
| Grants Lapsed  | -                       | -               | -                          | -                  | -               | (1.23)                           | (1.23)          |
| Transfer to Securities Premium on exercise of Stock Grants during the year                         | -                       | -               | -                          | -                  | -               | (4.49)                           | (4.49)          |
| Final Dividend paid  | (58.85)                 | -               | -                          | -                  | -               | -                                | (58.85)         |
| Dividend Distribution Tax (DDT)  | (1.15)                  | -               | -                          | -                  | -               | -                                | (1.15)          |
| Addition on account of amalgamation (Refer Note 46)  | -                       | -               | -                          | -                  | 14.44           | -                                | 14.44           |
| <b>Balance at March 31, 2018 (Restated)</b>  | <b>723.10</b>           | <b>52.70</b>    | <b>31.46</b>               | <b>943.70</b>      | <b>24.32</b>    | <b>6.20</b>                      | <b>1,781.48</b> |
| Loss for the year  | (90.73)                 | -               | -                          | -                  | -               | -                                | (90.73)         |
| Other Comprehensive Income (net of tax) - Remeasurements of the defined benefit plans              | (0.60)                  | -               | -                          | -                  | -               | -                                | (0.60)          |
| Transfer from Employee Stock Option Grant  | -                       | -               | -                          | 4.48               | -               | (4.48)                           | -               |
| Exercise of Stock Grant (Net of Deferred Stock Grant Expense)                                      | -                       | -               | -                          | -                  | -               | 3.97                             | 3.97            |
| Utilisation for issue of Shares during the year pursuant to Scheme of Amalgamation (Refer Note 46) | -                       | -               | -                          | (35.42)            | -               | -                                | (35.42)         |
| Final Dividend paid  | (58.87)                 | -               | -                          | -                  | -               | -                                | (58.87)         |
| Dividend Distribution Tax (DDT)  | (1.78)                  | -               | -                          | -                  | -               | -                                | (1.78)          |
| <b>Balance at March 31, 2019</b>   | <b>571.12</b>           | <b>52.70</b>    | <b>31.46</b>               | <b>912.76</b>      | <b>24.32</b>    | <b>5.69</b>                      | <b>1,598.05</b> |

A description of the purposes of each Reserve within Equity shall be disclosed in the Note 17

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

As per our Report attached

For and on behalf of the Board of Directors of

**Godrej Industries Limited**

CIN No.: L24241MH1988PLC097781

**For BSR & Co. LLP**

Chartered Accountants

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

**Vijay Mathur**

Partner

M.No. : 046476

**A. B. Godrej**

Chairman

DIN : 00065964

**N. S. Nabar**

Executive Director

& President (Chemicals)

DIN : 06521655

**N. B. Godrej**

Managing Director

DIN : 00066195

**Clement Pinto**

Chief Financial Officer

**Tejal Jariwala**

Company Secretary

Mumbai, May 13, 2019

## Cash Flow Statement For The Year Ended March 31, 2019

| Particulars  | Amount ₹ in Crore            |  |
|--|------------------------------|--|
|  | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018<br>(Restated) |
| <b>1 Cash Flow From Operating Activities:</b>  |                              |  |
| <b>(Loss) / Profit Before Tax</b>  | <b>(90.80)</b>               | 256.88                                     |
| Adjustments for:   |                              |  |
| Depreciation and Amortisation  | 54.30                        | 68.58                                      |
| Unrealised Foreign Exchange gain   | (1.28)                       | (3.76)                                     |
| Profit on Sale of Investments  | (4.09)                       | (268.69)                                   |
| (Profit) / Loss on Sale, Write off and Provision of Property, Plant & equipments (Net)   | 0.17                         | (0.19)                                     |
| Write Off of Fixed Assets  | 0.26                         | -  |
| Provision for Impairment of Investment   | 243.79                       | -  |
| Interest Income  | (1.13)                       | (1.34)                                     |
| Interest & Finance Charges   | 239.59                       | 212.43                                     |
| Employee Share based Payments  | 2.81                         | 2.16                                       |
| Provision for Doubtful Debts and Sundry Balances (net)                                   | 0.18                         | 0.08                                       |
| <b>Operating Profit Before Working Capital Changes</b>                                   | <b>443.80</b>                | 266.15                                     |
| Adjustments for :  |                              |  |
| Increase/ (Decrease) in Non-financial Liabilities  | 2.39                         | 15.76                                      |
| Increase/ (Decrease) in Financial Liabilities  | 11.64                        | 59.10                                      |
| (Increase)/ Decrease in Inventories  | (0.95)                       | (3.29)                                     |
| (Increase)/ Decrease in Non-financial Assets   | 15.02                        | (50.76)                                    |
| (Increase)/ Decrease in Financial Assets   | (13.30)                      | 4.77                                       |
| <b>Cash Generated from Operations</b>  | <b>458.60</b>                | 291.73                                     |
| Direct Taxes Paid  | (7.72)                       | (7.37)                                     |
| <b>Net Cash Generated from Operating Activities</b>                                      | <b>450.88</b>                | 284.36                                     |
| <b>2 Cash Flow from Investing Activities:</b>  |                              |  |
| Purchase / Adjustment of Property, Plant & equipments, Investment Property & Intangibles | (74.01)                      | (61.52)                                    |
| Proceeds from Sale of Property, Plant & equipments                                       | 0.32                         | 0.99                                       |
| Purchase of Investments  | (2,642.98)                   | (1,356.85)                                 |
| Proceeds from Sale of Investments  | 2,535.42                     | 1,580.27                                   |
| Intercompany Deposits / Loans (net)  | (0.19)                       | 6.81                                       |
| Interest Received  | 1.13                         | 1.11                                       |
| Expense of Amalgamation  | (35.42)                      | -  |
| <b>Net Cash Generated from / (used in) Investing Activities</b>                          | <b>(215.73)</b>              | 170.80                                     |
| <b>3 Cash Flow from Financing Activities:</b>  |                              |  |
| Proceeds from issue of Equity shares   | 1.85                         | 1.85                                       |
| Proceeds from Non Current Borrowings   | 500.00                       | 35.00                                      |
| Net Proceeds from Current Borrowings   | 632.15                       | 265.91                                     |
| Repayment of Non Current Borrowings  | (613.35)                     | (437.44)                                   |
| Interest & Finance Charges Paid  | (242.00)                     | (211.74)                                   |
| Dividend Paid  | (58.87)                      | (58.85)                                    |
| Tax on Distributed Profits   | (1.78)                       | (1.15)                                     |
| <b>Net Cash (used in) / Generated from Financing Activities</b>                          | <b>218.00</b>                | (406.42)                                   |

Amount ₹ in Crore

| Particulars   | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018<br>(Restated) |
|---|------------------------------|--|
| <b>Net Increase in Cash and Cash Equivalents</b>      | <b>453.15</b>                | 48.74                                      |
| Cash and Cash Equivalents (Opening Balance)           | <b>61.03</b>                 | 12.01                                      |
| Add: Cash & Cash equivalents Acquired during the year | -                            | 0.28                                       |
| Cash and Cash Equivalents (Closing Balance)           | <b>514.18</b>                | 61.03                                      |

**Notes :**

(Amount ₹ in Crore)

| Particulars                                     | As at March<br>31, 2019 | As at March 31,<br>2018 (Restated) |
|---|-------------------------|------------------------------------|
| <b>1 Cash and Cash Equivalents</b>              |                         |                                    |
| Balances with Banks                             |                         |                                    |
| (a) Current Accounts                            | <b>483.18</b>           | 59.88                              |
| (b) Deposits having maturity less than 3 months | <b>30.38</b>            | 0.80                               |
| Cheques, Drafts on Hand                         | <b>0.27</b>             | -                                  |
| Cash on Hand                                    | <b>0.35</b>             | 0.35                               |
| <b>Cash and Cash Equivalents</b>                | <b>514.18</b>           | 61.03                              |

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

(Amount ₹ in Crore)

| Particulars             | As at<br>March 31, 2018<br>(Restated) | Cash Flow     | Non Cash<br>Changes | As at<br>March 31, 2019 |
|-------------------------|---------------------------------------|---------------|---------------------|-------------------------|
| Non Current Borrowings  | 1,000.61                              | (113.35)      | (28.68)             | <b>908.32</b>           |
| Current Borrowings      | 1,704.65                              | 632.15        | -                   | <b>2,287.06</b>         |
| <b>Total Borrowings</b> | <b>2,705.26</b>                       | <b>518.80</b> | <b>(28.68)</b>      | <b>3,195.38</b>         |

| Particulars             | As at<br>March 31, 2017 | Cash Flow       | Non Cash<br>Changes | As at<br>March 31, 2018<br>(Restated) |
|-------------------------|-------------------------|-----------------|---------------------|---------------------------------------|
| Non Current Borrowings  | 1,424.11                | (402.44)        | (21.06)             | 1,000.61                              |
| Current Borrowings      | 1,438.74                | 265.91          | -                   | 1,704.65                              |
| <b>Total Borrowings</b> | <b>2862.85</b>          | <b>(136.53)</b> | <b>(21.06)</b>      | <b>2,705.26</b>                       |

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

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

As per our Report attached

For and on behalf of the Board of Directors of  
**Godrej Industries Limited**  
CIN No.: L24241MH1988PLC097781**For BSR & Co. LLP**  
Chartered Accountants  
Firm Regn. No. : 101248W / W-100022**A. B. Godrej**  
Chairman  
DIN : 00065964**N. B. Godrej**  
Managing Director  
DIN : 00066195**Vijay Mathur**  
Partner  
M.No. : 046476**N. S. Nabar**  
Executive Director &  
President (Chemicals)  
DIN : 06521655**Clement Pinto**  
Chief Financial Officer**Tejal Jariwala**  
Company Secretary

Mumbai, May 13, 2019



# Notes to the Standalone Financial Statements

## Note 1 : General Information

### 1 Corporate Information

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

The Company's name was changed to Godrej Industries Limited on April 2, 2001. The Vegetable Oils and Processed Foods Manufacturing business of Godrej Foods Limited was transferred to the Company with effect from June 30, 2001. The Foods division (except Wadala factory) was then sold to Godrej Hershey Limited, on March 31, 2006. Swadeshi Detergents Limited, 100% subsidiary of the Company, was amalgamated with the Company effective from April 01, 2013. Wadala Commodities Limited was amalgamated with the Company effective from April 01, 2014. Vora Soaps Limited was amalgamated with the Company effective from December 14, 2017.

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

### 2 Basis of preparation

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

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

The standalone financial statements of the Company for the year ended March 31, 2019 were approved for issue in accordance with the resolution of the Board of Directors on May 13, 2019.

### 3 Functional and presentation currency

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

### 4 Key estimates and assumptions

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

Information about critical judgments in applying accounting policies are in respect of leases (determining) whether an arrangement contain a lease (Refer Note 37) that have the most significant effect on the carrying amounts of assets and liabilities and in respect of assumptions and estimates on uncertainties are as follows

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

## Notes to the Standalone Financial Statements

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

### 5 Standards issued but not yet effective

Ministry of Corporate Affairs (“MCA”) through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new standards and amendments to Ind ASs which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2019:

#### (a) Ind AS 116 Leases

Ind AS 116 is applicable for financial reporting periods beginning on or after April 1, 2019 and replaces existing lease accounting guidance, namely Ind AS 17. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use (“ROU”) asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The nature of expenses related to those leases will change as Ind AS 116 replaces the operating lease expense (i.e., rent) with depreciation charge for ROU assets and interest expense on lease liabilities. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. The Group is in the process of analysing the impact of new lease standard on its financial statements.

The Company is proposing to use the “Modified Retrospective Approach” for transitioning to Ind AS 116. Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted.

#### (b) Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

## Notes to the Standalone Financial Statements

### (c) Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

### (d) Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

### (e) Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

### (f) Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Company does not currently have any long-term interests in associates and joint ventures to which equity method is not applied.

### (g) Ind AS 103 – Business Combinations and Ind AS 111 - Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Company will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

## 6 Measurement of fair values

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

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

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

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

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

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

## Notes to the Standalone Financial Statements

### Note 2 : Significant Accounting Policies

#### 1 Property, Plant and Equipment

##### (i) Recognition and measurement

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

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

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

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

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

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

##### (ii) Subsequent expenditure

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

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

##### (iii) Depreciation

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

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

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

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

## Notes to the Standalone Financial Statements

### 2 Investment Property

(i) Recognition and measurement

Investment Property comprises of Freehold Land and Buildings.

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

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

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

(ii) Depreciation

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

### 3 Intangible Assets

(i) Recognition and measurement

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

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

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

(ii) Amortisation

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

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

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

### 4 Impairment of non-financial assets

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

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

When there is indication that an impairment loss recognised for an asset in earlier accounting periods which no longer exists or may have decreased, such impairment loss is reversed in the Statement of Profit and Loss only, to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

## Notes to the Standalone Financial Statements

### 5 Investments in Subsidiaries, Associate and Jointly Controlled Entities

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

### 6 Inventories

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

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

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

### 7 Cash and Cash Equivalents

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

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

### 8 Assets held for Sale

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

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

### 9 Financial Assets

#### (i) Initial recognition and measurement

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

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

#### (ii) Classification and Subsequent measurement

Financial assets are subsequently classified and measured at

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

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

## Notes to the Standalone Financial Statements

### (iii) Trade Receivables and Loans:

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

### (iv) Debt Instruments

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

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

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

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

### (v) Equity Instruments

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

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

### (vi) Derecognition

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

### (vii) Impairment of Financial Assets

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

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

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

## Notes to the Standalone Financial Statements

### 10 Financial Liabilities

(i) Initial recognition and measurement

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

(ii) Subsequent measurement

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

(iii) Derecognition

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

### 11 Offsetting of financial instruments

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

### 12 Derivative financial instruments

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

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

### 13 Provisions and Contingent Liabilities

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

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

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

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

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

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



## Notes to the Standalone Financial Statements

### 14 Revenue Recognition

#### *Revenue from contracts with customers*

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

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

#### *Other Operating Revenue*

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

Export Incentives are accrued when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with such incentives.

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

#### *Other Income*

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

### 15 Employee Benefits

#### (i) Short-Term Employee Benefits

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

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

#### (ii) Post Employment Benefits

##### (a) Defined Contribution Plans

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

##### (b) Defined Benefit Plans

###### Gratuity Fund

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

## Notes to the Standalone Financial Statements

plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in Statement of Profit and Loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

### Provident Fund

Provident Fund Contributions other than those made to the Regional Provident Fund Office of the Government which are made to the Trust administered by the Company are considered as Defined Benefit Plans. The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company.

### Pension

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

### **(iii) Other Long-Term Employee Benefits**

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

### **(iv) Termination Benefits**

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

## **16 Share-Based Payments**

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

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

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

## **17 Operating Leases**

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

## **18 Research and Development Expenditure**

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

## **19 Borrowing Costs**

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

## **20 Foreign Exchange Transactions**

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

## Notes to the Standalone Financial Statements

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

### 21 Taxes on Income

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

#### (i) Current Tax

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

#### (ii) Minimum Alternate Tax (MAT)

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

#### (iii) Deferred Tax

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

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

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

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

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

Deferred Tax assets and liabilities are offset only if:

