CONSOLIDATED FINANCIALS AND AUDITORS' REPORT

Independent Auditors' Report

To the Members of
Godrej Agrovet Limited

Report on the audit of consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements of Godrej Agrovet Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate and its joint ventures which comprise the Consolidated Balance Sheet as at 31 March 2019 and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on financial statements of such subsidiaries, associate and joint ventures as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate, and joint ventures as at 31 March 2019, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for opinion

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

Emphasis of matter

We draw attention to the note 55 to the consolidated financial statements wherein the Honorable High Court of the Judicature at Bombay had approved a Scheme of Arrangement whereby the assets and liabilities of the transferor companies (Godrej Oil Palm Limited, Godrej Gokarna Oil Palm Limited and Cauvery Palm Oil Limited) have been taken over and recorded at their book values as on 1 April 2011. Amortisation amounting to ₹ 4.25 crore for the years ended 31 March 2019 and 31 March 2018, on Intangible Assets taken over as per the Scheme is charged against the balance in the General Reserve Account of the Company. Had this amount been charged to the standalone Statement of Profit and Loss, the profit for the year ended 31 March 2019 and 31 March 2018 would have been lower by ₹ 2.77 crore.

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

Key Audit Matters

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

I. <u>Revenue recognition</u>

The Key Audit Matter	How the matter was addressed in our audit
Revenue from sale of goods is recognized when the control of the goods has transferred to the customer and when there are no longer any unfulfilled obligations to the customer. Revenue is measured at the fair value of the consideration received or receivable. Revenue is adjusted for estimated sales returns, discounts and other similar allowances. **<u>Sales return estimation</u>** As disclosed in Note 1 [8 A] to the financial statements, revenue is recognised net of estimated sales returns. Estimation of sales returns involves significant judgement and estimates since it is dependent on various internal and external factors. Estimation of sales return amount together with the level of judgement involved make its accounting treatment a significant matter for our audit. **<u>Accrual for rebates and schemes</u>** As disclosed in Note 1 [8 A] to the financial statements, revenue is recognised net of trade discounts, volume rebates and other incentives given to the customer. The recognition and measurement of such discounts, rebates and incentives, including establishing an appropriate accrual at year end, involves significant judgement and estimates, particularly the expected level of claims of each of the customers. The value of rebates and schemes allowances together with the level of judgement involved make its accounting treatment a significant matter for our audit.	Our audit procedures included following: – Understanding the process followed by the management for the purpose of identifying and determining the amount of provision of sales returns; – Evaluating the data used by the management for the purpose of calculation of the provision for sales returns and checking of its arithmetical accuracy; – Comparison between the estimate of the provision for sales returns created in the past with subsequent actual sales returns and analysis of the nature of any deviations to corroborate the effectiveness of the management estimation process; – Considering the appropriateness of the Company's accounting policies regarding revenue recognition as they relate to accounting for rebates and scheme allowances – Testing the Company's process and controls over the calculation of discounts, rebates and customer incentives; – Selecting a sample on test check basis of revenue transactions and scheme circular to re-check that scheme allowance as at year end were calculated in accordance with the eligibility criteria mentioned in the relevant circulars; – Selecting a sample (using statistical sampling) of credit note issued to the customers during the year and verifying the same is in accordance with the scheme; – Evaluating the assumptions and judgements used by the Company in calculating rebates and schemes allowances, including the level of expected claims, by comparing historical trends of claims; and – Examining manual journals posted to discounts, rebates and incentives to identify unusual or irregular items

II. Impairment of trade receivables

The Company generates revenue from sales of its products to customers in various business segments and different jurisdictions within India. The carrying amount of trade receivables totaled to ₹ 734.89 crores as at 31 March 2019, representing 17.36% of the total assets of the Company. There are significant large number of individual small customers. Customers in different business segments and jurisdictions are subject to their independent business risk, climate risk, political risk, interest rate risk. Management assesses the level of allowance for doubtful debts required at each reporting date after taking into account the ageing analysis of trade receivables and any other factors specific to individual debtors concerned or debtors at independent segment level and a collective element based on historical experience adjusted for certain current factors. Accordingly, we identified the recoverability of trade receivables as a key audit matter because of the significance of trade receivables to Company's balance sheet and because of the significant degree of management judgement involved in evaluating the adequacy of the allowance for doubtful debts.	Our audit procedures to assess the recoverability of trade receivables included the following: • obtaining an understanding of and assessing the design, implementation and operating effectiveness of the Company's key internal controls over the processes of credit control, collection of trade receivables and follow up of overdue balances; • evaluating the Company's policy for making allowances for doubtful debts with reference to the requirements of the prevailing accounting standards; • assessing the classification of trade receivables in the trade receivable ageing report by comparison with sales invoices and other underlying documentation on a test check basis; • assessing the assumptions and estimates made by management for the allowance for doubtful debts calculated based on a collective assessment by performing a retrospective evaluation of the historical accuracy of these estimates and recalculating the Company's allowance with reference to the Company's policy for collective assessment; and • circulating and obtaining independent customers confirmation on the outstanding balances on sample (using statistical sampling) basis. Testing the reconciliation, if any between the balances confirmed by customer and balance in the books and inspecting subsequent bank receipts from customers and other relevant underlying documentation relating to trade receivable balances at 31 March 2019, on a sample basis (using statistical sampling)