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

### 22 Earnings Per Share

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

## Notes to the Standalone Financial Statements

Note 3 : Property, Plant and Equipment

Amount ₹ in Crore

| Particulars                         | Freehold Land | Leasehold Land | Buildings     | Plant & Machinery | Furniture & Fixtures | Vehicles - Own | Computer Hardware | Office Equipments | Research Centre | Total           |
|-------------------------------------|---------------|----------------|---------------|-------------------|----------------------|----------------|-------------------|-------------------|-----------------|-----------------|
| <b>Gross Carrying Amount</b>        |               |                |               |                   |                      |                |                   |                   |                 |                 |
| Balance as at April 01, 2017        | 0.52          | 23.07          | 735.29        | 649.89            | 19.46                | 29.20          | 12.35             | 19.33             | 0.60            | 1,489.71        |
| Additions                           | -             | -              | 15.71         | 13.08             | 1.47                 | 1.49           | 2.14              | 1.47              | 0.06            | 35.42           |
| Disposals / Adjustments             | -             | -              | 8.41          | 0.02              | -                    | 0.54           | 0.08              | 0.04              | (0.04)          | 9.05            |
| <b>Balance as at March 31, 2018</b> | <b>0.52</b>   | <b>23.07</b>   | <b>742.59</b> | <b>662.95</b>     | <b>20.93</b>         | <b>30.15</b>   | <b>14.41</b>      | <b>20.76</b>      | <b>0.70</b>     | <b>1,516.08</b> |
| Additions                           | -             | -              | 15.23         | 58.04             | 0.42                 | 2.86           | 1.86              | 0.70              | 0.27            | 79.38           |
| Disposals / Adjustments             | -             | -              | 38.60         | 24.27             | -                    | 1.40           | 0.15              | -                 | -               | 64.42           |
| <b>Balance as at March 31, 2019</b> | <b>0.52</b>   | <b>23.07</b>   | <b>719.22</b> | <b>696.72</b>     | <b>21.35</b>         | <b>31.61</b>   | <b>16.12</b>      | <b>21.46</b>      | <b>0.97</b>     | <b>1,531.04</b> |
| <b>Accumulated Depreciation</b>     |               |                |               |                   |                      |                |                   |                   |                 |                 |
| Balance upto March 31, 2017         | -             | 0.52           | 29.17         | 37.48             | 3.58                 | 6.89           | 6.43              | 6.21              | 0.06            | 90.34           |
| Additions                           | -             | 0.28           | 16.99         | 34.76             | 2.00                 | 3.99           | 4.26              | 3.54              | 0.13            | 65.95           |
| Disposals / Adjustments             | -             | (0.01)         | 0.45          | (0.43)            | -                    | 0.21           | 0.07              | -                 | (0.01)          | 0.28            |
| <b>Balance upto March 31, 2018</b>  | <b>-</b>      | <b>0.81</b>    | <b>45.71</b>  | <b>72.67</b>      | <b>5.58</b>          | <b>10.67</b>   | <b>10.62</b>      | <b>9.75</b>       | <b>0.20</b>     | <b>156.01</b>   |
| Additions                           | -             | 0.27           | 15.96         | 23.10             | 2.09                 | 3.92           | 1.89              | 3.87              | 0.12            | 51.22           |
| Disposals / Adjustments             | -             | -              | 1.50          | 2.09              | -                    | 0.93           | 0.13              | -                 | -               | 4.65            |
| <b>Balance upto March 31, 2019</b>  | <b>-</b>      | <b>1.08</b>    | <b>60.17</b>  | <b>93.68</b>      | <b>7.67</b>          | <b>13.66</b>   | <b>12.38</b>      | <b>13.62</b>      | <b>0.32</b>     | <b>202.58</b>   |
| <b>Net Carrying Amount</b>          |               |                |               |                   |                      |                |                   |                   |                 |                 |
| Balance as at April 01, 2017        | 0.52          | 22.55          | 706.12        | 612.41            | 15.88                | 22.31          | 5.92              | 13.12             | 0.54            | 1,399.37        |
| Balance as at March 31, 2018        | 0.52          | 22.26          | 696.88        | 590.28            | 15.35                | 19.48          | 3.79              | 11.01             | 0.50            | 1,360.07        |
| <b>Balance as at March 31, 2019</b> | <b>0.52</b>   | <b>21.99</b>   | <b>659.05</b> | <b>603.04</b>     | <b>13.68</b>         | <b>17.95</b>   | <b>3.74</b>       | <b>7.84</b>       | <b>0.65</b>     | <b>1,328.46</b> |

## Notes :

1. Refer Note No 26 for disclosure of contractual commitments for the acquisition of Property, Plant and Equipment.
2. No Property, Plant and Equipment is pledged as security by the Company.
3. Additions to Property, Plant and Equipments includes ₹19.18 crore (previous year ₹0.18 crore) on account of Exchange Differences arising on conversion of Long Term Foreign Currency Monetary Items relating to acquisition of depreciable assets.
4. Buildings includes certain Office Premises given on lease in exchange for similar Office Premises in the same building. [Gross Block - ₹ 94.72 crore (previous year - ₹ 94.72 crore) and Net Carrying Amount - ₹ 88.90 crore (previous year - ₹ 90.40 crore)]
5. Addition to Accumulated Depreciation for Plant & Machinery includes provision for impairment of ₹ 0.27 crore (previous year Nil)

## Notes to the Standalone Financial Statements

### Note 3a : Investment Property

Amount ₹ in Crore

| Particulars                         | Freehold Land | Buildings     | Total         |
|-------------------------------------|---------------|---------------|---------------|
| <b>Gross Carrying Amount</b>        |               |               |               |
| Balance as at April 01, 2017        | 0.38          | 129.96        | 130.34        |
| Additions                           | -             | 8.41          | 8.41          |
| Disposals / Adjustments             | -             | -             | -             |
| <b>Balance as at March 31, 2018</b> | <b>0.38</b>   | <b>138.37</b> | <b>138.75</b> |
| Additions                           | -             | -             | -             |
| Disposals / Adjustments             | -             | (23.67)       | (23.67)       |
| <b>Balance as at March 31, 2019</b> | <b>0.38</b>   | <b>162.04</b> | <b>162.42</b> |
| <b>Accumulated Depreciation</b>     |               |               |               |
| Balance upto April 01, 2017         | -             | 4.14          | 4.14          |
| Additions                           | -             | 2.59          | 2.59          |
| Disposals / Adjustments             | -             | -             | -             |
| <b>Balance upto March 31, 2018</b>  | <b>-</b>      | <b>6.73</b>   | <b>6.73</b>   |
| Additions                           | -             | 2.30          | 2.30          |
| Disposals / Adjustments             | -             | (1.45)        | (1.45)        |
| <b>Balance upto March 31, 2019</b>  | <b>-</b>      | <b>10.48</b>  | <b>10.48</b>  |
| <b>Net Carrying Amount</b>          |               |               |               |
| Balance as at April 01, 2017        | 0.38          | 125.82        | 126.20        |
| Balance as at March 31, 2018        | 0.38          | 131.64        | 132.02        |
| Balance as at March 31, 2019        | 0.38          | 151.56        | 151.94        |
| <b>Fair Value</b>                   |               |               |               |
| As at April 01, 2017                | 4.15          | 219.75        | 223.90        |
| As at March 31, 2018                | 4.15          | 189.94        | 194.09        |
| As at March 31, 2019                | 4.15          | 174.72        | 178.87        |

Notes :

- Information regarding income and expenditure of Investment Property

Amount ₹ in Crore

| Particulars  | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018<br>(Restated) |
|--|------------------------------|--|
| Rental income derived from investment properties             | 7.98                         | 9.05                                       |
| Direct operating expenses                                    | 5.45                         | 5.75                                       |
| Gains arising from investment properties before depreciation | 2.53                         | 3.30                                       |
| Less - Depreciation  | 0.85                         | 2.59                                       |
| Gains arising from investment properties                     | 1.68                         | 0.71                                       |

## Notes to the Standalone Financial Statements

2. The Company's investment properties consist of 15 properties in India. The Management has determined that the investment property consists of two classes of assets - Land and Building - based on the nature, characteristics and risks of each property.
3. The Company has no restriction on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.
4. The fair valuation is based on current prices in the active market for similar properties. The main inputs used are quantum, area, location, demand, age of building and trend of fair market rent in the location of the property.

The fair value is based on valuation performed by an accredited independent valuer. Fair valuation is based on replacement cost method. The fair value measurement is categorised in level 2 fair value hierarchy.

5. Reconciliation of Fair Value Amount ₹ in Crore

| Particulars  | Freehold Land | Buildings | Total   |
|--|---------------|-----------|---------|
| Opening balance as at April 01, 2017                   | 4.15          | 219.75    | 223.90  |
| Fair value differences                                 | -             | (38.22)   | (38.22) |
| Purchases  | -             | 8.41      | 8.41    |
| Opening balance as at April 01, 2018                   | 4.15          | 189.94    | 194.09  |
| Fair value differences                                 | -             | (38.89)   | (38.89) |
| Purchases / Transfer from Property, Plant & Equipments | -             | 23.67     | 23.67   |
| Closing balance as at March 31, 2019                   | 4.15          | 174.72    | 178.87  |

### Note 3b : Other Intangible Assets

Amount ₹ in Crore

| Particulars                         | Computer Software |
|-------------------------------------|-------------------|
| <b>Gross Carrying Amount</b>        |                   |
| <b>Balance as at April 01, 2017</b> | <b>1.28</b>       |
| Additions                           | 1.37              |
| Disposals / Adjustments             | -                 |
| <b>Balance as at March 31, 2018</b> | <b>2.65</b>       |
| Additions                           | 1.37              |
| Disposals / Adjustments             | -                 |
| <b>Balance as at March 31, 2019</b> | <b>4.02</b>       |
| <b>Accumulated Depreciation</b>     |                   |
| <b>Balance upto April 01, 2017</b>  | <b>0.38</b>       |
| Additions                           | 0.49              |
| Disposals / Adjustments             | -                 |
| <b>Balance upto March 31, 2018</b>  | <b>0.87</b>       |
| Additions                           | 0.78              |
| Disposals / Adjustments             | -                 |
| <b>Balance upto March 31, 2019</b>  | <b>1.65</b>       |
| <b>Net Carrying Amount</b>          |                   |
| Balance as at April 01, 2017        | 0.90              |
| Balance as at March 31, 2018        | 1.78              |
| Balance as at March 31, 2019        | 2.37              |

## Notes to the Standalone Financial Statements

### Note 4 : Investments in Subsidiaries and Associate

Amount ₹ in Crore

| Particulars  | Note | Face Value | As at March 31, 2019 |           | As at March 31, 2018<br>(Restated) |           |
|--|------|------------|----------------------|-----------|------------------------------------|-----------|
|  |      |            | Number               | Amount    | Number                             | Amount    |
| Investment in Equity Instruments (Fully Paid up unless stated otherwise) |      |            |                      |           |                                    |           |
| (a) Quoted Investments (at cost)   |      |            |                      |           |                                    |           |
| (i) Subsidiaries   |      |            |                      |           |                                    |           |
| Godrej Properties Limited  |      | ₹ 5        | 123,027,510          | 747.00    | 122,681,066                        | 726.78    |
| Godrej Agrovet Limited   | a    | ₹ 10       | 111,666,300          | 340.48    | 111,357,225                        | 325.64    |
| (ii) Associate   |      |            |                      |           |                                    |           |
| Godrej Consumer Products Limited   |      | ₹1         | 242,812,860          | 1,366.21  | 161,875,240                        | 1,366.21  |
| (b) Unquoted Investments (at cost)                                       |      |            |                      |           |                                    |           |
| (i) Subsidiaries   |      |            |                      |           |                                    |           |
| Ensemble Holdings & Finance Limited                                      | b    | ₹ 10       | 6,574,597            | 23.19     | 6,574,597                          | 23.19     |
| Godrej International Limited (Isle of Man)                               |      | £1         | 2,105,000            | 14.76     | 2,105,000                          | 14.76     |
| Godrej International Trading & Investments Pte. Limited                  |      | \$1        | 1,000,000            | 4.43      | 1,000,000                          | 4.43      |
| Natures Basket Limited   | c    | ₹ 10       | 445,830,000          | 443.79    | 369,230,000                        | 367.19    |
| Less : Provision for Impairment in the Value of Investment               |      |            |                      | (243.79)  |                                    | -         |
|  |      |            |                      | 200.00    |                                    | 367.19    |
| Godrej One Premises Management Private Limited*                          |      | ₹ 10       | 1,400                | 0.00      | 1,400                              | 0.00      |
|  |      |            |                      | 2,696.06  |                                    | 2,828.20  |
| Aggregate Amount of Quoted Investments                                   |      |            |                      | 2,453.68  |                                    | 2,418.63  |
| Aggregate Amount of Unquoted Investments                                 |      |            |                      | 486.17    |                                    | 409.57    |
| Aggregate Amount of Impairment in Value of Investments                   |      |            |                      | (243.79)  |                                    | -         |
| Market Value of Quoted Investments                                       |      |            |                      | 32,389.68 |                                    | 33,687.03 |

\* Amount less than ₹ 0.01 crore.

#### Notes

- a During the previous year, the Company participated in Godrej Agrovet Limited (GAVL) IPO and sold 65,21,739 shares and earned a profit of ₹267.38 crore on sale of shares. The Company, however, continues to hold a controlling stake in GAVL (Refer Note No. 34)
- b The Board of Directors of the Company have approved the demerger of the Investment Business of Ensemble Holdings and Finance Limited (a subsidiary of the Company) into the Company and the related Scheme of Arrangement ('Scheme') between Ensemble Holdings and Finance Limited and the Company. The Scheme has been filed with NSE and BSE and the Company will proceed with other necessary formalities in this regard, pending which no effects have been given in these Standalone Financial Statements.
- c The Company has recorded an impairment loss of ₹ 243.79 crore on an investment in a subsidiary being the excess of its carrying amount over the estimated recoverable amount considering the current and future business outlook.(Refer Note No. 34)

## Notes to the Standalone Financial Statements

### Note 4a : Non Current Financial Assets - Other Investments

Amount ₹ in Crore

| Particulars   | Note    | Face Value | As at March 31, 2019 |           | As at March 31, 2018<br>(Restated) |        |
|---|---------|------------|----------------------|-----------|------------------------------------|--------|
|   |         |            | Number               | Amount    | Number                             | Amount |
| 1 Investment in Equity Instruments (Fully Paid up unless stated otherwise)<br>At Fair Value Through Profit and Loss |         |            |                      |           |                                    |        |
| (a) Unquoted Investments  |         |            |                      |           |                                    |        |
| Bharuch Eco-Aqua Infrastructure Ltd.  | ₹ 10    | 440,000    | 0.44                 | 440,000   | 0.44                               |        |
| Less : Provision for Impairment in the Value of Investment  |         |            | (0.44)               |           | (0.44)                             |        |
|   |         |            | -                    |           | -                                  |        |
| Avesthagen Ltd.   | ₹ 7     | 469,399    | 12.43                | 469,399   | 12.43                              |        |
| Less : Provision for Impairment in the Value of Investment  |         |            | (12.43)              |           | (12.43)                            |        |
|   |         |            | -                    |           | -                                  |        |
| CBay Infotech Ventures Pvt. Ltd.  | ₹ 10    | 112,579    | 2.33                 | 112,579   | 2.33                               |        |
| Less : Provision for Impairment in the Value of Investment  |         |            | (2.33)               |           | (2.33)                             |        |
|   |         |            | -                    |           | -                                  |        |
| Gharda Chemicals Ltd.   | a ₹ 100 | 114        | 0.12                 | 114       | 0.12                               |        |
| Less : Provision for Impairment in the Value of Investment  |         |            | (0.12)               |           | (0.12)                             |        |
|   |         |            | -                    |           | -                                  |        |
| HyCa Technologies Pvt. Ltd.   | ₹ 10    | 12,436     | 1.24                 | 12,436    | 1.24                               |        |
| Less : Provision for Impairment in the Value of Investment  |         |            | (1.24)               |           | (1.24)                             |        |
|   |         |            | -                    |           | -                                  |        |
| Tahir Properties Ltd (Partly paid) *  | b ₹ 100 | 25         | 0.00                 | 25        | 0.00                               |        |
| Boston Analytics Inc.   | \$1     | 1,354,129  | 6.91                 | 1,354,129 | 6.91                               |        |
| Less : Provision for Impairment in the Value of Investment  |         |            | (6.91)               |           | (6.91)                             |        |
|   |         |            | -                    |           | -                                  |        |
| The Saraswat Co-op Bank Ltd.  | ₹ 10    | 1,000      | 0.02                 | 1,000     | 0.02                               |        |
| 2 Investment in Partnership Firms<br>At Fair Value Through Profit and Loss  |         |            |                      |           |                                    |        |
| View Group LP *   | c       |            | 0.00                 |           | 0.00                               |        |
| Less : Provision for Impairment in the Value of Investment  |         |            | 0.00                 |           | 0.00                               |        |
|   |         |            | -                    |           | -                                  |        |
|   |         |            | 0.02                 |           | 0.02                               |        |
| Aggregate Amount of Quoted Investments  |         |            | -                    |           | -                                  |        |
| Aggregate Amount of Unquoted Investments  |         |            | 23.49                |           | 23.49                              |        |
| Aggregate Amount of Impairment in Value of Investments  |         |            | (23.47)              |           | (23.47)                            |        |
| Market Value of Quoted Investments  |         |            | -                    |           | -                                  |        |

\* Amount less than ₹ 0.01 crore.

### Notes

- a The said shares have been refused for registration by the investee company.
- b Uncalled Liability on partly paid shares  
- Tahir Properties Ltd. - Equity - ₹ 80 per share (Previous year - ₹ 80 per share).
- c View Group LP has been dissolved on December 14, 2012, however, the Company has still not received an approval from RBI for writing-off the investment.



## Notes to the Standalone Financial Statements

### Note 5 : Non Current Financial Assets - Loans

Amount ₹ in Crore

| Particulars  | As at March 31, 2019            |                    | As at March 31, 2018<br>(Restated) |                    |
|--|---------------------------------|--------------------|------------------------------------|--------------------|
|  | Maximum Balance During the Year | Amount outstanding | Maximum Balance During the Year    | Amount outstanding |
| 1 Security Deposits                                  |                                 |                    |                                    |                    |
| (a) Unsecured and Considered Good                    |                                 | 3.05               |                                    | 3.24               |
| (b) Credit Impaired                                  | 0.95                            |                    | 0.95                               |                    |
| Less : Allowance for Bad and Doubtful Deposit        | (0.95)                          |                    | (0.95)                             |                    |
|  |                                 | -                  |                                    | -                  |
| 2 Other Loans  |                                 |                    |                                    |                    |
| (a) Credit Impaired (Refer note 2 below)             | 10.33                           |                    | 10.33                              |                    |
| Less : Allowance for Bad and Doubtful Loans          | (10.33)                         |                    | (10.33)                            |                    |
|  |                                 | -                  |                                    | -                  |
| (b) Unsecured and Considered Good Loans to employees |                                 | 0.67               |                                    | 0.50               |
|  |                                 | 3.72               |                                    | 3.74               |

#### Notes

- There are no loans which have significant increase in credit risk.
- The Company had advanced an amount of ₹ 10.33 crore to certain individuals who also pledged certain equity shares as security against the said advance. The Company has enforced its security and lodged the shares for transfer in its name. The said transfer application was rejected and Company has preferred an appeal to the Company Law Board (CLB). The CLB rejected the application and advised the parties to approach the High Court. The Company had filed an appeal before the Honorable High Court against the order of the Company Law Board under section 10 F of the Companies Act, 1956 which was disposed of with the direction to keep the transfer of shares in abeyance till the arbitration proceedings between the parties are on. The Honorable Bombay High Court passed an interim order dated September 18, 2012, restraining the Company from *inter alia*, dealing, selling or creating third party rights, etc. in the pledged shares and referred the matter to arbitration. The Company had filed a Special Leave Petition (SLP) before the Supreme Court against this interim order of the Honorable Bombay High Court which the Supreme Court has dismissed and the matter is presently before the Arbitrator. Pleadings have been completed and the Award is awaited.  
  
The Management is confident of recovery of this amount as underlying value of the said shares is substantially greater than the amount of loan and interest thereon. However, on a conservative basis, the Company has provided for the entire amount of ₹ 10.33 crore in the books of account.
- Details of Loans under section 186 (4) of Companies Act, 2013.

Amount ₹ in Crore

| Particulars                                     | As at March 31, 2019            |                    | As at March 31, 2018<br>(Restated) |                    |
|---|---------------------------------|--------------------|------------------------------------|--------------------|
|   | Maximum Balance During the Year | Amount outstanding | Maximum Balance During the Year    | Amount outstanding |
| 1 Loans where there is no repayment schedule    |                                 |                    |                                    |                    |
| (i) Federal & Rashmikant                        | 5.83                            | 5.83               | 5.83                               | 5.83               |
| (ii) M/s Dhruv & Co. (Regd.)                    | 4.18                            | 4.18               | 4.18                               | 4.18               |
| (iii) D. R. Kavasmaneck & Dr. P. R. Kavasmaneck | 0.32                            | 0.32               | 0.32                               | 0.32               |
| 2 Loans to Employees                            | 0.67                            | 0.67               | 0.50                               | 0.50               |

## Notes to the Standalone Financial Statements

### Note 6 : Non Current Financial Assets - Others

Amount ₹ in Crore

| Particulars  | As at March 31, 2019 | As at March 31, 2018<br>(Restated) |
|--|----------------------|------------------------------------|
| 1 Bank Deposit with more than 12 months maturity   | 1.11                 | 1.57                               |
| 2 Fair Value of Derivative Contracts               | -                    | 0.86                               |
| 3 Secured  |                      |                                    |
| (a) Interest Accrued on Loans (Refer Note 1 below) | 3.15                 | 3.15                               |
| Provision for Doubtful Interest Accrued            | (3.15)               | (3.15)                             |
|  | -                    | -                                  |
| 4 Unsecured  |                      |                                    |
| (a) Interest Accrued on Loans                      | 1.03                 | 1.03                               |
| Provision for Doubtful Interest Accrued            | (1.03)               | (1.03)                             |
|  | -                    | -                                  |
| 5 Balances with Statutory Authorities              | 9.79                 | 9.66                               |
|  | <b>10.90</b>         | <b>12.09</b>                       |

#### Note

- 1 Interest on loans referred to in sub note (2) under Note 5 - Non Current Loans, amounting to ₹ 3.15 crore was accrued upto March 31, 2000 and has been fully provided for, no interest is being accrued thereafter, in view of uncertainty of realisation.

### Note 7 : Deferred Tax Assets (Net)

Amount ₹ in Crore

| Particulars                                 | As at<br>March 31, 2019 | As at<br>March 31, 2018<br>(Restated) |
|---|-------------------------|---------------------------------------|
| 1 Liabilities                               |                         |                                       |
| (a) Written Down Value of Assets            | 177.98                  | 109.79                                |
| 2 Assets                                    |                         |                                       |
| (a) Provision for Employee Benefits         | 1.60                    | 1.76                                  |
| (b) Provision for Doubtful Debts / Advances | 8.43                    | 6.31                                  |
| (c) Other Provisions                        | 9.76                    | 9.07                                  |
| (d) Unabsorbed Depreciation                 | 158.19                  | 92.65                                 |
| (e) Indexation benefit on Land              | 0.94                    | 0.87                                  |
|   | <b>178.92</b>           | <b>110.66</b>                         |
| Deferred Tax Assets (net) - (Refer note 36) | <b>0.94</b>             | <b>0.87</b>                           |

### Note 8 : Other Non Current Assets

Amount ₹ in Crore

| Particulars                             | As at<br>March 31, 2019 | As at<br>March 31, 2018<br>(Restated) |
|---|-------------------------|---------------------------------------|
| 1 Capital Advances                      | 15.91                   | 13.65                                 |
| 2 Other Advances                        |                         |                                       |
| (a) Deposits with Statutory Authorities | 2.67                    | 2.62                                  |
|   | <b>18.58</b>            | <b>16.27</b>                          |

## Notes to the Standalone Financial Statements

### Note 9 : Inventories

Amount ₹ in Crore

| Particulars   | As at<br>March 31, 2019 | As at<br>March 31, 2018<br>(Restated) |
|---|-------------------------|---------------------------------------|
| 1 Raw Materials [includes Goods in transit ₹ 33.72 crore (previous year ₹ 29.42 crore)]   | 134.50                  | 124.69                                |
| 2 Packing Material  | 2.91                    | 4.35                                  |
| 3 Work in Progress  | 75.88                   | 89.81                                 |
| 4 Finished Goods [includes Goods in transit ₹ 22.43 crore, (previous year ₹ 15.94 crore)] | 78.24                   | 72.26                                 |
| 5 Stock in Trade  | 0.32                    | 0.02                                  |
| 6 Stores and Spares   | 9.01                    | 8.78                                  |
|   | <b>300.86</b>           | <b>299.91</b>                         |

#### Notes

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

### Note 10 : Current Financial Assets - Investments

Amount ₹ in Crore

| Particulars  | Note | Face Value   | As at<br>March 31, 2019 | As at<br>March 31, 2018<br>(Restated) |
|--|------|--------------|-------------------------|---------------------------------------|
| 1 Other Investment   |      |              |                         |                                       |
| (a) Unquoted Investment                                    |      |              |                         |                                       |
| Optionally Convertible Loan Notes/Promissory Notes         |      |              |                         |                                       |
| Boston Analytics Inc. (15%)                                | a    | \$ 7,50,000  | 3.00                    | 3.00                                  |
| Less : Provision for Impairment in the Value of Investment |      |              | (3.00)                  | (3.00)                                |
|  |      |              | -                       | -                                     |
| Boston Analytics Inc. (20%)                                | a    | \$ 15,50,000 | 6.73                    | 6.73                                  |
| Less : Provision for Impairment in the Value of Investment |      |              | (6.73)                  | (6.73)                                |
|  |      |              | -                       | -                                     |
| Boston Analytics Inc. (12%)                                | b    | \$ 9,50,000  | 4.69                    | 4.69                                  |
| Less : Provision for Impairment in the Value of Investment |      |              | (4.69)                  | (4.69)                                |
|  |      |              | -                       | -                                     |
| Aggregate Amount of Quoted Investments                     |      |              | -                       | -                                     |
| Aggregate Amount of Unquoted Investments                   |      |              | 14.42                   | 14.42                                 |
| Aggregate Amount of Impairment in Value of Investments     |      |              | (14.42)                 | (14.42)                               |
| Market Value of Quoted Investments                         |      |              | -                       | -                                     |

#### Notes

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

## Notes to the Standalone Financial Statements

### Note 11 : Current Financial Assets - Trade Receivables

Amount ₹ in Crore

| Particulars  | As at<br>March 31, 2019 | As at<br>March 31, 2018<br>(Restated) |
|--|-------------------------|---------------------------------------|
| 1 Secured and Considered Good (Refer Note below)               | 10.42                   | 7.36                                  |
| 2 Unsecured and Considered Good                                | 166.61                  | 110.53                                |
| 3 Trade Receivables having significant increase in credit risk | -                       | -                                     |
| 4 Credit Impaired  | 3.11                    | 2.97                                  |
| Less : Allowance for Bad and Doubtful Debt                     | (3.11)                  | (2.97)                                |
|  | -                       | -                                     |
|  | <u>177.03</u>           | <u>117.89</u>                         |

#### Note

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

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

Amount ₹ in Crore

| Particulars                                     | As at<br>March 31, 2019 | As at<br>March 31, 2018<br>(Restated) |
|---|-------------------------|---------------------------------------|
| 1 Balances with Banks                           |                         |                                       |
| (a) Current Accounts                            | 483.18                  | 59.88                                 |
| (b) Deposits having maturity less than 3 months | 30.38                   | 0.80                                  |
| 2 Cheques, Drafts on Hand                       | 0.27                    | -                                     |
| 3 Cash on Hand                                  | 0.35                    | 0.35                                  |
|   | <u>514.18</u>           | <u>61.03</u>                          |

### Note 12 b : Current Financial Assets - Other Bank Balances

Amount ₹ in Crore

| Particulars   | As at<br>March 31, 2019 | As at<br>March 31, 2018<br>(Restated) |
|---|-------------------------|---------------------------------------|
| 1 Deposits with more than 3 months but less than 12 months maturity | 0.96                    | 13.36                                 |
| 2 Other Bank Balances (Refer Notes below)                           | 1.15                    | 0.55                                  |
|   | <u>2.11</u>             | <u>13.91</u>                          |

#### Notes

Other Bank Balances include :

- 1 Fixed Deposit of ₹ 0.19 crore (previous year ₹ 0.19 crore) held by the bank as security against guarantees issued.
- 2 Balance of ₹ 0.35 crore (previous year ₹ 0.33 crore) unclaimed dividends.

## Notes to the Standalone Financial Statements

### Note 13 : Current Financial Assets - Loans

Amount ₹ in Crore

| Particulars                             | As at March 31, 2019            |                    | As at March 31, 2018<br>(Restated) |                    |
|---|---------------------------------|--------------------|------------------------------------|--------------------|
|   | Maximum Balance During the Year | Amount outstanding | Maximum Balance During the Year    | Amount outstanding |
| 1 Unsecured Loans                       |                                 |                    |                                    |                    |
| (a) Inter Corporate Deposit             |                                 |                    |                                    |                    |
| Considered Good                         | -                               |                    | -                                  |                    |
| Considered Doubtful                     | 5.77                            |                    | 5.77                               |                    |
| Provision for Doubtful Deposit          | (5.77)                          |                    | (5.77)                             |                    |
|   |                                 | -                  |                                    | -                  |
| (b) Current Maturity of Long term Loans |                                 |                    |                                    |                    |
| Considered Good                         | 0.17                            |                    | 0.17                               |                    |
| Considered Doubtful *                   | 0.00                            |                    | 0.00                               |                    |
| Provision for Doubtful Loan *           | 0.00                            |                    | 0.00                               |                    |
|   |                                 | 0.17               |                                    | 0.17               |
|   |                                 | 0.17               |                                    | 0.17               |

\* Amount less than ₹ 0.01 crore.

#### Note

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

Amount ₹ in Crore

| Particulars               | As at March 31, 2019            |                    | As at March 31, 2018<br>(Restated) |                    |
|---------------------------|---------------------------------|--------------------|------------------------------------|--------------------|
|                           | Maximum Balance During the Year | Amount outstanding | Maximum Balance During the Year    | Amount outstanding |
| 1 Loans to Employees      | 0.17                            | 0.17               | 0.17                               | 0.17               |
| 2 Inter Corporate Deposit |                                 |                    |                                    |                    |
| Tricom India Limited      | 5.77                            | 5.77               | 5.77                               | 5.77               |

### Note 14 : Current Financial Assets - Others

Amount ₹ in Crore

| Particulars                              | As at          |                              |
|--|----------------|------------------------------|
|  | March 31, 2019 | March 31, 2018<br>(Restated) |
| 1 Other Receivables                      | 13.41          | 23.09                        |
| 2 Fair Value of Derivative Contracts     | 0.06           | 0.01                         |
| 3 Forward Cover Contracts Receivable     | -              | 0.90                         |
| 4 Interest Accrued on Loans and Deposits | 0.04           | 0.02                         |
| 5 Export Benefits Receivables            | 0.30           | 13.20                        |
|  | 13.81          | 37.22                        |

## Notes to the Standalone Financial Statements

### Note 15 : Other Current Assets

Amount ₹ in Crore

| Particulars                             | As at March 31, 2019 | As at March 31, 2018<br>(Restated) |
|---|----------------------|------------------------------------|
| 1 Deposits                              |                      |                                    |
| (a) Deposits with Statutory Authorities | 22.61                | 36.63                              |
| (b) Other Deposits                      | 2.60                 | 2.47                               |
|   | 25.21                | 39.10                              |
| 2 Other Advances                        |                      |                                    |
| (a) Advance to Suppliers                |                      |                                    |
| Considered Good                         | 7.58                 | 12.38                              |
| Considered Doubtful                     | 0.74                 | 0.74                               |
| Provision for Doubtful Advances         | (0.74)               | (0.74)                             |
|   | 7.58                 | 12.38                              |
| (b) Employee Advance                    | 0.02                 | 0.02                               |
| (c) Prepaid and other advances          | 20.08                | 17.89                              |
| 3 Export Benefits Receivables           | 9.09                 | 9.90                               |
|   | 61.98                | 79.29                              |

## Notes to the Standalone Financial Statements

### Note 16 : Equity

Amount ₹ in Crore

| Particulars   | As at March 31, 2019 |                      | As at March 31, 2018<br>(Restated) |                      |
|---|----------------------|----------------------|------------------------------------|----------------------|
|   | Nos                  | Amount<br>₹ in Crore | Nos                                | Amount<br>₹ in Crore |
| <b>1 Authorised Share Capital</b>   |                      |                      |                                    |                      |
| (a) Equity shares of ₹ 1 each   | 800,000,000          | 80.00                | 800,000,000                        | 80.00                |
| (b) Unclassified Shares of ₹ 10 each  | 100,000,000          | 100.00               | 100,000,000                        | 100.00               |
|   |                      | <u>180.00</u>        |                                    | <u>180.00</u>        |
| <b>2 Issued, Subscribed and Paid up Share Capital</b>   |                      |                      |                                    |                      |
| Equity Shares of ₹ 1 each fully paid up   | 336,384,367          | 33.64                | 336,272,731                        | 33.63                |
| Par Value of Equity Share is ₹ 1 each   |                      |                      |                                    |                      |
| Par Value of Unclassified Share is ₹ 10 each  |                      |                      |                                    |                      |
| <b>3 Reconciliation of number of Shares</b>   |                      |                      |                                    |                      |
| Equity Shares   |                      |                      |                                    |                      |
| Number of Shares outstanding at the beginning of the year   | 336,272,731          | 33.63                | 336,139,786                        | 33.61                |
| Issued during the year  | 111,636              | 0.01                 | 132,945                            | 0.02                 |
| Number of Shares outstanding at the end of the year   | <u>336,384,367</u>   | <u>33.64</u>         | <u>336,272,731</u>                 | <u>33.63</u>         |
| <b>4 Rights, Preferences And Restrictions attached to Shares</b>  |                      |                      |                                    |                      |
| Equity Shares : The Company has one class of equity shares. Each equity share entitles the holder to one vote. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholding. |                      |                      |                                    |                      |
| <b>5 Share Holding Information</b>  |                      |                      |                                    |                      |
| (a) Equity Shares held by Holding Company:  |                      |                      |                                    |                      |
| Vora Soaps Limited  | -                    | -                    | 193,904,681                        | 19.39                |
| (b) Shareholders holding more than 5% of Equity Shares in the Company:  |                      |                      |                                    |                      |
| Vora Soaps Limited - NIL% (previous year 57.66%)  | -                    | -                    | 193,904,681                        | 19.39                |
| Rishad Kaikhushru Naoroji & Others (Partners of RKN Enterprises)- 12.66% (previous year 3.81%)  | 42,583,272           | 4.26                 | 12,806,300                         | 1.28                 |
| Godrej Foundation - 13.38% (previous year Nil)  | 45,014,972           | 4.50                 | -                                  | -                    |
| <b>6 Equity Shares Reserved for Issue Under Employee Stock Grant (₹ 1 each)</b>   |                      |                      |                                    |                      |
| Employee Stock Grant for which vesting date shall be such date as may be decided by the Compensation Committee (*)  |                      |                      |                                    |                      |
| (a) Employee Stock Grant vesting on 31/03/18  | -                    | -                    | 2,075                              | 0.00                 |

## Notes to the Standalone Financial Statements

| Particulars                                  | As at March 31, 2019 |                      | As at March 31, 2018<br>(Restated) |                      |
|--|----------------------|----------------------|------------------------------------|----------------------|
|  | Nos                  | Amount<br>₹ in Crore | Nos                                | Amount<br>₹ in Crore |
| (b) Employee Stock Grant vesting on 31/05/18 | -                    | -                    | 109,052                            | 0.01                 |
| (c) Employee Stock Grant vesting on 30/09/18 | -                    | -                    | 807                                | 0.00                 |
| (d) Employee Stock Grant vesting on 30/11/18 | -                    | -                    | 3,454                              | 0.00                 |
| (e) Employee Stock Grant vesting on 31/05/19 | 90,785               | 0.01                 | 72,234                             | 0.01                 |
| (f) Employee Stock Grant vesting on 31/05/20 | 50,655               | 0.01                 | 31,758                             | 0.00                 |
| (g) Employee Stock Grant vesting on 31/05/21 | 19,589               | 0.00                 | -                                  | -                    |

The exercise period in respect of the stock grants mentioned above is one month.