III. Accounting for business combinations to the Consolidated Financial Statements

The Key Audit Matter	How the matter was addressed in our audit
During the year, the Group acquired controlling stake in its erstwhile joint venture, Godrej Tyson Foods Limited and accounted for the acquisition as a business combination as per Ind AS 103 w.e.f 31 March 2019. Refer note 63 (II) to the financial statements. • The measurement of the identifiable assets and liabilities acquired at fair value is inherently judgemental. • Fair value was determined by the Company with the assistance of an external valuation expert using various valuation models, which were applied according to the assets and liabilities being measured. • Given the complexity and judgement involved in fair value measurements and magnitude of the acquisition made by the Group, this is a key audit matter.	Our audit procedures included the following: • Obtaining the share purchase and shareholder's agreement to evaluate the key terms and conditions, including rights of minority shareholders to determine that the Group has acquired control over Godrej Tyson Foods Limited, in accordance with relevant accounting standard • Assessing the amounts for existing stake in Godrej Tyson Foods Limited, pursuant to the acquisition of control, is in compliance with the requirements by relevant accounting standard. • Assessing the work performed by management's external valuation experts, including valuation methodology for each category of assets and liabilities, along with key judgements made in determining the fair values. • Involving our internal valuation specialists to consider and evaluate the appropriateness of the valuation methodologies applied to significant fair value adjustments and also, to evaluate the inputs to the valuation models used to determine the value of the intangible assets, including the discount rates, growth rates and useful economic lives, through comparing these against industry benchmarks on similar assets and business. • Testing appropriateness of the cash flow projections used in the valuations and assumptions of useful lives of assets • Assessing the adequacy of the Company's disclosures (note 63) in respect of the acquisition in accordance with the accounting standards

Other Information

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

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

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associate and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group and of its associate and joint ventures is responsible for overseeing the financial reporting process of each company

Auditor's responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (Company and subsidiaries) as well as associate and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associates and joint ventures and joint operations to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

We did not audit the financial statements of four subsidiaries, whose financial statements reflect total assets of ₹ 52.25 crores as at 31 March 2019, total revenues of ₹ 4.51 crores and net cash inflows amounting to ₹ 0.06 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (and other comprehensive income) of ₹ 2.91 crores for the year ended 31 March 2019, in respect of one joint venture and one associate (upto 26 March 2019), whose financial statements/financial information have not been audited by us. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint venture is based solely on the audit reports of the other auditors

The financial statements/financial information of two subsidiaries, whose financial statements/financial information reflect total assets of ₹ 0.07 crores as at 31 March 2019, total revenues of ₹ 0.04 crores and net cash inflows amounting to ₹ 0.01 crores for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. The consolidated financial statements also include the Group's share of net profit (and other comprehensive income) of ₹ 6.79 crores for the year ended 31 March 2019, as considered in the consolidated financial statements, in respect of one associate and one joint venture, whose financial statements/financial information have not been audited by us or by other auditors. These unaudited financial statements/financial information have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint venture and associate, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, joint venture and associate, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/ financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/ financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries, associate and joint ventures as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

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

   i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2019 on the consolidated financial position of the Group, its associate and joint ventures. Refer Note 46 to the consolidated financial statements.

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

iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies, and joint venture incorporated in India during the year ended 31 March 2019.

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the 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 Auditor's report under section 197(16):

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies, and joint venture incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, its subsidiary companies, and joint venture is not in excess of the limit laid down under Section 197 of the Act. 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.

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

Koosai Lehery
Partner
Membership No: 112399

Mumbai
06 May 2019

Annexure A to the Independent Auditors' Report – 31 March 2019

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

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

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2019, we have audited the internal financial controls with reference to consolidated financial statements of Godrej Agrovet Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, as of that date.

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

Management's responsibility for Internal Financial Controls

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

Auditors' responsibility

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

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

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

Meaning of Internal Financial Controls with reference to consolidated financial statements

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

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

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

Other matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to four subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

Koosai Lehery
Partner
Membership No: 112399

Mumbai
06 May 2019

Consolidated Balance Sheet

as at March 31, 2019

(₹ in crore)