### 7 During the period of five years immediately preceding the date as at which the Balance Sheet is prepared :

Pursuant to the Scheme of Amalgamation of Vora Soaps Limited (VSL) with the Company 19,39,04,681 equity shares allotted as fully paid up to the Equity and Preference Shareholders of VSL.

Pursuant to the Scheme of Amalgamation of Wadala Commodities Limited (WCL) with the Company :

- (i) 2,00,243 equity shares allotted as fully paid up to the Equity Shareholders of WCL and 10 equity shares allotted as fully paid up to the Preference Shareholders of WCL, without payment being received in cash.
- (ii) 67,627 equity shares have been allotted as fully paid up bonus shares to the non-promoter shareholders of the Company.

### 8 There are no calls unpaid.

### 9 There are no forfeited shares.

(\*) Amount less than ₹ 0.01 crore.

### Notes

- 1 On December 14, 2018, the National Company Law Tribunal ("NCLT"), Mumbai bench vide its Order approved the Scheme of Amalgamation of Vora Soaps Limited (VSL) with the Company. Consequent to the said Order and filing of the final certified Orders with the Registrar of Companies, Maharashtra on December 24, 2018, the Scheme has become effective from the Appointed Date of December 14, 2017. According to the Scheme, the Company cancelled 19,39,04,681 equity shares held by VSL and issued 19,39,04,681 fully paid Equity Shares as a consideration to the Equity and Preference shareholders of Vora Soaps Limited. (Refer Note 46)
- 2 In the FY 2014-15, the Honourable Bombay High Court and High Court of Madhya Pradesh, Indore Bench, approved a Scheme of Amalgamation ("Scheme") of Wadala Commodities Limited (WCL) with the Company effective from April 1, 2014, being the appointed date. The Effective Date was November 21, 2014, being the date of filing the approval of the Respective High Courts with the ROC. Accordingly, the Company had issued 200,243 equity shares of the Company in lieu of the equity shares in WCL and 10 equity shares of the Company in lieu of the preference shares in WCL held by the shareholders of the erstwhile WCL and also issued 67,504 bonus equity shares of the Company to the non-promoter shareholders of the Company.



## Notes to the Standalone Financial Statements

### Note 17 : Other Equity

#### A Summary of Other Equity Balances

Amount ₹ in Crore

| Particulars                     | As at<br>March 31, 2019 | As at<br>March 31, 2018<br>(Restated) |
|---------------------------------|-------------------------|---------------------------------------|
| 1 Capital Redemption Reserve    | 31.46                   | 31.46                                 |
| 2 Securities Premium Account    | 912.76                  | 943.70                                |
| 3 Capital Reserve               | 24.32                   | 24.32                                 |
| 4 Employee Stock Grants Reserve | 5.69                    | 6.20                                  |
| 5 General Reserve               | 52.70                   | 52.70                                 |
| 6 Retained Earnings             | 571.12                  | 723.10                                |
|                                 | <b>1,598.05</b>         | <b>1,781.48</b>                       |

Refer Statement of Changes in Equity for detailed movement in Other Equity balances

#### B Nature and purpose of reserve

- 1 Capital Redemption Reserve : The Company recognised Capital Redemption Reserve on buyback of equity shares from its retained earnings.
- 2 Securities Premium Account : The amount received in excess of face value of the equity shares is recognised in Securities Premium Account. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium account. This reserve is utilised in accordance with the Section 52 of The Companies Act, 2013.
- 3 Capital Reserve : During amalgamation, the excess of net assets taken, over the cost of consideration paid is treated as capital reserve.
- 4 Employee Stock Grants Outstanding : The fair value of the equity-settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to Employee Stock Options Outstanding Account.
- 5 General Reserve : The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.
- 6 Retained Earnings : Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

## Notes to the Standalone Financial Statements

### Note 18 : Non Current Financial Liabilities - Borrowings

Amount ₹ in Crore

| Particulars                                  | As at<br>March 31, 2019 | As at<br>March 31, 2018<br>(Restated) |
|--|-------------------------|---------------------------------------|
| Unsecured Borrowings                         |                         |                                       |
| Term Loans                                   |                         |                                       |
| (i) From Banks (Refer Note 1 below)          | 625.00                  | 372.15                                |
| (ii) From Other Parties (Refer Note 2 below) | -                       | 33.34                                 |
|  | <b>625.00</b>           | <b>405.49</b>                         |

#### Notes:

#### 1. Unsecured Loans from Banks

Amount ₹ in Crore

| Particulars  | As at<br>March 31, 2019 | As at<br>March 31, 2018<br>(Restated) |
|--|-------------------------|---------------------------------------|
| Loan carried interest at Base Rate/ 1 Year MCLR for an original term upto 36 months and repayable starting December 2018 to June 2019.     | -                       | 25.00                                 |
| Loan carried interest at 3 Month MCLR for an original term upto 36 months and repayable starting March 2019 to September 2019.             | -                       | 50.00                                 |
| Loan carries interest at Fixed rate of 8.50% p.a for an original term upto 60 months and repayable starting June 2018 to March 2022.       | 62.50                   | 93.75                                 |
| Loan carries interest at 1 year MCLR for an original term upto 60 months and repayable starting June 2018 to March 2022.                   | 45.00                   | 67.50                                 |
| Loan carries interest at 1 year MCLR for an original term upto 60 months and repayable starting July 2018 to April 2022.                   | 17.50                   | 28.44                                 |
| Loan carried interest at 3 year MCLR + 0.05% p.a. for an original term upto 36 months and repayable starting November 2018 to August 2019. | -                       | 25.00                                 |
| Loan carried interest at LIBOR + 2.40% p.a., fixed under IRS at 4.28% p.a for an original term upto 60 months and repayable by July 2019.  | -                       | 41.18                                 |
| Loan carried interest at LIBOR + 2.35% p.a., fixed under IRS at 4.25% p.a for an original term upto 60 months and repayable by July 2019.  | -                       | 27.61                                 |
| Loan carried interest at LIBOR + 2.45% p.a., fixed under IRS at 4.39% p.a for an original term upto 60 months and repayable by July 2019.  | -                       | 13.67                                 |
| Loan carries interest at 1 year MCLR for an original term upto 72 months and repayable starting March 2022 to March 2025                   | 500.00                  | -                                     |

#### 2. Unsecured Loans from Others

Amount ₹ in Crore

| Particulars  | As at<br>March 31, 2019 | As at<br>March 31, 2018<br>(Restated) |
|--|-------------------------|---------------------------------------|
| Loan carried interest at SBI Base Rate + 0.35% p.a. for an original term upto 60 months and repayable by March 2020. | -                       | 16.67                                 |
| Loan carried interest at SBI Base Rate + 0.35% p.a. for an original term upto 60 months and repayable by March 2020. | -                       | 16.67                                 |

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

## Notes to the Standalone Financial Statements

### Note 19 : Non Current Provisions

Amount ₹ in Crore

| Particulars                     | As at<br>March 31, 2019 | As at<br>March 31, 2018<br>(Restated) |
|---------------------------------|-------------------------|---------------------------------------|
| Provision for Employee Benefits |                         |                                       |
| (a) Defined Benefit Obligation  | 7.43                    | 5.55                                  |
| (b) Other Long Term Benefit     | 1.30                    | 1.49                                  |
|                                 | <b>8.73</b>             | <b>7.04</b>                           |

### Note 20 : Current Financial Liabilities - Borrowings

Amount ₹ in Crore

| Particulars                                | As at<br>March 31, 2019 | As at<br>March 31, 2018<br>(Restated) |
|--|-------------------------|---------------------------------------|
| 1 Secured Borrowings                       |                         |                                       |
| (a) Loans Repayable on Demand              |                         |                                       |
| (i) From Banks (Refer Note 1 below)        | -                       | 0.61                                  |
| (b) Short Term Loans                       |                         |                                       |
| (i) From Banks (Refer Note 1 below)        | 10.00                   | -                                     |
| 2 Unsecured Borrowings                     |                         |                                       |
| (a) Loans Repayable on Demand              |                         |                                       |
| (i) From Banks (Refer Note 2 below)        | 91.58                   | 57.14                                 |
| (b) Short Term Loans                       |                         |                                       |
| (i) From Banks (Refer Note 2 below)        | 1,245.00                | 1,010.00                              |
| (c) Other Loans                            |                         |                                       |
| (i) Commercial Papers (Refer Note 3 below) | 940.00                  | 615.00                                |
|  | <b>2,286.58</b>         | <b>1,682.75</b>                       |

#### Notes:

1 Working capital facilities sanctioned by banks under consortium arrangement are secured by hypothecation of stocks and book debts, carries interest rate at 3 month MCLR+0.1% repayable by May 2019.

2 Unsecured Loans from Bank

Amount ₹ in Crore

| Particulars   | As at<br>March 31, 2019 | As at<br>March 31, 2018<br>(Restated) |
|---|-------------------------|---------------------------------------|
| Loan carries interest rate from 8.45%p.a. to 8.95p.a. repayable by April 2019 | 460.00                  | -                                     |
| Loan carries interest rate at 1 month MCLR repayable by April 2019            | 55.00                   | -                                     |
| Loan carries interest rate of 7.99%. repayable by May 2019                    | 150.00                  | -                                     |
| Loan carries interest rate at 1 month MCLR repayable by May 2019              | 100.00                  | -                                     |
| Loan carries interest rate at 6month MCLR+0.05% repayable by May 2019         | 25.00                   | -                                     |
| Loan carries interest rate at 3month MCLR repayable by May 2019               | 25.00                   | -                                     |
| Loan carries interest rate at 3 month MCLR + 0.25 % p.a.repayable by May 2019 | 150.00                  | -                                     |
| Loan carries interest rate at 6month MCLR repayable by June 2019              | 75.00                   | -                                     |
| Loan carries interest rate at 6month+0.05% MCLR repayable by June 2019        | 155.00                  | -                                     |

## Notes to the Standalone Financial Statements

| Particulars   | As at<br>March 31, 2019 | As at<br>March 31, 2018<br>(Restated) |
|---|-------------------------|---------------------------------------|
| Loan carries interest rate at 6month+0.05% MCLR repayable by July 2019          | 50.00                   | -                                     |
| Loan carried interest rate at 1 month MCLR repayable by April 2018              |                         | 220.00                                |
| Loan carried interest rate at 1 month MCLR repayable by May 2018                |                         | 260.00                                |
| Loan carried interest rate at 1 month MCLR repayable by June 2018               |                         | 155.00                                |
| Loan carried interest rate at 3 month MCLR repayable by June 2018               |                         | 160.00                                |
| Loan carried interest rate from 7.55%p.a. to 7.88p.a. repayable by June 2018    |                         | 150.00                                |
| Loan carried interest rate at 3 month MCLR + 0.25 % p.a. repayable by June 2018 |                         | 65.00                                 |
| Loan carries interest at Base Rate repayable within 6 months                    | 91.58                   | 57.14                                 |
| 3 Commercial Papers   |                         | Amount ₹ in Crore                     |

| Particulars  | As at<br>March 31, 2019 | As at<br>March 31, 2018<br>(Restated) |
|--|-------------------------|---------------------------------------|
| Commercial Papers carries interest at 7.16% p.a. to 7.58% p.a. repayable during the period April to June 2019. | 940.00                  | -                                     |
| Commercial Papers carried interest at 7.1% p.a. to 7.25% p.a. repayable during the period April to June 2018.  | -                       | 615.00                                |

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

### Note 21 : Current Financial Liabilities - Trade Payables

Amount ₹ in Crore

| Particulars  | As at<br>March 31, 2019 | As at<br>March 31, 2018<br>(Restated) |
|--|-------------------------|---------------------------------------|
| 1 Trade Payables   | -                       | -                                     |
| (a) Outstanding dues of Micro and Small Enterprises (Refer Note 1 below) | 8.43                    | 8.86                                  |
| (b) Others   | 276.47                  | 280.04                                |
| 2 Acceptances  | 68.88                   | 63.39                                 |
|  | <b>353.78</b>           | <b>352.29</b>                         |

#### Note

1 There are no Micro, Small and Medium Enterprises, to whom the Company owes dues (principal and/or interest), which are outstanding for more than 45 days as at the balance sheet date. During the year, there have been no payments made to Micro, Small and Medium Enterprises beyond 45 days. There were no amounts on account of interest due that were payable for the period where the principal has been paid but interest under the MSMED Act, 2006 not paid. Further, there were no amounts towards interest accrued that were remaining unpaid at the end of accounting year. Accordingly, there were no amounts due to further interest due and payable in the succeeding years. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

## Notes to the Standalone Financial Statements

### Note 22 : Current Financial Liabilities - Others

Amount ₹ in Crore

| Particulars  | As at March 31, 2019 | As at March 31, 2018<br>(Restated) |
|--|----------------------|------------------------------------|
| 1 Current Maturities of Long Term Debts<br>Unsecured |                      |                                    |
| (a) Term Loan from Bank                              | 249.99               | 582.85                             |
| (b) Term Loan from Others                            | 33.33                | 33.33                              |
|  | <u>283.32</u>        | <u>616.18</u>                      |
| 2 Interest Accrued but not Due on Borrowings         | 4.45                 | 6.83                               |
| 3 Unclaimed Dividends                                | 0.33                 | 0.33                               |
| 4 Unclaimed Matured Deposits                         |                      |                                    |
| (a) Principal Amount                                 | 0.48                 | 0.84                               |
| (b) Interest accrued Thereon                         | 0.03                 | 0.06                               |
|  | <u>0.51</u>          | <u>0.90</u>                        |
| 5 Others   |                      |                                    |
| (a) Sundry Creditors                                 | 62.78                | 50.53                              |
| (b) Deposits   | 8.77                 | 7.17                               |
| (c) Forward Cover Contracts Payable                  | 4.81                 | -                                  |
| (d) Other Payables                                   | 0.08                 | 0.08                               |
|  | <u>76.44</u>         | <u>57.78</u>                       |
|  | <u>365.05</u>        | <u>682.02</u>                      |

#### Note

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

### Note 23 : Other Current Liabilities

Amount ₹ in Crore

| Particulars             | As at<br>March 31, 2019 | As at<br>March 31, 2018<br>(Restated) |
|-------------------------|-------------------------|---------------------------------------|
| Advances from Customers | 5.91                    | 5.02                                  |
| Statutory Liabilities   | 29.59                   | 29.23                                 |
| Other Liabilities       | 1.08                    | 1.07                                  |
|                         | <u>36.58</u>            | <u>35.32</u>                          |

### Note 24 : Current Provisions

Amount ₹ in Crore

| Particulars                     | As at<br>March 31, 2019 | As at<br>March 31, 2018<br>(Restated) |
|---------------------------------|-------------------------|---------------------------------------|
| Provision for Employee Benefits |                         |                                       |
| (a) Defined Benefit Obligation  | 4.23                    | 4.19                                  |
| (b) Other Long Term Benefit     | 0.64                    | 0.64                                  |
|                                 | <u>4.87</u>             | <u>4.83</u>                           |

## Notes to the Standalone Financial Statements

### Note 25 : Contingent Liabilities

Amount ₹ in Crore

| Particulars   | As at<br>March 31, 2019 | As at<br>March 31, 2018<br>(Restated) |
|---|-------------------------|---------------------------------------|
| <b>1 Claims against the Company not acknowledged as debts</b>   |                         |                                       |
| (a) Excise duty / Service Tax demands relating to disputed classification, post manufacturing expenses, assessable values, etc. which the Company has contested and is in appeal at various levels. | 5.89                    | 10.65                                 |
| (b) Customs Duty demands relating to lower charge, differential duty, classification, etc.  | 2.63                    | 3.94                                  |
| (c) Sales Tax demands relating to purchase tax on Branch Transfer / disallowance of high seas sales, etc. at various levels.  | 46.03                   | 46.03                                 |
| (d) Octroi demand relating to classification issue on import of Palm Stearine and interest thereon.   | 0.29                    | 0.29                                  |
| (e) Stamp duties claimed on certain properties which are under appeal by the Company.   | 1.82                    | 1.82                                  |
| (f) Income tax demands against which the Company has preferred appeals.   | 96.75                   | 58.28                                 |
| (g) Industrial relations matters under appeal.  | 0.52                    | 0.47                                  |
| (h) Others.   | 5.61                    | 5.61                                  |
| <b>2 Surety Bonds</b>   |                         |                                       |
| Surety Bonds given by the Company in respect of refund received from excise authority for exempted units of associate company - refer note 1 below.   | 33.11                   | 26.88                                 |

#### Notes

- Detail of Guarantee given covered under section 186 (4) of the Companies Act, 2013 :  
The Corporate surety bond of ₹ 33.11 crore ( previous year ₹ 26.88 crore) is in respect of refund received from excise authority for exempted units (North East) of Godrej Consumer Products Limited, an associate company.
- The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.
- It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

### Note 26 : Commitments

Amount ₹ in Crore

| Particulars  | As at<br>March 31, 2019 | As at<br>March 31, 2018<br>(Restated) |
|--|-------------------------|---------------------------------------|
| 1 Estimated amount of contracts remaining to be executed on capital account and not provided for,<br>[Net of Advances amounting to ₹ 15.91 crore (previous year - ₹13.65 crore)] | 6.95                    | 12.25                                 |
| 2 Uncalled liability on partly paid shares / debentures (*)  | 0.00                    | 0.00                                  |
| 3 Other Long Term Commitments<br>Contracts for Purchase of Raw Material  | 113.90                  | 75.43                                 |

\* Amount less than ₹ 0.01 crore

## Notes to the Standalone Financial Statements

### Note 27 : Revenue From Operations

Amount ₹ in Crore

| Particulars                              | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018<br>(Restated) |
|--|------------------------------|--|
| 1 Sale of Products (Refer Note 1 below)  | 1,762.92                     | 1,751.97                                   |
| 2 Other Operating Revenues               |                              |  |
| (a) Export Incentives                    | 21.66                        | 19.91                                      |
| (b) Sale of Scrap                        | 2.49                         | 1.42                                       |
| (c) Dividend Income (Refer Note 2 below) | 341.49                       | 198.74                                     |
| (d) Rental Income                        | 15.43                        | 14.28                                      |
|  | <b>2,143.99</b>              | <b>1,986.32</b>                            |

### Notes

- The Government of India introduced the Goods and Service Tax (GST) with effect from July 01, 2017, consequently revenue from operations for the period July 01, 2017 to March 31, 2018 is net of GST. However, revenue for the period April 01, 2017 to June 30, 2017 is inclusive of Excise Duty and hence, total revenue from operations for the year ended March 31, 2019 and year ended March 31, 2018 are not comparable.
- Dividend Income has been disclosed under Revenue from Operations since Finance and Investments is an Operating Business Segment for the Company.
- Disaggregation of revenue from contracts with customers

The Company derives revenue from the sale of products in the following major segments:

Amount ₹ in Crore

| Sale of Products              | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018<br>(Restated) |
|-------------------------------|------------------------------|--|
| 1 Chemicals Segment           |                              |  |
| Domestic Sale                 | 1,113.66                     | 1,103.15                                   |
| Export Sale                   | 534.69                       | 539.37                                     |
| 2 Vegoils Segment             |                              |  |
| Domestic Sale                 | 111.34                       | 102.30                                     |
| 3 Other Segment - Wind Energy |                              |  |
| Domestic Sale                 | 3.23                         | 7.15                                       |
|                               | <b>1,762.92</b>              | <b>1,751.97</b>                            |

- Reconciliation of revenue from Contracts with Customers

Amount ₹ in Crore

| Particulars   | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018<br>(Restated) |
|---|------------------------------|--|
| Revenue from Contracts with Customers as per the contract price               | 1,769.41                     | 1,756.47                                   |
| Adjustments made to contract price on account of :-                           |                              |  |
| a) Discounts / Rebates / Incentives   | (5.36)                       | (4.23)                                     |
| b) Sales Returns /Credits / Reversals   | (1.33)                       | -  |
| c) Any other adjustments  | 0.20                         | (0.27)                                     |
| Revenue from Contracts with Customers as per the statement of Profit and Loss | <b>1,762.92</b>              | <b>1,751.97</b>                            |

## Notes to the Standalone Financial Statements

### Note 28 : Other Income

Amount ₹ in Crore

| Particulars  | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018<br>(Restated) |
|--|------------------------------|--|
| 1 Interest Income  | 1.13                         | 1.34                                       |
| 2 Profit on Sale of Property, Plant and Equipments (Net) | -                            | 0.19                                       |
| 3 Profit on Sale of Current Investments                  | 4.09                         | 1.31                                       |
| 4 Miscellaneous Income                                   | 36.57                        | 30.86                                      |
|  | <b>41.79</b>                 | <b>33.70</b>                               |

### Note 29 : Cost of Materials Consumed

Amount ₹ in Crore

| Particulars                               | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018<br>(Restated) |
|---|------------------------------|--|
| 1 Raw Materials Consumed                  |                              |  |
| Inventory at the Commencement of the Year | 124.69                       | 107.93                                     |
| Add : Purchases (Net)                     | 1,244.30                     | 1,247.05                                   |
|   | <b>1,368.99</b>              | <b>1,354.98</b>                            |
| Less : Inventory at the Close of the Year | 134.50                       | 124.69                                     |
|   | <b>1,234.49</b>              | <b>1,230.29</b>                            |
| 2 Packing Materials Consumed              |                              |  |
| Inventory at the Commencement of the Year | 4.35                         | 3.41                                       |
| Add : Purchases (Net)                     | 53.42                        | 49.59                                      |
|   | <b>57.77</b>                 | <b>53.00</b>                               |
| Less : Inventory at the Close of the Year | 2.91                         | 4.35                                       |
|   | <b>54.86</b>                 | <b>48.65</b>                               |
| Total Material Consumed (1+2)             | <b>1,289.35</b>              | <b>1,278.94</b>                            |

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

Amount ₹ in Crore

| Particulars                                 | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018<br>(Restated) |
|---|------------------------------|--|
| 1 Inventory at the Commencement of the Year |                              |  |
| Finished Goods                              | 72.26                        | 78.66                                      |
| Stock in Trade                              | 0.02                         | 7.84                                       |
| Work in Progress                            | 89.81                        | 88.88                                      |
|   | <b>162.09</b>                | <b>175.38</b>                              |
| 2 Inventory at the End of the Year          |                              |  |
| Finished Goods                              | 78.24                        | 72.26                                      |
| Stock in Trade                              | 0.32                         | 0.02                                       |
| Work in Progress                            | 75.88                        | 89.81                                      |
|   | <b>154.44</b>                | <b>162.09</b>                              |
| Changes in Inventories (1-2)                | <b>7.65</b>                  | <b>13.29</b>                               |



## Notes to the Standalone Financial Statements

### Note 31 : Employee Benefits Expenses

Amount ₹ in Crore

| Particulars                                 | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018<br>(Restated) |
|---|------------------------------|--|
| 1 Salaries and Wages                        | 111.39                       | 114.93                                     |
| 2 Contribution to Provident and Other Funds | 8.09                         | 7.80                                       |
| 3 Employee Share based payments             | 2.81                         | 2.16                                       |
| 4 Staff Welfare Expense                     | 7.88                         | 8.66                                       |
|   | <b>130.17</b>                | <b>133.55</b>                              |

### Note 32 : Finance Costs

Amount ₹ in Crore

| Particulars             | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018<br>(Restated) |
|-------------------------|------------------------------|--|
| 1 Interest Expense      | 220.09                       | 198.09                                     |
| 2 Other Borrowing Costs | 19.50                        | 14.34                                      |
|                         | <b>239.59</b>                | <b>212.43</b>                              |

### Note 33 : Other Expenses

Amount ₹ in Crore

| Particulars                                  | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018<br>(Restated) |
|--|------------------------------|--|
| 1 Consumption of Stores and Spares           | 9.94                         | 11.03                                      |
| 2 Power and Fuel                             | 93.72                        | 90.50                                      |
| 3 Processing Charges                         | 6.54                         | 5.88                                       |
| 4 Rent (Refer Note 1)                        | 7.32                         | 7.34                                       |
| 5 Rates and Taxes                            | 5.05                         | 5.55                                       |
| 6 Repairs and Maintenance                    |                              |  |
| (a) Machinery                                | 11.56                        | 13.51                                      |
| (b) Buildings                                | 12.92                        | 9.58                                       |
| (c) Other Assets                             | 0.49                         | 0.43                                       |
| 7 Insurance                                  | 1.76                         | 1.75                                       |
| 8 Freight                                    | 50.19                        | 43.38                                      |
| 9 Commission                                 | 7.38                         | 4.82                                       |
| 10 Advertisement and Publicity               | 1.62                         | 1.80                                       |
| 11 Selling and Distribution Expenses         | 12.45                        | 13.37                                      |
| 12 Provision for Doubtful Debts and Advances | 0.18                         | 0.08                                       |
| 13 Loss on Foreign Exchange Translation      | 8.18                         | 2.39                                       |
| 14 Loss on Sale of Fixed Assets              | 0.17                         | -  |
| 15 Research Expense                          | 1.12                         | 1.16                                       |
| 16 Legal and Professional fees               | 23.78                        | 20.55                                      |
| 17 Auditor's Remuneration (Refer Note 2)     | 0.81                         | 0.79                                       |
| 18 Miscellaneous Expenses                    | 55.75                        | 54.02                                      |
|  | <b>310.93</b>                | <b>287.93</b>                              |

#### Notes :

- Rental expenses amounting to ₹ 9.13 crore (previous year ₹ 9.13 crore) are netted off with rental income in respect of certain premises in the same building.

## Notes to the Standalone Financial Statements

## 2 Auditor's Remuneration

Amount ₹ in Crore

| Particulars            | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018<br>(Restated) |
|------------------------|------------------------------|--|
| (a) Audit Fees         | 0.75                         | 0.76                                       |
| (b) Certification Fees | 0.06                         | 0.03                                       |
|                        | <b>0.81</b>                  | <b>0.79</b>                                |

## Note 34 : Exceptional Items

Amount ₹ in Crore

| Particulars   | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018<br>(Restated) |
|---|------------------------------|--|
| 1 Profit on sale of Non Current Investments (Refer Note 4(a)) | -                            | 267.38                                     |
| 2 Provision for Impairment of Investment (Refer Note 4(c))    | (243.79)                     | -  |
|   | <b>(243.79)</b>              | <b>267.38</b>                              |

## Note 35 : Earnings Per Share

| Particulars   | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018<br>(Restated) |
|---|------------------------------|--|
| 1 Calculation of weighted average number of equity shares - Basic                             |                              |  |
| (a) Number of equity shares at the beginning of the year (in units)                           | 336,272,731                  | 336,139,786                                |
| (b) Number of equity shares issued during the year (in units)                                 | 111,636                      | 132,945                                    |
| (c) Number of equity shares outstanding at the end of the year (in units)                     | 336,384,367                  | 336,272,731                                |
| (d) Weighted average number of equity shares outstanding during the year (in units)           | 336,360,270                  | 336,244,991                                |
| 2 Calculation of weighted average number of equity shares - Diluted                           |                              |  |
| (a) Number of potential equity shares at the beginning of the year (in units)                 | 336,484,969                  | 336,482,336                                |
| (b) Number of potential equity shares at the end of the year (in units)                       | 336,545,396                  | 336,272,731                                |
| (c) Weighted average number of potential equity shares outstanding during the year (in units) | 336,537,445                  | 336,484,969                                |
| 3 Profit / (Loss) for the Year (Amount ₹ in Crore)  | (90.73)                      | 241.51                                     |
| (a) Basic Earnings Per Share of ₹ 1 each  | (2.70)                       | 7.18                                       |
| (b) Diluted Earnings Per Share of ₹ 1 each  | (2.70)                       | 7.18                                       |

## Notes to the Standalone Financial Statements

### Note 36 : Income Tax Expense

Amount ₹ in Crore

| Particulars  | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018<br>(Restated) |
|--|------------------------------|--|
| <b>1 Tax Expense recognised in the Statement of Profit and Loss</b>  |                              |  |
| Current Income Tax   | -                            | 4.44                                       |
| Deferred Income Tax Liability / (Asset), net   |                              |  |
| Origination and reversal of temporary differences  | 18.79                        | 19.68                                      |
| Recognition of previously unrecognised tax losses  | (18.86)                      | (17.91)                                    |
| Deferred Tax Expense   | (0.07)                       | 1.77                                       |
| Tax Liability of earlier years   | -                            | 9.16                                       |
| Tax Expense For the Year   | (0.07)                       | 15.37                                      |
| <b>2 Amounts recognised in Other Comprehensive Income</b>  |                              |  |
| Items that will not be reclassified to Profit or Loss  |                              |  |
| Remeasurements of defined benefit liability (asset)  | (0.60)                       | (0.28)                                     |
|  | (0.60)                       | (0.28)                                     |
| <b>3 Reconciliation of effective tax rate</b>  |                              |  |
| Profit / (Loss) Before Tax   | (90.80)                      | 256.88                                     |
| Tax using the Company's statutory tax rate   | (31.73)                      | 88.90                                      |
| Tax effect of  |                              |  |
| Income not subject to tax  | (34.08)                      | (77.74)                                    |
| Amounts which are not deductible for taxable income  | 1.62                         | 0.70                                       |
| Previously unrecognised tax losses and unabsorbed depreciation now recouped to reduce deferred tax expense | (18.86)                      | (17.91)                                    |
| Deferred tax assets not recognized because realization is not probable                                     | 83.05                        | 6.05                                       |
| Additional tax paid on book profits  | -                            | 4.44                                       |
| Current Tax pertaining to prior years  | -                            | 9.16                                       |
| Others   | (0.07)                       | 1.77                                       |
|  | (0.07)                       | 15.37                                      |

The applicable statutory tax rate for the years ended March 31, 2019 and March 31, 2018 is 34.95% and 34.61% respectively. The Company has not recognised Deferred tax assets on unused tax losses and unused tax credits as there is no reasonable certainty of availing the same in future years against normal taxes.

### 4 Movement in deferred tax balances

Amount ₹ in Crore

| Particulars                             | Net balance<br>April 1, 2018 | Recognised<br>in Statement<br>of Profit and<br>Loss | Net balance<br>March 31,<br>2019 | Deferred tax<br>asset March<br>31, 2019 | Deferred<br>tax liability<br>March 31,<br>2019 |
|---|------------------------------|---|----------------------------------|---|--|
| <b>Deferred tax asset</b>               |                              |   |                                  |   |  |
| Property, Plant and Equipment           | (109.79)                     | (68.19)   | (177.98)                         |   | (177.98)                                       |
| Indexation benefit on land and shares   | 0.87                         | 0.07  | 0.94                             | 0.94                                    |  |
| Employee benefits                       | 1.76                         | (0.16)  | 1.60                             | 1.60                                    |  |
| Provision for Doubtful Debts / Advances | 6.31                         | 2.12  | 8.43                             | 8.43                                    |  |
| Unabsorbed Depreciation                 | 92.65                        | 65.54   | 158.19                           | 158.19                                  |  |
| Other provisions                        | 9.07                         | 0.69  | 9.76                             | 9.76                                    |  |
| Net tax assets                          | 0.87                         | 0.07  | 0.94                             | 178.92                                  | (177.98)                                       |

## Notes to the Standalone Financial Statements

Amount ₹ in Crore

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

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

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

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

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

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

## 5 Tax losses carried forward

Amount ₹ in Crore

| Particulars                           | As at March 31, 2019 | As at March 31, 2018 (Restated) |
|---------------------------------------|----------------------|---------------------------------|
| <b>Expiry date</b>                    |                      |                                 |
| 31/3/2020                             | -                    | 30.19                           |
| 31/3/2021                             | 22.34                | 22.34                           |
| 31/3/2023                             | 93.27                | 93.27                           |
| 31/3/2024                             | 110.09               | 110.09                          |
| 31/3/2025                             | 133.22               | 133.22                          |
| 31/3/2026                             | 139.33               | 139.33                          |
| 31/3/2027                             | 129.15               | -                               |
|                                       | <b>627.40</b>        | <b>528.44</b>                   |
| Unabsorbed Depreciation never expires | <b>702.31</b>        | 434.21                          |

## Notes to the Standalone Financial Statements

### 6 Tax credit carried forward

Amount ₹ in Crore

| Particulars | As at<br>March 31, 2019 | As at March 31,<br>2018 (Restated) |
|-------------|-------------------------|------------------------------------|
| Expiry date |                         |                                    |
| 31/3/2020   | -                       | 10.92                              |
| 31/3/2021   | 7.48                    | 7.48                               |
| 31/3/2022   | 19.04                   | 19.04                              |
| 31/3/2023   | 16.87                   | 16.87                              |
| 31/3/2026   | 3.90                    | 3.90                               |
| 31/3/2027   | 6.01                    | 6.01                               |
| 31/3/2029   | 4.45                    | 4.32                               |
|             | <b>57.75</b>            | <b>68.54</b>                       |

### Note 37 : Leases

#### Operating Leases Granted by the Company

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

Amount ₹ in Crore

| Particulars   | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018<br>(Restated) |
|---|------------------------------|--|
| Lease Income Recognised in the Statement of Profit and Loss | 10.48                        | 8.96                                       |
| Future Lease Income   |                              |  |
| - Within one year   | 10.70                        | 9.28                                       |
| - Later than one year and not later than five years         | 14.01                        | 21.33                                      |
| - Later than five years                                     | -                            | -  |

#### Lease Taken by the Company

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

Amount ₹ in Crore

| Particulars  | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018<br>(Restated) |
|--|------------------------------|--|
| Lease Payment recognised in the Statement of Profit and Loss | 7.32                         | 7.34                                       |
| Future Lease Commitments                                     |                              |  |
| - Within one year  | 6.85                         | 6.98                                       |
| - Later than one year and not later than five years          | 18.24                        | 19.23                                      |
| - Later than five years                                      | 1.36                         | 1.31                                       |

## Notes to the Standalone Financial Statements

### Note 38 : Employee Benefits

#### 1 DEFINED CONTRIBUTION PLAN

##### Provident Fund :

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

#### 2 DEFINED BENEFIT PLAN

##### Gratuity :

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

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

##### Provident Fund :

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

The Company has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. These administered rates are determined annually predominantly considering the social rather than economic factors and the actual return earned by the Company has been higher in the past years. The actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the below provided assumptions there is no shortfall as at March 31, 2019.