Particulars	Note	As at March 31, 2019	As at March 31, 2018
ASSETS			
(I) Non-current assets			
(a) Property, Plant and Equipment	2	1,721.97	1,247.55
(b) Capital work-in-progress	2	92.12	189.85
(c) Goodwill		264.88	194.87
(d) Other Intangible assets	3	64.05	49.53
(e) Intangible assets under development		1.47	0.56
(f) Biological assets other than bearer plants	4	19.00	4.26
(g) Equity accounted investees	5 (a)	116.50	195.22
(h) Financial Assets			
(i) Investments	5 (b) & (c)	0.01	0.01
(ii) Loans	6	19.37	13.77
(iii) Others	7	1.61	1.48
(i) Deferred tax assets		4.24	6.55
(j) Other tax assets (net)		6.30	3.20
(k) Other non-current assets	8	57.82	57.02
Total non current assets		**2,369.34**	**1,963.87**
(II) Current Assets			
(a) Biological assets	4	52.98	-
(b) Inventories	9	898.74	762.86
(c) Financial Assets			
(i) Investments	10	-	-
(ii) Trade Receivables	11	734.89	620.41
(iii) Cash and cash equivalents	12	27.80	29.85
(iv) Bank balances other than (ii) above	13	2.05	1.97
(v) Loans	14	18.38	14.69
(vi) Others	15	25.82	21.84
(e) Other current assets	16	103.61	125.88
Total current assets		**1,864.27**	**1,577.50**
TOTAL ASSETS		**4,233.61**	**3,541.37**
EQUITY AND LIABILITIES			
(I) Equity			
(a) Equity share capital	17	192.03	192.03
(b) Other equity	18	1,456.95	1,219.34
Non-controlling interests		400.96	269.28
Total equity		**2,049.94**	**1,680.65**
(II) Liabilities			
(1) Non current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	64.21	14.14
(ii) Other financial liabilities	20	0.51	-
(b) Provisions	21	6.70	6.44
(c) Deferred tax liabilities (net)		208.60	173.03
(d) Other non-current liabilities	22	20.41	14.05
Total non current liabilities		**300.43**	**207.66**
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	323.53	388.66
(ii) Trade Payables	24		
Total outstanding dues of micro enterprises and small enterprises		16.35	2.42
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,223.09	894.92
(iii) Other financial liabilities	25	217.87	273.52
(b) Other current liabilities	26	48.79	46.88
(c) Provisions	27	41.08	32.02
(d) Current tax liabilities (net)		12.53	14.64
Total current liabilities		**1,883.24**	**1,653.06**
Total liabilities		**2,183.67**	**1,860.72**
TOTAL EQUITY AND LIABILITIES		**4,233.61**	**3,541.37**

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

As per our report of even date attached

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

KOOSAI LEHERY
Partner
Membership Number: 112399
Mumbai, May 06, 2019

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

N. B. GODREJ
Chairman
DIN: 00066195

B.S.YADAV
Managing Director
DIN: 00294803

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

VIVEK RAIZADA
Company Secretary
ICSI Memb. No. ACS11787

Consolidated Statement of Profit and Loss

for the year ended March 31, 2019

(₹in crore)

	Particulars	Note	For the year ended March 31, 2019	For the year ended March 31, 2018
I.	**Revenue from Operations**	28		
	Sale of products		5,851.88	5,183.62
	Other operating revenue		18.86	22.29
	Total Revenue From Operations		**5,870.74**	**5,205.91**
II.	**Other income**	29	53.11	31.81
III.	**Total Income**		**5,923.85**	**5,237.72**
IV.	**Expenses**			
	Cost of materials consumed	30	4,389.07	3,807.05
	Purchases of Stock-in-Trade	31	229.75	170.81
	Changes in inventories of finished goods, Stock under cultivation, Work in progress and Stock-in-Trade	32	(45.22)	(7.66)
	Excise duty		-	20.39
	Employee benefits expense	33	294.42	276.34
	Finance costs	34	33.89	45.31
	Depreciation and amortization expenses	35	98.17	85.92
	Other Expenses	36	546.88	495.94
	Total Expenses		**5,546.96**	**4,894.10**
V.	**Profit before Exceptional items, Tax and Share of Equity Accounted Investees**		**376.89**	**343.62**
	Share of profit of equity-accounted investees, net of tax		12.11	16.08
VI.	**Profit Before Exceptional items and Tax**		**389.00**	**359.70**
VII.	Exceptional Items (refer note 53)		88.30	12.05
VIII.	**Profit Before Tax**		**477.30**	**371.75**
IX.	**Tax expense:**		**127.97**	**120.71**
	1. Current Tax		**107.86**	**110.76**
	- for current year		107.21	111.58
	- for earlier years		0.65	(0.82)
	2. Deferred Tax		20.11	**9.95**
X.	**Profit for the year**		349.33	**251.04**
XI.	**Other comprehensive income**			
	(A) Items that will not be reclassified to profit or loss			
	Remeasurements of defined benefit liability		(2.51)	(4.80)
	Equity accounted investee's share of other comprehensive income		0.05	(0.99)
	Income tax related to items that will not be reclassified to profit or loss		0.86	1.71
			(1.60)	(4.08)
	(B) Items that will be reclassified to profit or loss			
	Exchange difference on translation of financial statements of foreign operations		0.35	(0.42)
	Effective portion of gains/(losses) on hedging instruments in cash flow hedges		0.35	(3.50)
	Income tax related to items that will be reclassified to profit or loss		(0.12)	1.21
			0.58	(2.71)
	Other comprehensive income for the year		(1.02)	**(6.79)**
XII.	**Total comprehensive income for the year (X + XI)**		**348.31**	**244.25**
	Profit attributable to:			
	Equity holders of the Company		329.04	229.21
	Non-controlling interest		20.29	21.83
			349.33	**251.04**
XIII.	**Other comprehensive income is attributable to :**			
	Equity holders of the Company		(0.92)	(6.20)
	Non Controlling interests		(0.10)	(0.59)
			(1.02)	**(6.79)**
XIV.	**Total comprehensive income is attributable to :**			
	Equity holders of the Company		328.12	223.01
	Non Controlling interests		20.19	21.24
			348.31	**244.25**
XV.	**Earnings per equity share (Nominal value of ₹ 10 each, fully paid-up)**	37		
	Basic (₹)		16.99	12.02
	Diluted (₹)		16.99	12.02