Amount ₹ in Crore

| Particulars                              | As at          | As at          |
|--|----------------|----------------|
|  | March 31, 2019 | March 31, 2018 |
| Plan assets at period end, at fair value | 109.82         | 110.40         |
| Provident Fund Corpus                    | 106.36         | 107.58         |

Valuation assumptions under Deterministic Approach:

|                             |       |
|-----------------------------|-------|
| Weighted Average Yield      | 8.72% |
| Weighted Average YTM        | 8.93% |
| Guaranteed Rate of Interest | 8.65% |

##### Pension :

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

## Notes to the Standalone Financial Statements

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

The expected return on plan assets of 7.79% p.a. has been considered based on the current investment pattern in Government securities.

### 4 Amounts Recognised as Expense :

#### i) Defined Contribution Plan

Employer's Contribution to Provident Fund amounting to ₹ 3.14 crore (previous year ₹ 2.96 crore) has been included in Note 31 Employee Benefits Expenses

#### ii) Defined Benefit Plan

Gratuity cost amounting to ₹ 1.8 crore (previous year ₹ 1.69 crore) has been included in Note 31 Employee Benefits Expenses.

Employer's Contribution to Provident Fund amounting to ₹ 1.58 crore (previous year ₹ 2.04 crore) has been included in Note 31 Employee Benefits Expenses.

Pension cost amounting to ₹ 0.11 crore (previous year ₹ 0.10 crore) has been included in Note 31 Employee Benefits Expenses.

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

Amount ₹ in Crore

| Particulars  | Gratuity                        |   | Pension                         |   |
|--|---------------------------------|---|---------------------------------|---|
|  | Year ended<br>March<br>31, 2019 | Year ended<br>March<br>31, 2018<br>(Restated) | Year ended<br>March<br>31, 2019 | Year ended<br>March<br>31, 2018<br>(Restated) |
| <b>1 Change in Present Value of Obligation</b>                               |                                 |   |                                 |   |
| Present value of the obligation at the beginning of the year                 | 35.07                           | 36.69   | 0.53                            | 0.53  |
| Current Service Cost   | 1.39                            | 1.44  | -                               | -   |
| Interest Cost  | 2.73                            | 2.71  | -                               | -   |
| Contribution by Plan Participants  |                                 |   |                                 |   |
| Actuarial (Gain) / Loss on Obligation due to change in financial assumptions | (0.02)                          | (0.68)  | 0.17                            | 0.10  |
| Actuarial (Gain) / Loss on Obligation due to experience adjustments          | 0.29                            | 0.93  |                                 |   |
| Benefits Paid  | (4.40)                          | (6.02)  | (0.16)                          | (0.10)  |
| Present value of the obligation at the end of the year                       | 35.06                           | 35.07   | 0.54                            | 0.53  |

## Notes to the Standalone Financial Statements

| Particulars   | Gratuity   |  | Pension  |  |
|---|--|--|--|--|
|   | Year ended<br>March<br>31, 2019                                  | Year ended<br>March<br>31, 2018<br>(Restated)                    | Year ended<br>March<br>31, 2019                                  | Year ended<br>March<br>31, 2018<br>(Restated)                    |
| <b>2 Change in Plan Assets</b>                                    |  |  |  |  |
| Fair value of Plan Assets at the beginning of the year            | 29.73  | 33.33  | -  | -  |
| Expected return on Plan Assets                                    | 2.31   | 2.46   | -  | -  |
| Actuarial (Gain) / Loss on Plan Assets                            | 0.32   | 0.04   | -  | -  |
| Contributions by the Employer                                     | -  | -  | -  | -  |
| Benefits Paid   | (4.40)   | (6.02)   | -  | -  |
| Fair value of Plan Assets at the end of the year                  | 27.32  | 29.73  | -  | -  |
| <b>3 Amounts Recognised in the Balance Sheet:</b>                 |  |  |  |  |
| Present value of Obligation at the end of the year                | 35.06  | 35.07  | -  | -  |
| Fair value of Plan Assets at the end of the year                  | 27.32  | 29.73  | -  | -  |
| Net Obligation at the end of the year                             | 7.74   | 5.34   | -  | -  |
| <b>4 Amounts Recognised in the statement of Profit and Loss:</b>  |  |  |  |  |
| Current Service Cost  | 1.39   | 1.44   | -  | -  |
| Interest cost on Obligation                                       | 2.73   | 2.71   | -  | -  |
| Expected return on Plan Assets                                    | (2.31)   | (2.46)   | -  | -  |
| Net Cost Included in Personnel Expenses                           | 1.81   | 1.69   | -  | -  |
| <b>5 Amounts Recognised in Other Comprehensive Income (OCI):</b>  |  |  |  |  |
| Actuarial (Gain) / Loss on Obligation For the Year                | 0.28   | 0.24   |  |  |
| Return on Plan Assets, Excluding Interest Income                  | 0.32   | 0.04   |  |  |
| Net (Income) / Expense For the Period Recognised in OCI           | 0.60   | 0.28   |  |  |
| <b>6 Actual Return on Plan Assets</b>                             | 1.99   | 2.42   | -  | -  |
| <b>7 Estimated Contribution to be made in Next Financial Year</b> | 3.41   | 3.38   | -  | -  |
| <b>8 Actuarial Assumptions</b>                                    |  |  |  |  |
| i) Discount Rate  | 7.79% P.A.   | 7.78% P.A.   | 7.79% P.A.   | 7.78% P.A.   |
| ii) Expected Rate of Return on Plan Assets                        | 7.79% P.A.   | 7.78% P.A.   | -  | -  |
| iii) Salary Escalation Rate                                       | 6.00% P.A.   | 6.00% P.A.   | -  | -  |
| iv) Employee Turnover   | 1.00% P.A.   | 1.00% P.A.   | 1.00% P.A.   | 1.00% P.A.   |
| v) Mortality  | Indian<br>Assured<br>Lives<br>Mortality<br>(2006-08)<br>Ultimate | Indian<br>Assured<br>Lives<br>Mortality<br>(2006-08)<br>Ultimate | Indian<br>Assured<br>Lives<br>Mortality<br>(2006-08)<br>Ultimate | Indian<br>Assured<br>Lives<br>Mortality<br>(2006-08)<br>Ultimate |

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



## Notes to the Standalone Financial Statements

### 6 Sensitivity analysis

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

| Particulars                             | Year ended March 31, 2019 |          | Year ended March 31, 2018<br>(Restated) |          |
|---|---------------------------|----------|---|----------|
|   | Increase                  | Decrease | Increase                                | Decrease |
| Discount rate (1% movement)             | (1.59)                    | 1.79     | (1.62)                                  | 1.82     |
| Future salary growth (1% movement)      | 1.80                      | (1.63)   | 1.83                                    | (1.66)   |
| Rate of employee turnover (1% movement) | 0.19                      | (0.21)   | 0.19                                    | (0.21)   |

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

### 7 Expected future benefit payments of Gratuity from the date of reporting

Amount ₹ in Crore

| Particulars                    | Year ended     | Year ended                   |
|--------------------------------|----------------|------------------------------|
|                                | March 31, 2019 | March 31, 2018<br>(Restated) |
| 1 <sup>st</sup> following year | 9.32           | 8.79                         |
| 2 <sup>nd</sup> following year | 2.72           | 2.97                         |
| 3 <sup>rd</sup> following year | 3.86           | 3.60                         |
| 4 <sup>th</sup> following year | 2.72           | 3.64                         |
| 5 <sup>th</sup> following year | 3.90           | 2.64                         |
| Thereafter                     | 14.33          | 13.50                        |

### 8 Details of Plan Assets

Amount ₹ in Crore

| Particulars                     | Year ended     | Year ended                   |
|---------------------------------|----------------|------------------------------|
|                                 | March 31, 2019 | March 31, 2018<br>(Restated) |
| ICICI Prudential Life Insurance | 2.84           | 3.51                         |
| HDFC Standard Life Insurance    | 4.83           | 7.45                         |
| SBI Life Insurance              | 19.65          | 18.77                        |
| <b>Total</b>                    | <b>27.32</b>   | <b>29.73</b>                 |

## Note 39 : Employee Stock Benefit Plans

### 1 Employee Stock Option Plans

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

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

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

## Notes to the Standalone Financial Statements

### ESOP I

| Particulars                                      | Year ended<br>March 31, 2019 |  | Year ended March 31,<br>2018 (Restated) |  |
|--|------------------------------|--|---|--|
|  | No. of<br>Options            | Wt. average<br>exercise<br>price ₹ (*) | No. of<br>Options                       | Wt. average<br>exercise<br>price ₹ (*) |
| Options Outstanding at the Beginning of the Year | -                            | -                                      | 204,250                                 | 406.52                                 |
| Options Granted During the Year                  | -                            | -                                      | -                                       | -                                      |
| Options Exercised During the Year                | -                            | -                                      | 158,250                                 | 405.75                                 |
| Options Forfeited / Expired During the Year      | -                            | -                                      | 46,000                                  | 409.16                                 |
| Options Outstanding at the Year End              | -                            | -                                      | -                                       | -                                      |

### ESOP II

| Particulars                                      | Year ended<br>March 31, 2019 |  | Year ended March 31,<br>2018 (Restated) |  |
|--|------------------------------|--|---|--|
|  | No. of<br>Options            | Wt. average<br>exercise<br>price ₹ (*) | No. of<br>Options                       | Wt. average<br>exercise<br>price ₹ (*) |
| Options Outstanding at the Beginning of the Year | -                            | -                                      | -                                       | -                                      |
| Options Granted During the Year                  | -                            | -                                      | -                                       | -                                      |
| Options Exercised During the Year                | -                            | -                                      | -                                       | -                                      |
| Options Forfeited / Expired During the Year      | -                            | -                                      | -                                       | -                                      |
| Options Outstanding at the Year End              | -                            | -                                      | -                                       | -                                      |

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

The total excess shares at the year end are Nil (Previous year NIL).

The weighted average balance life of ESOP I options outstanding as on March 31, 2019 is Nil years.

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

## 2 Employee Stock Grant Scheme

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

## Notes to the Standalone Financial Statements

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

Following table lists the average inputs to the model used for the plan for the year ended March 31, 2019:

| Particulars   | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018<br>(Restated) | Description of the Inputs used  |
|---|------------------------------|--|---|
| Dividend yield %  | 0.31%                        | 0.30%                                      | Dividend yield of the options is based on recent dividend activity.   |
| Expected volatility %   | 28%-31%                      | 30%-32%                                    | Expected volatility of the option is based on historical volatility, during a period equivalent to the option life, of the observed market prices of the Company's publicly traded equity shares. |
| Risk free Interest rate %                                     | 6.91% to 7.95%               | 6.54% to 6.80%                             | Risk-free interest rates are based on the government securities yield in effect at the time of the grant.   |
| Expected life of share options                                | 1 to 3 years                 | 1 to 3 years                               |   |
| Weighted Average Market price on date of granting the options | 564.45                       | 578  |   |

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

| Particulars   | Year ended<br>March 31,<br>2019 | Year ended<br>March<br>31, 2018<br>(Restated) | Weighted<br>average<br>Exercise<br>Price (₹) | Weighted<br>average<br>Share Price<br>(₹) |
|---|---------------------------------|---|--|---|
| Options Outstanding at the Beginning of the Year        | 219,380                         | 298,601                                       |  |   |
| Options Granted   | 58,767                          | 103,828                                       |  |   |
| Options Vested  | 111,636                         | 134,866                                       |  |   |
| Options Exercised                                       | 111,636                         | 132,945                                       | 1.00   | 339.51                                    |
| Options Lapsed / Forfeited                              | 5,482                           | 50,104  |  |   |
| <b>Total Options Outstanding at the end of the year</b> | <b>161,029</b>                  | <b>219,380</b>                                |  |   |

- (i) The weighted average exercise price of the options outstanding as on March 31, 2019 is ₹ 1 (previous year ₹ 1 per share) and the weighted average remaining contractual life of the options outstanding as on March 31, 2018 is 0.73 years (previous year 0.79 years)

## Notes to the Standalone Financial Statements

### Note 40: Related Party Information

#### a) Names of related parties and description of relationship

##### Parties where control exists

- 1 Vora Soaps Limited (Holding Co.) (up to 24.12.2018)
- 2 Godrej Agrovvet Limited - Subsidiary Co.
  - 2.1 Godvet Agrochem Limited
  - 2.2 Astec LifeSciences Limited (including its following wholly owned subsidiaries)
    - 2.2.1 Behram Chemicals Private Limited
    - 2.2.2 Astec Europe Sprl
    - 2.2.3 Comercializadora Agricola Agroastrachem Cia Ltda
  - 2.3 Creamline Dairy Products Limited
    - 2.3.1 Nagavalli Milkline Private Limited
  - 2.4 Godrej Tyson Foods Limited (w.e.f. March 27, 2019)
  - 2.5 Godrej Maxximilk Private Limited (w.e.f. March 27, 2019)

##### Joint Venture

- 2.6 ACI Godrej Agrovvet Private Limited, Bangladesh

##### Associates

- 2.7 Godrej Tyson Foods Limited ( up to March 26, 2019)
- 2.8 Alrahba International Trading LLC, UAE
- 2.9 Godrej Maxximilk Private Limited ( up to March 26, 2019)
- 3 Godrej Properties Limited - Subsidiary Co.
  - 3.1 Godrej Project Development Limited
  - 3.2 Godrej Buildcon Private Limited
  - 3.3 Godrej Garden City Properties Private Limited
  - 3.4 Godrej Home Developers Private Limited
  - 3.5 Godrej Hill Side Properties Private Limited
  - 3.6 Mahalunge Township Developers LLP (Erstwhile known as Godrej Land Developers LLP)
  - 3.7 Godrej Highrises Realty LLP
  - 3.8 Godrej Prakriti Facilities Private Limited
  - 3.9 Godrej Project Developers & Properties LLP
  - 3.10 Godrej Highrises Properties Private Limited
  - 3.11 Godrej Genesis Facilities Management Private Limited
  - 3.12 Prakritiplaza Facilities Management Private Limited
  - 3.13 City Star Infraprojects Limited
  - 3.14 Godrej Residency Private Limited

## Notes to the Standalone Financial Statements

### Note 40: Related Party Information (Contd.)

- 3.15 Godrej Skyview LLP
- 3.16 Godrej Green Properties LLP
- 3.17 Godrej Projects (Soma) LLP
- 3.18 Godrej Projects North LLP (Formerly Known as Godrej Projects (Bluejay) LLP)
- 3.19 Godrej Athenmark LLP
- 3.20 Godrej Vestamark LLP
- 3.21 Godrej Properties Worldwide Inc, USA
- 3.22 Suncity Infrastructures (Mumbai ) LLP
- 3.23 Embellish Houses LLP
- 3.24 Godrej City Facilities Management LLP
- 3.25 Godrej Landmark Redevelopers Private Limited (up to March 19, 2019)
- 3.26 Godrej Skyline Developers Private Limited (effective from September 29, 2017)

### Joint Venture

- 3.27 Godrej Realty Private Limited
- 3.28 Godrej Landmark Redevelopers Private Limited
- 3.29 Godrej Redevelopers (Mumbai) Private Limited
- 3.30 Wonder Space Properties Private Limited
- 3.31 Wonder City Buildcon Private Limited
- 3.32 Godrej Home Constructions Private Limited
- 3.33 Godrej Greenview Housing Private Limited
- 3.34 Wonder Projects Development Private Limited
- 3.35 Godrej Real View Developers Private Limited
- 3.36 Pearlite Real Properties Private Limited
- 3.37 Godrej Skyline Developers Private Limited
- 3.38 Godrej Green Homes Limited (effective from March 17, 2018)
- 3.39 Godrej Property Developers LLP
- 3.40 Mosiac Landmarks LLP
- 3.41 Dream World Landmarks LLP
- 3.42 Oxford Realty LLP
- 3.43 Godrej SSPDL Green Acres LLP
- 3.44 Oasis Landmarks LLP
- 3.45 M S Ramaiah Ventures LLP
- 3.46 Caroa Properties LLP
- 3.47 Godrej Constructions Projects LLP

## Notes to the Standalone Financial Statements

### Note 40: Related Party Information (Contd.)

- 3.48 Godrej Housing Projects LLP
- 3.49 Amitis Developers LLP
- 3.50 A R Landcraft LLP
- 3.51 Prakhhyat Dwellings LLP
- 3.52 Bavdhan Realty @ Pune 21 LLP
- 3.53 Godrej Highview LLP (effective from June 15, 2017)
- 3.54 Godrej Irismark LLP (effective from January 24, 2017)
- 3.55 Godrej Projects North Star LLP (formerly known as Godrej Projects (Century) LLP) (effective from September 27, 2017)
- 3.56 Godrej Developers & Properties LLP (effective from October 30, 2017)
- 3.57 Sai Srushti Onehub Projects LLP (effective from January 31, 2018)
- 3.58 Maan-Hinje Township Developers LLP (Formerly Known as Godrej Projects (Pune) LLP)
- 3.59 Manjari Housing Projects LLP (Formerly Known as Godrej Avamark LLP)
- 3.60 Ashank Macbricks Private Limited (effective August 3, 2018)
- 3.61 Suncity Infrastructures (Mumbai) LLP (effective October 10, 2018)
- 3.62 Mahalunge Township Developers LLP (formerly known as Godrej Land Developers LLP) (Classified as Joint Venture effective February 1, 2019)
- 3.63 Rosebery Estate LLP
- 4 Natures Basket Limited - Subsidiary Co.
- 5 Godrej International Limited - Subsidiary Co.
- 6 Godrej International Trading & Investments Pte Limited - Subsidiary Co
- 7 Ensemble Holdings & Finance Limited - Subsidiary Co.
- 8 Godrej One Premises Management Private Limited - Subsidiary Co.
- 9 Godrej Industries Limited Employee Stock Option Trust - Subsidiary Co.

### Associates

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

### 11 Companies under common ownership

- 11.1 Godrej & Boyce Manufacturing Company Limited
- 11.2 Godrej Seeds & Genetics Limited

## Notes to the Standalone Financial Statements

### Note 40: Related Party Information (Contd.)

11.3 Godrej South Africa Pty Limited

11.4 Laboratoria Cuenca S.A.

### 12 Key Management Personnel

12.1 Mr. A. B. Godrej - Chairman

12.2 Mr. N. B. Godrej - Managing Director

12.3 Ms. T. A. Dubash - Executive Director & Chief Brand Officer

12.4 Mr. N. S. Nabar - Executive Director & President (Chemicals)

12.5 Mr. C. G. Pinto - Chief Financial Officer

12.6 Ms. Nilufer Shekhawat - Company Secretary (up to October 31, 2018)

12.7 Ms. Tejal Jariwala - Company Secretary (effective from November 12, 2018)

### 13 Non-Executive Directors

13.1 Mr. J.N. Godrej

13.2 Mr. V.M. Crishna

13.3 Mr. K.K. Dastur

13.4 Mr. K.M. Elavia

13.5 Mr. K.N. Petigara

13.6 Mr. S.A. Ahmadullah

13.7 Mr. A.B. Choudhury

13.8 Mr. A.D. Cooper

13.9 Ms. Rashmi Joshi (effective from March 15, 2019)

### 14 Relatives of Key Management Personnel

14.1 Ms. N. A. Godrej - Daughter of Mr. A. B. Godrej

14.2 Mr. P. A. Godrej - Son of Mr. A. B. Godrej

14.3 Ms. R. N. Godrej - Wife of Mr. N. B. Godrej

14.4 Mr. B. N. Godrej - Son of Mr. N. B. Godrej

14.5 Mr. S. N. Godrej - Son of Mr. N. B. Godrej

14.6 Mr. H. N. Godrej - Son of Mr. N. B. Godrej

14.7 Mr. A. D. Dubash - Husband of Ms. Tanya Dubash

14.8 Master A. A. Dubash - Son of Ms. Tanya Dubash

14.9 Master A. A. Dubash - Son of Ms. Tanya Dubash

14.10 Ms. N. N. Nabar - Wife of Mr. N. S. Nabar

### 15 Enterprises over which key management personnel exercise significant influence

15.1 Anamudi Real Estates LLP

## Notes to the Standalone Financial Statements

### Note 40: Related Party Information (Contd.)

15.2 Godrej Investments Private Limited

15.3 Innovia Multiventures Private Limited

15.4 TAD Family Trust

### 16 Enterprises over which relative of key management personnel exercise significant influence

16.1 Shata Trading & Finance Private Limited

16.2 Shilawati Trading & Finance Private Limited

16.3 NG Family Trust

16.4 PG Family Trust

16.5 HNG Family Trust

16.6 Godrej Investment Advisers Private Limited

16.7 Godrej Housing Finance Limited

16.8 Mukteshwar Realty Private Limited

16.9 Karukachal Developers Private Limited

16.10 Eranthus Developers Private Limited

16.11 Praviz Developers Private Limited

### 17 Post Employment Benefit Trust where reporting entity exercises significant influence

17.1 Godrej Industries Employees Provident Fund

17.2 Godrej Industries Ltd Group Gratuity Trust



## Notes to the Standalone Financial Statements

### b) Transactions with Related Parties

Amount ₹ in Crore

| Nature of Transaction                               | Holding Company | Subsidiary Companies | Fellow Subsidiaries | Associate/Joint Venture Companies | Companies under common ownership | Key Management Personnel | Relative of Key Management Personnel | Enterprises over which Key Management Personnel exercise significant influence | Enterprises over which Relative of Key Management Personnel exercise significant influence | Post Employment Benefit Trust | Total  |
|---|-----------------|----------------------|---------------------|-----------------------------------|----------------------------------|--------------------------|--------------------------------------|--|--|-------------------------------|--------|
| Sale of Goods*                                      | -               | 4.70                 | -                   | 60.38                             | 4.37                             | -                        | -                                    | 0.00   | -  | -                             | 69.45  |
| Previous Year*                                      | -               | 3.78                 | -                   | 36.08                             | 5.76                             | -                        | -                                    | 0.00   | -  | -                             | 45.62  |
| Purchase of goods                                   | -               | 1.08                 | -                   | 10.49                             | -                                | -                        | -                                    | -  | -  | -                             | 11.57  |
| Previous Year                                       | -               | -                    | -                   | 16.00                             | -                                | -                        | -                                    | -  | -  | -                             | 16.00  |
| Purchase of Fixed Assets                            | -               | 1.45                 | -                   | -                                 | 0.37                             | -                        | -                                    | -  | -  | -                             | 1.82   |
| Previous Year                                       | -               | 7.52                 | -                   | -                                 | 0.78                             | -                        | -                                    | -  | -  | -                             | 8.30   |
| Commission / Royalty received                       | -               | -                    | -                   | 0.24                              | -                                | -                        | -                                    | -  | -  | -                             | 0.24   |
| Previous Year*                                      | -               | -                    | -                   | 0.20                              | -                                | -                        | -                                    | -  | -  | -                             | 0.20   |
| Licence fees / Service charges / Storage Income     | -               | 6.87                 | -                   | 7.79                              | 0.01                             | -                        | -                                    | 0.01   | 0.03   | -                             | 14.71  |
| Previous Year                                       | -               | 5.71                 | -                   | 7.60                              | -                                | -                        | -                                    | 0.02   | -  | -                             | 13.33  |
| Other Income  | -               | 0.70                 | -                   | 0.45                              | -                                | -                        | -                                    | 0.09   | -  | -                             | 1.24   |
| Previous Year                                       | -               | 0.64                 | -                   | 0.54                              | -                                | -                        | -                                    | 0.05   | -  | -                             | 1.23   |
| Recovery of establishment & Other Expenses          | 0.03            | 19.17                | -                   | 33.01                             | 5.51                             | -                        | -                                    | 2.79   | -  | -                             | 60.51  |
| Previous Year                                       | 0.06            | 17.52                | -                   | 32.00                             | 4.67                             | -                        | -                                    | 3.60   | -  | -                             | 57.85  |
| Rent, Establishment & other exps paid               | -               | 8.93                 | -                   | 10.01                             | 5.16                             | -                        | 0.96                                 | 0.01   | 1.93   | -                             | 27.00  |
| Previous Year                                       | -               | 9.88                 | -                   | 10.07                             | 4.60                             | -                        | 0.86                                 | 0.15   | 1.95   | -                             | 27.51  |
| Dividend income                                     | -               | 50.11                | -                   | 291.38                            | -                                | -                        | -                                    | -  | -  | -                             | 341.49 |
| Previous Year                                       | -               | 53.04                | -                   | 145.69                            | -                                | -                        | -                                    | -  | -  | -                             | 198.73 |
| Dividend paid                                       | 33.93           | -                    | -                   | -                                 | -                                | 0.43                     | 3.01                                 | 0.32   | 0.72   | -                             | 38.41  |
| Previous Year                                       | 33.93           | -                    | -                   | -                                 | -                                | 0.84                     | 3.64                                 | -  | -  | -                             | 38.41  |
| Remuneration to Key Management Personal             | -               | -                    | -                   | -                                 | -                                | -                        | -                                    | -  | -  | -                             | -      |
| Short term employee benefit                         | -               | -                    | -                   | -                                 | -                                | 18.29                    | -                                    | -  | -  | -                             | 18.29  |
| Post employment benefit                             | -               | -                    | -                   | -                                 | -                                | 0.70                     | -                                    | -  | -  | -                             | 0.70   |
| Share based payment                                 | -               | -                    | -                   | -                                 | -                                | 0.78                     | -                                    | -  | -  | -                             | 0.78   |
| Previous Year                                       | -               | -                    | -                   | -                                 | -                                | -                        | -                                    | -  | -  | -                             | -      |
| Short term employee benefit                         | -               | -                    | -                   | -                                 | -                                | 15.52                    | -                                    | -  | -  | -                             | 15.52  |
| Post employment benefit                             | -               | -                    | -                   | -                                 | -                                | 0.65                     | -                                    | -  | -  | -                             | 0.65   |
| Share based payment                                 | -               | -                    | -                   | -                                 | -                                | 0.76                     | -                                    | -  | -  | -                             | 0.76   |
| Remuneration  | -               | -                    | -                   | -                                 | -                                | -                        | -                                    | -  | -  | -                             | -      |
| Previous Year                                       | -               | -                    | -                   | -                                 | -                                | -                        | 0.09                                 | -  | -  | -                             | 0.09   |
| Purchase of Investments                             | -               | 76.60                | -                   | -                                 | -                                | -                        | -                                    | -  | -  | -                             | 76.60  |
| Previous Year                                       | -               | 62.00                | -                   | -                                 | -                                | -                        | -                                    | -  | -  | -                             | 62.00  |
| Other Deposits accepted                             | -               | 0.26                 | -                   | 0.26                              | -                                | -                        | -                                    | -  | -  | -                             | 0.52   |
| Previous Year                                       | -               | 0.38                 | -                   | 1.51                              | -                                | -                        | -                                    | -  | -  | -                             | 1.89   |
| Other Deposits refunded                             | -               | 0.01                 | -                   | 0.12                              | -                                | -                        | -                                    | -  | -  | -                             | 0.13   |
| Previous Year                                       | -               | -                    | -                   | 0.25                              | -                                | -                        | -                                    | -  | -  | -                             | 0.25   |
| Other Deposits - Advanced during the year           | -               | 0.30                 | -                   | -                                 | -                                | -                        | -                                    | -  | -  | -                             | 0.30   |
| Previous Year                                       | -               | 0.02                 | -                   | 0.02                              | -                                | -                        | -                                    | -  | -  | -                             | 0.04   |
| Other Deposits - Repayment received during the year | -               | -                    | -                   | -                                 | -                                | -                        | -                                    | -  | -  | -                             | -      |
| Previous Year                                       | -               | 0.02                 | -                   | -                                 | -                                | -                        | -                                    | -  | -  | -                             | 0.02   |
| Directors Fees                                      | -               | -                    | -                   | -                                 | -                                | 0.52                     | -                                    | -  | -  | -                             | 0.52   |
| Previous Year                                       | -               | -                    | -                   | -                                 | -                                | 0.47                     | -                                    | -  | -  | -                             | 0.47   |
| <b>Balance Outstanding as on March 31, 2019</b>     |                 |                      |                     |                                   |                                  |                          |                                      |  |  |                               |        |
| Receivables   | -               | 5.78                 | -                   | 8.47                              | 1.00                             | -                        | -                                    | 0.05   | -  | -                             | 15.30  |
| Previous Year *                                     | -               | 8.25                 | 0.00                | 5.42                              | 2.73                             | -                        | -                                    | 0.04   | -  | -                             | 16.44  |
| Payables  | -               | 0.14                 | -                   | 0.04                              | -                                | -                        | -                                    | -  | -  | -                             | 0.18   |
| Previous Year                                       | -               | -                    | -                   | 0.03                              | -                                | -                        | -                                    | -  | -  | -                             | 0.03   |
| Guarantees outstanding                              | -               | -                    | -                   | 6.23                              | -                                | -                        | -                                    | -  | -  | -                             | 6.23   |
| Previous Year                                       | -               | -                    | -                   | 26.88                             | -                                | -                        | -                                    | -  | -  | -                             | 26.88  |

\* Amount less than ₹ 0.01 crores

## Notes to the Standalone Financial Statements

### Note 41 : Fair Value Measurement

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

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

#### 1 Accounting classification and fair values

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

Amount ₹ in Crore

| As at March 31, 2019           | Carrying amount |        |                |          | Fair value |         |         |       |
|--------------------------------|-----------------|--------|----------------|----------|------------|---------|---------|-------|
|                                | FVTPL           | FVTOCI | Amortised Cost | Total    | Level 1    | Level 2 | Level 3 | Total |
| <b>Financial assets</b>        |                 |        |                |          |            |         |         |       |
| <b>Non-Current</b>             |                 |        |                |          |            |         |         |       |
| <b>Investments</b>             |                 |        |                |          |            |         |         |       |
| Subsidiaries and Associates    | -               | -      | 2,696.06       | 2,696.06 | -          | -       | -       | -     |
| Other Investments *            | 0.02            | -      | -              | 0.02     | -          | 0.02    | -       | 0.02  |
| <b>Loans</b>                   |                 |        |                |          |            |         |         |       |
| Security Deposits              | -               | -      | 3.05           | 3.05     | -          | -       | -       | -     |
| Loans to Employees             | -               | -      | 0.67           | 0.67     | -          | -       | -       | -     |
| Other financial assets         | -               | -      | 10.90          | 10.90    | -          | -       | -       | -     |
| <b>Current</b>                 |                 |        |                |          |            |         |         |       |
| Current investments            | -               | -      | -              | -        | -          | -       | -       | -     |
| Trade receivables              | -               | -      | 177.03         | 177.03   | -          | -       | -       | -     |
| Cash and cash equivalents      | -               | -      | 514.18         | 514.18   | -          | -       | -       | -     |
| Other bank balances            | -               | -      | 2.11           | 2.11     | -          | -       | -       | -     |
| <b>Loans</b>                   |                 |        |                |          |            |         |         |       |
| Others                         | -               | -      | 0.17           | 0.17     | -          | -       | -       | -     |
| Derivative asset               | 0.06            | -      | -              | 0.06     | -          | 0.06    | -       | 0.06  |
| Other Current Financial Assets | -               | -      | 13.75          | 13.75    | -          | -       | -       | -     |
|                                | 0.08            | -      | 3,417.92       | 3,418.00 | -          | 0.08    | -       | 0.08  |
| <b>Financial liabilities</b>   |                 |        |                |          |            |         |         |       |
| <b>Non-Current</b>             |                 |        |                |          |            |         |         |       |
| Borrowings                     | -               | -      | 625.00         | 625.00   | -          | -       | -       | -     |
| <b>Current</b>                 |                 |        |                |          |            |         |         |       |
| Borrowings                     | -               | -      | 2,286.58       | 2,286.58 | -          | -       | -       | -     |
| Trade and other payables       | -               | -      | 353.78         | 353.78   | -          | -       | -       | -     |
| Derivative liabilities         | 4.81            | -      | -              | 4.81     | -          | 4.81    | -       | 4.81  |
| Other financial liabilities    | -               | -      | 360.24         | 360.24   | -          | -       | -       | -     |
|                                | 4.81            | -      | 3,625.60       | 3,630.41 | -          | 4.81    | -       | 4.81  |

## Notes to the Standalone Financial Statements

Amount ₹ in Crore

| As at March 31, 2018<br>(Restated) | Carrying amount |        |                |          | Fair value |         |         |       |
|------------------------------------|-----------------|--------|----------------|----------|------------|---------|---------|-------|
|                                    | FVTPL           | FVTOCI | Amortised Cost | Total    | Level 1    | Level 2 | Level 3 | Total |
| <b>Financial assets</b>            |                 |        |                |          |            |         |         |       |
| <b>Non-Current</b>                 |                 |        |                |          |            |         |         |       |
| <b>Investments</b>                 |                 |        |                |          |            |         |         |       |
| Subsidiaries and Associates        | -               | -      | 2,828.20       | 2,828.20 | -          | -       | -       | -     |
| Other Investments *                | 0.02            | -      | -              | 0.02     | -          | 0.02    | -       | 0.02  |
| <b>Loans</b>                       |                 |        |                |          |            |         |         |       |
| Security Deposits                  | -               | -      | 3.24           | 3.24     | -          | -       | -       | -     |
| Loans to Employees                 | -               | -      | 0.50           | 0.50     | -          | -       | -       | -     |
| Derivative asset                   | 0.86            | -      | -              | 0.86     | -          | 0.86    | -       | 0.86  |
| Other financial assets             | -               | -      | 11.23          | 11.23    | -          | -       | -       | -     |
| <b>Current</b>                     |                 |        |                |          |            |         |         |       |
| Current investments                | -               | -      | -              | -        | -          | -       | -       | -     |
| Trade receivables                  | -               | -      | 117.89         | 117.89   | -          | -       | -       | -     |
| Cash and cash equivalents          | -               | -      | 61.03          | 61.03    | -          | -       | -       | -     |
| Other bank balances                | -               | -      | 13.91          | 13.91    | -          | -       | -       | -     |
| <b>Loans</b>                       |                 |        |                |          |            |         |         |       |
| Others                             | -               | -      | 0.17           | 0.17     | -          | -       | -       | -     |
| Derivative asset                   | 0.91            | -      | -              | 0.91     | -          | 0.91    | -       | 0.91  |
| Other Current Financial Assets     | -               | -      | 36.31          | 36.31    | -          | -       | -       | -     |
|                                    | 1.79            | -      | 3,072.48       | 3,074.27 | -          | 1.79    | -       | 1.79  |
| <b>Financial liabilities</b>       |                 |        |                |          |            |         |         |       |
| <b>Non-Current</b>                 |                 |        |                |          |            |         |         |       |
| Borrowings                         | -               | -      | 405.49         | 405.49   | -          | -       | -       | -     |
| <b>Current</b>                     |                 |        |                |          |            |         |         |       |
| Borrowings                         | -               | -      | 1,682.75       | 1,682.75 | -          | -       | -       | -     |
| Trade and other payables           | -               | -      | 352.29         | 352.29   | -          | -       | -       | -     |
| Derivative liabilities             | -               | -      | -              | -        | -          | -       | -       | -     |
| Other financial liabilities        | -               | -      | 682.02         | 682.02   | -          | -       | -       | -     |
|                                    | -               | -      | 3,122.55       | 3,122.55 | -          | -       | -       | -     |