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

As per our report of even date attached

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

KOOSAI LEHERY
Partner
Membership Number: 112399
Mumbai, May 06, 2019

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

N. B. GODREJ
Chairman
DIN: 00066195

B.S.YADAV
Managing Director
DIN: 00294803

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

VIVEK RAIZADA
Company Secretary
ICSI Memb. No. ACS11787

Consolidated Statement of Cash Flows

for the year ended March 31, 2019

(₹ in crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
A. Cash flow from operating activities :		
Net profit before taxes	477.30	371.75
Adjustment for:		-
Depreciation and amortisation	98.17	85.92
Profit/Loss on sale of Property, plant and equipment	(25.22)	1.58
Profit on sale of Investments (net)	(0.19)	(0.18)
Unrealised foreign exchange gain/loss	(1.91)	(0.92)
Grant amortisation	(1.30)	(1.49)
Interest income	(3.29)	(3.50)
Employee share based compensation cost	1.18	-
Share of equity-accounted investees, net of tax	(12.11)	(16.08)
Finance cost	33.89	45.31
Allowances for doubtful debts and advances	4.40	6.88
Liabilities no longer required written back	(7.37)	(3.81)
Exceptional Items	(88.30)	(12.05)
Inventory lost due to fire	-	2.63
Employee stock grants expense	0.16	0.43
Bad debts written off	18.67	8.21
	16.78	**112.93**
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**494.08**	**484.68**
Adjustments for:		
Inventories	(111.24)	(34.69)
Biological assets other than bearer plants	(0.42)	0.41
Trade receivables	(119.16)	(122.61)
Current / non-current financial assets- loans	(13.34)	17.01
Non-current financial assets- others	(8.94)	(1.97)
Other financial assets	0.10	-
Employee benefit obligations	0.21	-
Other current / non-current assets	31.62	(66.48)
Trade payables and acceptances	334.80	115.12
Current / non-current provisions	5.79	2.80
Current / non-current financial liabilities- others	(60.31)	31.66
Other current / non-current liabilities	4.29	11.63
	63.40	**(47.12)**
CASH GENERATED FROM OPERATIONS	**557.48**	**437.56**
Direct taxes paid (net of refunds received)	(109.74)	(83.74)
NET CASH FLOW FROM OPERATING ACTIVITIES	**447.74**	**353.82**

Consolidated Statement of Cash Flows

for the year ended March 31, 2019

(₹ in crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
B. Cash Flow from Investing Activities :		
Capital subsidy received	2.76	-
Acquisition of property, plant and equipment	(275.85)	(246.14)
Proceeds from sale of property, plant and equipment	35.20	1.38
Intercorporate deposits given	(10.54)	(7.84)
Intercorporate deposits returned	16.74	-
Purchase of investments	(4.84)	(5.66)
Acquisition of subsidiaries (refer note : 63)	(4.17)	-
Proceeds from sale of investments	0.19	0.18
Deposits redeemed	(0.10)	0.22
Interest received	3.39	4.45
Dividend received	-	0.61
NET CASH FLOW USED IN INVESTING ACTIVITIES	**(237.22)**	**(252.80)**
C. Cash flow from financing activities :		
Proceeds from exercise of ESOP shares	0.28	0.20
Repayment of short term borrowings	(1,782.54)	(3,546.86)
Receipt of long-term borrowings	20.00	-
Proceeds from short term borrowings	1,704.76	3,300.31
Repayment of long term borrowings	(10.18)	(10.51)
Finance cost	(35.41)	(45.48)
Dividend paid	(89.22)	(86.82)
Dividend tax paid	(18.33)	(17.65)
Transactions with non-controlling interests	(5.92)	(20.83)
Redemption of preference shares	-	(0.01)
Proceed from fresh issue of shares	-	316.92
Share Issue expenses charged directly to reserves	-	(14.26)
NET CASH FLOW USED IN FINANCING ACTIVITIES	**(216.56)**	**(124.99)**
Net (decrease)/ increase in cash and cash equivalents	**(6.04)**	**(23.97)**
Cash and cash equivalents (opening balance)	**29.85**	**53.82**
Add: cash & cash equivalents acquired during the year (refer note 64)	**3.99**	**-**
Cash & cash equivalents (closing balance)	**27.80**	**29.85**

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

2 Figures in bracket indicate cash outflow.

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

As per our report of even date attached

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

KOOSAI LEHERY
Partner
Membership Number: 112399
Mumbai, May 06, 2019

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

N. B. GODREJ
Chairman
DIN: 00066195

B.S.YADAV
Managing Director
DIN: 00294803

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

VIVEK RAIZADA
Company Secretary
ICSI Memb. No. ACS11787

Consolidated Statement of changes in equity

(a) Equity share capital (₹ in crore)

	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the reporting year	192.03	185.13
Changes in equity share capital during the year(refer note 17)	-	6.90
Balance at the end of the reporting year	192.03	192.03

(b) Other equity

(₹ in crore)