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

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

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

## Notes to the Standalone Financial Statements

### 2 Measurement of fair values

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

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

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

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

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

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

### Note 42 : Financial Risk Management

#### 1 Financial Risk Management objectives and policies

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

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

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

#### 2 Credit risk

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

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

##### Trade receivables and loans and advances.

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

## Notes to the Standalone Financial Statements

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

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

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

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

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

Amount ₹ in Crore

| Particulars        | As at<br>March 31, 2019 | As at March 31,<br>2018 (Restated) |
|--------------------|-------------------------|------------------------------------|
| More than 6 Months | 3.85                    | 2.66                               |
| Others             | 173.18                  | 115.23                             |
|                    | <b>177.03</b>           | 117.89                             |

The movement in Provision for Doubtful Debts is as follows:

Amount ₹ in Crore

| Particulars                          | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018<br>(Restated) |
|--------------------------------------|------------------------------|--|
| Opening Provision for Doubtful Debts | 2.97                         | 2.89                                       |
| Impairment loss recognised           | 0.14                         | 0.08                                       |
| Closing Provision for Doubtful Debts | <b>3.11</b>                  | 2.97                                       |

### Bank Balances.

Bank Accounts are maintained with Banks having high credit ratings

### 3 Liquidity risk

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

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

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

## Notes to the Standalone Financial Statements

### Maturity profile of financial liabilities

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

Amount ₹ in Crore

| As at March 31, 2019                        | Contractual cash flows |          |                    |             |           |           |                   |
|---|------------------------|----------|--------------------|-------------|-----------|-----------|-------------------|
|   | Carrying amount        | Total    | Less than 6 months | 6-12 months | 1-2 years | 2-5 years | More than 5 years |
| <b>Non-derivative financial liabilities</b> |                        |          |                    |             |           |           |                   |
| Non Current Borrowings                      | 625.00                 | 847.96   | 27.73              | 27.58       | 115.59    | 514.71    | 162.35            |
| Current Borrowings                          | 2,286.58               | 2,299.54 | 2,299.54           | -           | -         | -         | -                 |
| Current maturities of long term borrowings  | 283.32                 | 292.04   | 242.63             | 49.41       | -         | -         | -                 |
| Trade and other payables                    | 353.78                 | 353.78   | 346.02             | 7.76        | -         | -         | -                 |
| Other financial liabilities                 | 81.73                  | 81.73    | 81.73              | -           | -         | -         | -                 |
| <b>Derivative financial liabilities</b>     |                        |          |                    |             |           |           |                   |
| Interest rate swaps                         | -                      | -        | -                  | -           | -         | -         | -                 |

Amount ₹ in Crore

| As at March 31, 2018<br>(Restated)          | Contractual cash flows |          |                    |             |           |           |                   |
|---|------------------------|----------|--------------------|-------------|-----------|-----------|-------------------|
|   | Carrying amount        | Total    | Less than 6 months | 6-12 months | 1-2 years | 2-5 years | More than 5 years |
| <b>Non-derivative financial liabilities</b> |                        |          |                    |             |           |           |                   |
| Non Current Borrowings                      | 405.49                 | 468.45   | 15.76              | 15.67       | 297.77    | 139.25    | -                 |
| Current Borrowings                          | 1,682.75               | 1,695.14 | 1,695.14           | -           | -         | -         | -                 |
| Current maturities of long term borrowings  | 616.18                 | 642.81   | 304.22             | 338.59      | -         | -         | -                 |
| Trade and other payables                    | 352.29                 | 352.29   | 311.84             | 40.45       | -         | -         | -                 |
| Other financial liabilities                 | 65.84                  | 65.84    | 65.84              | -           | -         | -         | -                 |
| <b>Derivative financial liabilities</b>     |                        |          |                    |             |           |           |                   |
| Interest rate swaps                         | -                      | 0.28     | 0.16               | 0.09        | 0.03      | -         | -                 |

#### 4 Market risk

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

##### (i) Currency risk

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

## Notes to the Standalone Financial Statements

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

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

Amount ₹ in Crore

| As at March 31, 2019                           | USD     | EURO    | GBP  | AED |
|--|---------|---------|------|-----|
| <b>Financial assets</b>                        |         |         |      |     |
| <b>Current</b>                                 |         |         |      |     |
| Trade Receivables                              | 108.06  | 2.41    | 0.19 | -   |
| Less : Forward Contracts for Trade Receivables | (28.01) | -       | -    | -   |
|  | 80.05   | 2.41    | 0.19 | -   |
| <b>Financial liabilities</b>                   |         |         |      |     |
| <b>Non-Current</b>                             |         |         |      |     |
| Borrowings                                     | 87.49   | -       | -    | -   |
| Less: Forward contracts                        | (21.85) | -       | -    | -   |
|  | 65.64   | -       | -    | -   |
| <b>Current</b>                                 |         |         |      |     |
| Trade and other payables                       | 224.42  | 10.62   | -    | -   |
| Other financial liabilities                    | 0.32    | -       | -    | -   |
| Less: Forward contracts for Trade Payables     | (91.77) | (10.24) | -    | -   |
|  | 132.97  | 0.38    | -    | -   |

Amount ₹ in Crore

| As at March 31, 2018 (Restated)                | USD     | EURO   | GBP | AED  |
|--|---------|--------|-----|------|
| <b>Financial assets</b>                        |         |        |     |      |
| <b>Current</b>                                 |         |        |     |      |
| Trade Receivables                              | 102.81  | 3.00   | -   | 0.01 |
| Less : Forward Contracts for Trade Receivables | (49.73) | -      | -   | -    |
|  | 53.08   | 3.00   | -   | 0.01 |
| <b>Financial liabilities</b>                   |         |        |     |      |
| <b>Non-Current</b>                             |         |        |     |      |
| Borrowings                                     | 279.99  | -      | -   | -    |
| Less: Forward contracts                        | (9.75)  | -      | -   | -    |
| <b>Current</b>                                 |         |        |     |      |
| Trade and other payables                       | 623.68  | 20.12  | -   | -    |
| Other financial liabilities                    | 0.93    | -      | -   | -    |
| Less: Forward contracts for Trade Payables     | -       | (8.95) | -   | -    |
|  | 894.85  | 11.17  | -   | -    |

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

## Notes to the Standalone Financial Statements

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

| INR   | Year-end spot rate   |                                 |
|-------|----------------------|---------------------------------|
|       | As at March 31, 2019 | As at March 31, 2018 (Restated) |
| USD 1 | 69.15                | 65.18                           |
| EUR1  | 77.64                | 80.82                           |
| GBP1  | 90.60                | 92.26                           |
| AED1  | 18.86                | 18.94                           |

### Sensitivity analysis

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

Amount ₹ in Crore

| Particulars        | As at March 31, 2019        |             | As at March 31, 2018 (Restated) |             |
|--------------------|-----------------------------|-------------|---------------------------------|-------------|
|                    | Profit or (loss) and Equity |             | Profit or (loss) and Equity     |             |
|                    | Strengthening               | Weakening   | Strengthening                   | Weakening   |
| USD - 3% Movement  | (3.56)                      | 3.56        | -                               | -           |
| USD - 1% Movement  | -                           | -           | (8.42)                          | 8.42        |
| EUR - 2% Movement  | 0.04                        | (0.04)      | -                               | -           |
| EUR - 4% Movement  | -                           | -           | (0.32)                          | 0.32        |
| GBP - 2% Movement* | 0.00                        | (0.00)      | -                               | -           |
| AED - 1% Movement* | -                           | -           | 0.00                            | (0.00)      |
|                    | <b>(3.52)</b>               | <b>3.52</b> | <b>(8.74)</b>                   | <b>8.74</b> |

\* Amount less than ₹ 0.01 crore

### (ii) Interest rate risk

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

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

### Exposure to interest rate risk

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

Amount ₹ in Crore

| Particulars              | As at March 31, 2019 | As at March 31, 2018 (Restated) |
|--------------------------|----------------------|---------------------------------|
| Fixed rate borrowings    | 2,367.82             | 1,704.54                        |
| Variable rate borrowings | 827.08               | 999.88                          |
|                          | <b>3,194.90</b>      | <b>2,704.42</b>                 |



## Notes to the Standalone Financial Statements

### Fair value sensitivity analysis for fixed-rate instruments

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

### Cash flow sensitivity analysis for variable-rate instruments

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

Amount ₹ in Crore

| Particulars                            | Profit or (loss) and Equity |                 |
|--|-----------------------------|-----------------|
|  | 100 bp increase             | 100 bp decrease |
| <b>As at March 31, 2019</b>            |                             |                 |
| Variable-rate instruments              | (8.27)                      | 8.27            |
| Interest rate swaps                    | 0.87                        | (0.87)          |
| <b>Cash flow sensitivity (net)</b>     | <b>(7.40)</b>               | <b>7.40</b>     |
| <b>As at March 31, 2018 (Restated)</b> |                             |                 |
| Variable-rate instruments              | (10.00)                     | 10.00           |
| Interest rate swaps                    | 2.47                        | (2.47)          |
| <b>Cash flow sensitivity (net)</b>     | <b>(7.53)</b>               | <b>7.53</b>     |

### Note 43 : Capital Management

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

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

Amount ₹ in Crore

| Particulars                        | As at<br>March 31, 2019 | As at March 31,<br>2018 (Restated) |
|------------------------------------|-------------------------|------------------------------------|
| Non-Current Borrowings             | 625.00                  | 405.49                             |
| Current Borrowings                 | 2,286.58                | 1,682.75                           |
| Current maturity of long term debt | 283.32                  | 616.18                             |
| <b>Gross Debt</b>                  | <b>3,194.90</b>         | <b>2,704.42</b>                    |
| Less - Cash and Cash Equivalents   | (514.18)                | (61.03)                            |
| Less - Other Bank Balances         | (2.11)                  | (13.91)                            |
| Less - Current Investments         | -                       | -                                  |
| <b>Adjusted Net debt</b>           | <b>2,678.61</b>         | <b>2,629.48</b>                    |
| Total Equity                       | 1,631.69                | 1,815.11                           |
| Adjusted Net Debt to Equity ratio  | 1.64                    | 1.45                               |

## Notes to the Standalone Financial Statements

### Note 44 : Master netting or similar agreements

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

Amount ₹ in Crore

| As at March 31, 2019    | Effects of offsetting on the balance sheet |  |  | Related amounts not offset                     |                                 |             |
|-------------------------|--|--|--|--|---------------------------------|-------------|
|                         | Gross Amounts                              | Gross amounts set off in the balance sheet | Net amounts presented in the balance sheet | Amounts subject to master netting arrangements | Financial instrument collateral | Net amount  |
| <b>Financial assets</b> |  |  |  |  |                                 |             |
| <b>Current</b>          |  |  |  |  |                                 |             |
| Derivative asset        | 0.06                                       | -  | 0.06                                       | -  | -                               | 0.06        |
| <b>Total</b>            | <b>0.06</b>                                | <b>-</b>                                   | <b>0.06</b>                                | <b>-</b>                                       | <b>-</b>                        | <b>0.06</b> |

Amount ₹ in Crore

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

### Offsetting arrangements

#### Derivatives

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

### Note 45 : Dividend On Equity Shares

Amount ₹ in Crore

| Particulars                             | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018<br>(Restated) |
|---|------------------------------|--|
| (a) Proposed Dividend *                 | 38.69                        | 58.87                                      |
| ₹ 1.15 per share (115%)                 |                              |  |
| (Previous Year ₹ 1.75 per Share (175%)) |                              |  |
|   | <b>38.69</b>                 | <b>58.87</b>                               |

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

As on March 31, 2019, the tax liability with respect to the dividends proposed is ₹7.95 crores (March 31, 2018 : ₹ 12.10 crore).

## Notes to the Standalone Financial Statements

### Note 46 : Amalgamation of Vora Soaps Limited with the Company

On December 14, 2018, the National Company Law Tribunal (“NCLT”), Mumbai bench vide its Order approved the Scheme of Amalgamation of Vora Soaps Limited (VSL) with the Company. Consequent to the said Order and filing of the final certified Orders with the Registrar of Companies, Maharashtra on December 24, 2018, the Scheme has become effective from the Appointed Date of December 14, 2017.

The Financial Statements for the previous year ended March 31, 2018 have been restated pursuant to the wordings of the Scheme with effect from the Appointed date of December 14, 2017.

The effects of restatement on the Total Comprehensive Income, Equity and Cash flows have been given in the tables below.

#### (a) Purchase Consideration

The Company has issued 19,39,04,681 fully paid Equity Shares as a consideration to the Equity and Preference shareholders of Vora Soaps Limited.

#### (b) Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition

|   | ₹ in Crore       |
|---|------------------|
| <b>Particulars</b>                            | <b>Amount</b>    |
| Non Current Investment                        | 11,588.71        |
| Non Current Other financial assets            | 1.54             |
| Current Investments                           | 12.78            |
| Cash and cash equivalents                     | 0.27             |
| Other Bank Balance                            | 20.00            |
| <b>Fair value of assets acquired</b>          | <b>11,623.30</b> |
| Other Financial Liabilities                   | 20.00            |
| Other current liability                       | 0.09             |
| Current and deferred tax liabilities          | 0.06             |
| <b>Fair value of liabilities acquired</b>     | <b>20.15</b>     |
| Deferred tax Impact                           | -                |
| <b>Total identifiable net assets acquired</b> | <b>11,603.15</b> |

#### (c) Goodwill / (Capital Reserve)

|  | ₹ in Crore    |
|--|---------------|
| <b>Particulars</b>                     | <b>Amount</b> |
| Fair Value of Consideration            | 11,588.71     |
| Less: Net Identifiable Assets Acquired | 11,603.15     |
| Capital Reserve                        | (14.44)       |

#### (d) Reconciliation of Total Comprehensive Income

|  | ₹ in Crore    |
|--|---------------|
| <b>Particulars</b>   | <b>Amount</b> |
| Net Profit after Tax as reported for previous year                             | 241.12        |
| Interest Income from 14 <sup>th</sup> December 17 to 31 <sup>st</sup> March 18 | 0.27          |
| Other Expense from 14 <sup>th</sup> December 17 to 31 <sup>st</sup> March 18   | (0.04)        |
| Income Tax   | (0.12)        |
| <b>Total Comprehensive Income restated for previous year</b>                   | <b>241.23</b> |

## Notes to the Standalone Financial Statements

### (e) Reconciliation of Equity

₹ in Crore

| Particulars  | Amount          |
|--|-----------------|
| Equity as reported for previous year   | 1,800.56        |
| Capital Reserve on merger  | 14.44           |
| Surplus for the period 14 <sup>th</sup> December 17 to 31 <sup>st</sup> March 18 | 0.11            |
| <b>Equity restated for previous year</b>   | <b>1,815.11</b> |

### (f) Reconciliation of Cash Flow

₹ in Crore

| Particulars   | Amount       |
|---|--------------|
| Net Cash flow from Operating Activities                     | (0.13 )      |
| Net Cash flow from Investing Activities                     | 0.81         |
| Net Cash flow from Financing Activities                     | -            |
| Net Increase in Cash and Cash Equivalent                    | 0.68         |
| Cash & Cash equivalents Acquired during the year            | 0.28         |
| Cash and Cash Equivalent as on April 1, 2017                | 60.07        |
| <b>Cash and Cash equivalents restated for previous year</b> | <b>61.03</b> |

#### Note : 47

Managerial Remuneration to the directors paid for the current year ended March 31, 2019 exceeded the permissible limits as prescribed under section 197 read with Schedule V of the Companies Act, 2013 by ₹ 7.96 crore. The Company is in the process of obtaining approval from its shareholders at the forthcoming annual general meeting for such excess remuneration paid. Managerial Remuneration paid for the previous year ended March 31, 2018 exceeded the permissible limits as prescribed under Schedule V of the Companies Act 2013 by ₹ 7.48 crore (March 31, 2017 ₹ 4.54 crore). Post notification of Section 67 of the Companies (Amendment) Act, 2017 (which corresponds to Section 197 of the Companies Act, 2013), the Company has obtained approval of the shareholders by a special resolution for payment of the excess remuneration.

#### Note : 48

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

#### Note : 49

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

#### Note 50 :

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

As per our Report attached

For and on behalf of the Board of Directors of  
**Godrej Industries Limited**  
 CIN No.: L24241MH1988PLC097781

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

**A. B. Godrej**  
 Chairman  
 DIN : 00065964

**N. B. Godrej**  
 Managing Director  
 DIN : 00066195

**Vijay Mathur**  
 Partner  
 M.No. : 046476

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

**Clement Pinto**  
 Chief Financial Officer

**Tejal Jariwala**  
 Company Secretary

Mumbai, May 13, 2019