	Retained earnings	Capital Reserve	General reserve	Employee share option outstanding	Securities Premium Account	Non Controlling Interest Reserve	Effective portion of Cash Flow Hedges	Exchange differences on translating the financial statements of a foreign operation	Total attributable to the owners of the Company	Non - controlling interest	Total
Balance at April 1, 2018	849.04	1.73	20.91	1.71	426.59	(73.00)	(0.11)	(7.53)	1,219.34	269.28	1,488.62
Total comprehensive income for the year											
Profit for the year (net of income tax)	329.04	-	-	-	-	-	-	-	329.04	20.29	349.33
Other comprehensive income for the year (net of income tax)	(1.40)	-	-	-	-	-	0.13	0.35	(0.92)	(0.10)	(1.02)
Total comprehensive income for the year	327.63	-	-	-	-	-	0.13	0.35	328.12	20.20	348.31
Transactions with the owners of the Company, recorded directly in equity											
Contributions and distributions											
Dividends	(86.41)	-	-	-	-	-	-	-	(86.41)	(2.88)	(89.29)
Dividend distribution tax	(17.73)	-	-	-	-	-	-	-	(17.73)	(0.59)	(18.32)
Others											
Amortisation of Intangibles (net of income tax) as per Oil Palm Companies Merger Scheme approved by Bombay High Court (refer note 55)	-	-	(2.77)	-	-	-	-	-	(2.77)	-	(2.77)
Employee compensation expenses recognised during the year (refer note 39)	-	-	-	1.18	-	-	-	-	1.18	-	1.18
Exercise of Employee stock grants	-	-	-	-	-	-	-	-	-	0.43	0.43
Others (refer note 58)	-	-	-	-	0.40	-	-	-	0.40	-	0.40
Acquisitions through business combination (refer note 63)	-	-	-	-	-	-	-	-	-	113.79	113.79
Liability towards Put Option arrangement	18.48	-	-	-	-	-	-	-	18.48	-	18.48
Acquisition of non-controlling interests (refer note 62)	-	-	-	-	-	(3.66)	-	-	(3.66)	0.74	(2.92)
Balance at March 31, 2019	1,091.02	1.73	18.14	2.89	426.99	(76.66)	0.02	(7.18)	1,456.95	400.96	1,857.91

Consolidated Statement of changes in equity

(b) Other equity

(₹ in crore)

	Retained earnings	Capital Reserve	General reserve	Employee share option outstanding	Securities Premium Account	Non Controlling Interest Reserve	Effective portion of Cash Flow Hedges	Exchange differences on translating the financial statements of a foreign operation	Total attributable to the owners of the Company	Non - controlling interest	Total
Balance at April 1, 2017	**746.02**	**1.73**	**3.68**	**1.62**	**130.62**	**(55.00)**	**2.08**	**(7.11)**	**823.64**	**254.07**	**1,077.71**
Total comprehensive income for the year											
Profit for the year	229.21	-	-	-	-	-	-	-	**229.21**	21.83	**251.04**
Other comprehensive income for the year (net of income tax)	(3.59)	-	-	-	-	-	(2.19)	(0.42)	**(6.20)**	(0.59)	**(6.79)**
Total comprehensive income for the year	**225.62**	-	-	-	-	-	**(2.19)**	(0.42)	**223.01**	**21.24**	**244.25**
Transactions with the owners of the Company, recorded directly in equity											
Contributions and distributions											
Dividends	(83.31)	-	-	-	-	-	-	-	**(83.31)**	(2.93)	(86.24)
Dividend distribution tax	(17.65)	-	-	-	-	-	-	-	**(17.65)**	(0.60)	(18.25)
Others											
Employee compensation expenses recognised during the year (refer Note 39)	-	-	-	0.43	-	-	-	-	**0.43**	-	**0.43**
Acquisition of non-controlling interests (refer note 62)	-		-	-		(18.00)	-	-	**(18.00)**	(2.83)	**(20.83)**
Transfer from Retained earnings to General Reserve	(20.00)	-	20.00	-	-	-	-	-	-	-	-
Utilised towards share issue expenses (refer note 55)	-	-	-	-	(14.26)	-	-	-	**(14.26)**	-	**(14.26)**
Amortisation of Intangibles (net of income tax) as per Oil Palm Companies Merger Scheme approved by Bombay High Court (refer note 55)	-	-	(2.77)	-	-	-	-	-	**(2.77)**	-	**(2.77)**
Issue of equity shares during the year	-	-	-	-	310.02	-	-	-	**310.02**	0.17	**310.19**
Liability towards Put Option Arrangement	(1.64)	-	-	-	-	-	-	-	**(1.64)**	-	**(1.64)**
Exercise of Employee stock grants	-	-	-	(0.34)	**0.21**	-	-	-	**(0.13)**	0.16	**0.03**
Balance at March 31, 2018	**849.04**	**1.73**	**20.91**	**1.71**	**426.59**	**(73.00)**	**(0.11)**	**(7.53)**	**1,219.34**	**269.28**	**1,488.62**

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

As per our report of even date attached

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

KOOSAI LEHERY
Partner
Membership Number: 112399
Mumbai, May 06, 2019

For and on behalf of the Board of Directors of Godrej Agrovet Limited
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S. VARADARAJ
Chief Financial Officer
ICAI Memb. No. 047959

VIVEK RAIZADA
Company Secretary
ICSI Memb. No. ACS11787

Notes to the Consolidated Financial Statements

NOTE 1. Significant Accounting Policies.

1. **General information**

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

2. **Basis of preparation and presentation**

(i) Basis of preparation:

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

The consolidated financial statements of the Group for the year ended March 31, 2019 were authorized for issue in accordance with a resolution of the Board of Directors on May 6, 2019.

(ii) Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value (refer accounting policy regarding financial instruments)
- asset held for sale and biological Assets – measured at fair value less cost to sell;
- defined benefit plans – plan assets measured at fair value less present value of defined benefit obligation; and
- share-based payments

(iii) Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees, which is the Group’s functional currency. All amounts have been rounded off to the nearest crore , unless otherwise indicated. The amount reflected as "0.00" in Financials are value with less than one lakh.

3. **Basis of consolidation**

(i) Subsidiaries :

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

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

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

(ii) Equity method :

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

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

4 **Business combinations**

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

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

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling

Notes to the Consolidated Financial Statements

interest in the acquired entity on an acquisition-by-acquisition basis either at their fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition related costs are expenses as incurred.

The excess of the

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

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

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

5. Key estimates and assumptions

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

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

Judgement, estimates and assumptions are required in particular for:

- **Determination of the estimated useful lives**

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

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

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

- **Recognition of deferred tax assets**

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

- **Recognition and measurement of Provisions**

  a. Provision for sales returns

  The Group makes a provision for estimated sales returns, based on its historical experience and is dependent on other relevant factors.

  b. Provision for doubtful trade receivables

  The Group has large number of individual small customers. Management assesses the level of allowance for doubtful debts after taking into account ageing analysis and any other factor specific to individual counterparty and a collective estimate based on historical experience adjusted for certain current factors.

c. **Other Provisions**

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

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

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

- **Fair valuation of employee share options**

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

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

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

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

- **Rebates and sales incentives**

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

- **Fair value of financial instruments**

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

- **Biological Assets**

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

6. **Measurement of fair values**

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

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

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

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

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

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

7. **Standards issued but not yet effective**

Ind AS 116, Leases

Ind AS 116 is applicable for financial reporting periods beginning on or after 1 April 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 Group is proposing to use the "Modified Retrospective Approach" for transitioning to Ind AS 116. Accordingly, comparatives for the year ended 31st March 2019 will not be retrospectively adjusted.

Notes to the Consolidated Financial Statements

8. Significant accounting policies

A. Revenue

(i) Sale of goods

Revenue from operations comprises of sales of goods after the deduction of discounts, goods and service tax and estimated returns. Discounts given by the Group includes trade discounts, volume rebates and other incentive given to the customers. Accumulated experience is used to estimate the provision for discounts. Revenue is only recognized to the extent that it is highly probable a significant reversal will not occur.

Revenue from the sale of goods are recognized when control of the goods has transferred to our customer and when there are no longer any unfulfilled obligations to the customer. Depending on the contractual terms with the customers, this can be either at the time of dispatch or delivery of goods. This is considered the appropriate point where the performance obligations in our contracts are satisfied as the Group no longer have control over the inventory.

Our customers have the contractual right to return goods only when authorized by the Group. As at 31 March 2019, an estimate has been made of goods that will be returned and a liability has been recognized for this amount. An asset has also been recorded for the corresponding inventory that is estimated to return to the Company using a best estimate based on historical experience.

(ii) Dividend income

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

(iii) Interest income

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

B. Foreign currency

i. Transactions and balances

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

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

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

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

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

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

C. Employee benefits

i. Short term employee benefits

All employee benefits payable wholly within twelve months of rendering services are classified as short-term employee benefits. Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

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

ii. Defined contribution plans

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

Notes to the Consolidated Financial Statements

iii. **Defined benefit plans**

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

- Provident Fund Contributions other than those made to the Regional Provident Fund Office of the Government which are made to the Trust administered by the Group.

  The Group's contribution to the Provident Fund Trust as established by the Group, is also considered as a Defined Benefit Plan because, as per the rules of Group's Provident Fund Scheme, 1952, if the return on investment is less or for any other reason, then the deficiency shall be made good by the Group. The Group's net obligations in respect of such plans is calculated by estimating the amount of future benefit that the employees have earned in return for their services and the current and prior periods that benefit is discounted to determine its present value and the fair value of the plan asset is deducted.

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

- Gratuity Fund

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

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

iv. **Other long-term employee benefits**

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

v. **Terminal Benefits:**

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

D. Income Tax

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

i. Current tax

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

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

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

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

ii. Deferred tax

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

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

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

Notes to the Consolidated Financial Statements

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Taxes relating to items recognized directly in equity or OCI is recognized in equity or OCI and not in the consolidated statement of profit and loss.

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

Deferred tax assets and liabilities are offset only if:

a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

E. **Inventories**

Inventories are carried in the consolidated balance sheet as follows:

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

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

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

The cost of inventories have been computed to include all cost of purchases, cost of conversion and other related costs incurred in bringing the inventories to the present location and condition. Slow and non-moving material, obsolescence, defective inventories are duly provided for and valued at lower of cost and net realizable value. Goods and materials in transit are valued at actual cost incurred upto the date of balance sheet. Materials and supplies held for use in the production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.

(d) Land development project in progress includes cost of land, development management fees, construction cost, allocated interest and expenses attributable to the construction of the project undertaken by the Group.

F. **Property, plant and equipment**

i. Recognition and measurement

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

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

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

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

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

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

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

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

ii. Subsequent expenditure

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

iii. Depreciation/ Amortizations

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

(a) Plant and Machinery: - 20 Years

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

Depreciated over the estimated useful life of 4 years.

(c) Leasehold Land:

Amortized over the primary lease period.

Notes to the Consolidated Financial Statements

(d) Leasehold improvements and equipments:

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

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

G. Borrowing costs

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

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

H. Segment reporting

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

I. Intangible assets

Recognition and measurement

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

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

Amortisation

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

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

-	Grant of licenses	:	10 years
-	Computer Software	:	6 years
-	Technical Know-how of a capital nature & Product Registration expenses	:	6 years
-	Brands	:	20 years

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

Research and Development Expenditure

Research Expenditure:

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

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

J. Share-based payments:

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

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

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

d. When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the Consolidated Statement of Profit and Loss.

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

K. Financial Instruments

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

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

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

Notes to the Consolidated Financial Statements

i. **Financial assets**

Classification

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

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

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

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

Initial recognition & measurement

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

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

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

Derecognition

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

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

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

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

Impairment of financial assets

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

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

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

ii. **Financial liabilities**

Classification

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

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

Initial recognition and measurement

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

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

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

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

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

Derecognition

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

Offsetting of financial instruments

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

Derivative financial instruments

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of item being hedged and the type of hedge relationship designated.

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

L. Provisions, contingent liabilities and contingent assets

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The expenses relating to a provision is presented in the Consolidated Statement of Profit and Loss net of any reimbursement.

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

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

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

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

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

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

M. Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of hedged item on a present value basis from the inception of hedge. The gain or loss relating to the effective portion is recognized immediately in profit or loss.

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

Notes to the Consolidated Financial Statements

N. Leases

In determining whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease date if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in the arrangement.

i. Lease payments

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

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

ii. Lease assets

Assets held by the Group under leases that transfer to the Group substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognised in the Group's statement of financial position.

O. Impairment of non-financial assets

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

The carrying values of other assets/cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor that reflects current market assessments of the time value of money and the risk specific to the asset.

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

P. Cash and cash equivalents

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

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

Q. Government Grants

Grants are recognized when there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an asset, the cost of the asset is shown at gross value and grant thereon is treated as a deferred grant which is recognized as income in the consolidated statement of profit and loss over the period and in proportion in which depreciation is charged.

Revenue grants are recognized in the consolidated statement of profit and loss in the same period as the related cost which they are intended to compensate are accounted for.

R. Earnings Per Share ("EPS")

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

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

S. Biological assets

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

Notes to the Consolidated Financial Statements

Note - 2 Property, plant and equipment

(₹ in crore)

PARTICULARS	Freehold Land (refer note 2.1)	Leasehold Land (refer note 2.1)	Buildings (refer note 2.1)	Plant and Machinery	Furniture and Fixtures	Vehicles	Office & Others Equipment	Tree Development Cost	Leasehold Improvements	Livestock used for R&D	Total
As at March 31, 2019											
Gross Block											
Cost as at April 1, 2018	326.64	33.23	375.10	633.53	10.57	37.63	27.62	-	2.13	0.32	1,446.77
Additions	2.27	1.36	94.04	249.16	1.36	6.00	10.65	-	0.50	0.03	365.37
Acquisitions through Business Combinations (refer note 63)	35.76	24.92	54.68	92.08	0.76	1.65	3.90	-	0.70	-	214.45
Disposals	(3.29)	-	(0.59)	(4.29)	(0.02)	(6.10)	(0.28)	-	(0.02)	-	(14.59)
As at March 31, 2019	361.38	59.51	523.23	970.48	12.67	39.18	41.89	-	3.31	0.35	2,012.00
Accumulated Depreciation											
As at April 1, 2018	-	1.01	32.96	141.93	3.04	10.29	9.42	-	0.47	0.08	199.20
Charge for the year	-	0.38	14.34	69.70	1.22	4.81	4.59	-	0.39	0.03	95.46
Disposals	-	-	(0.06)	(2.76)	(0.01)	(1.57)	(0.21)	-	-	(0.02)	(4.63)
As at March 31, 2019	-	1.39	47.24	208.87	4.25	13.53	13.80	-	0.86	0.09	290.03
Net Block as at March 31, 2019	**361.38**	**58.12**	**475.99**	**761.60**	**8.42**	**25.65**	**28.09**	**-**	**2.44**	**0.26**	**1,721.97**
Capital work in progress											92.12
As at March 31, 2018											
Gross Block											
Cost as at April 1, 2017	325.30	33.23	354.76	557.86	9.52	33.84	23.47	0.80	1.09	0.46	1,340.33
Additions	1.34	-	20.50	77.58	1.08	5.30	4.20	-	1.04	0.05	111.09
Disposals	-	-	(0.16)	(1.91)	(0.03)	(1.51)	(0.05)	(0.80)	-	(0.19)	(4.65)
As at March 31, 2018	326.64	33.23	375.10	633.53	10.57	37.63	27.62	-	2.13	0.32	1,446.77
Accumulated Depreciation											
As at April 1, 2017	-	0.64	20.21	82.92	1.83	6.07	5.56	0.80	0.15	0.07	118.26
Charge for the year	-	0.37	12.76	59.42	1.22	4.64	3.88	-	0.32	0.04	82.65
Disposals	-	-	(0.01)	(0.41)	(0.01)	(0.42)	(0.02)	(0.80)	-	(0.03)	(1.69)
As at March 31, 2018	-	1.01	32.96	141.93	3.04	10.29	9.42	-	0.47	0.08	199.22
Net Block as at March 31, 2018	**326.64**	**32.22**	**342.14**	**491.60**	**7.53**	**27.34**	**18.20**	**-**	**1.66**	**0.24**	**1,247.55**
Capital work in progress											189.85

Note 2.1: Legal formalities relating to the transfer of title of immovable assets situated at Chennai (acquired as a part of the take over of Agrovet business from Godrej Industries Limited), Ariyalur & Varanavasi (as part of the merger of Cauvery Oil Palm Limited), and Dahej are being complied with. Stamp duty payable thereon is not presently determinable.

Note 2.2 Capital work in progress includes borrowing cost capitalised during the year of ₹ 1.67 crores (Previous year ₹ 0.94 crore)

Note 2.3 Refer to note 23 for information on property, plant and equipment pledged as security by the group.

Notes to the Consolidated Financial Statements

Note - 3 Intangible assets

(₹ in crore)

PARTICULARS	Computer Software	Brand	Grant of Licences	Product Registration	Total
As at March 31, 2019					
As at April 1, 2018	13.79	38.22	17.00	2.71	71.72
Additions	1.26	-	-	-	1.26
Acquisitions through Business Combinations (refer note 63)	3.67	16.57	-	-	20.24
Disposals	(0.01)	-	-	-	(0.01)
As at March 31, 2019	**18.71**	**54.79**	**17.00**	**2.71**	**93.21**
Accumulated amortisation					
As at April 1, 2018	7.16	-	12.75	2.28	22.19
Disposals	(0.00)	-	-	-	(0.00)
As at March 31, 2019	**9.45**	**-**	**17.00**	**2.71**	**29.16**
Net Block as at March 31, 2019	**9.26**	**54.79**	**-**	**-**	**64.05**
As at March 31, 2018					
Cost					
As at April 1, 2017	12.62	38.22	17.00	2.71	70.55
Additions	1.17	-	-	-	1.17
Disposals	-	-	-	-	-
As at March 31, 2018	**13.79**	**38.22**	**17.00**	**2.71**	**71.72**
Accumulated amortisation					
As at April 1. 2017	4.45	-	8.50	1.72	14.67
Charge for the year	2.71	-	4.25	0.56	7.52
Disposals	-	-	-	-	-
As at March 31, 2018	**7.16**	**-**	**12.75**	**2.28**	**22.19**
Net Block as at March 31,2018	**6.63**	**38.22**	**4.25**	**0.43**	**49.53**

Note 3.1 To give effect to the Order of the Honorable High Court of Judicature at Bombay passed during 2011-12 regarding the scheme of Amalgamation of Godrej Gokarna Oil Palm Limited & Godrej Oil Palm Limited, the amortisation of Grant of Licenses are charged against the balance in the General Reserve Account. (refer Note 55)

Note 4 Biological Assets other than bearer plants

A. Reconciliation of carrying amount

March 31, 2019 (₹ in crore)

Particulars	Oil palm saplings		Cattles	PS Birds /Hatching eggs /Broilers	Total
	Qty.	Amount	Amount	Amount	
Balance as April 1, 2018	6,76,545	4.26	-	-	4.26
Add:					
Purchases	5,93,900	2.54	-	-	2.54
Production/ Cost of Development		2.27	-	-	2.27
Less:					
Sales / Disposals	(5,97,492)	(4.31)	-	-	(4.31)
Change in fair value less cost to sell:	-	(0.08)	-	-	(0.08)
Realised	-	(0.15)	-	-	(0.15)
Unrealised	-	0.07	-	-	0.07
Acquisition through Business Combination	-		4.14	63.16	67.30
Balance as at March 31, 2019	6,72,953	4.68	4.14	63.16	71.98
Non Current	-	4.68	4.14	10.18	19.00
Current	-	-	-	52.98	52.98

Notes to the Consolidated Financial Statements

March 31, 2018 (₹ in crore)

Particulars	Oil palm saplings	
	Qty.	Amount
Balance as April 1, 2017	6,12,172	4.67
Add:		-
Purchases	5,88,559	2.60
Production/ Cost of Development		1.03
Less:		
Sales / Disposals	(5,24,186)	(3.95)
Change in fair value less cost to sell:	-	(0.09)
Realised	-	(0.26)
Unrealised	-	0.17
Balance as at March 31, 2018	**6,76,545**	**4.26**

The group has trading operations in oil palm business whereby the group purchases the saplings and sells the saplings once it has achieved the desired growth. During the year ended March 31, 2019 , the group purchased 593,900 (Previous year: 588,559) number of saplings, out of which 593,900 (Previous year: 588,559) were still under cultivation. The group has also acquired poultry (PS Birds /Hatching eggs /Broilers) (on acquisition of Godrej Tyson Foods Limited refer note 63) and cattle (on acquisition of Godrej Maxximilk Private Limited)

B. Measuement of Fair value

i. Fair Value hierarchy

The fair value measurements for oil palm saplings, cattles and PS Birds /Hatching eggs /Broilers have been categorised as Level 3 fair values based on the inputs to valuation technique used.

ii. Level 3 Fair values

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

Particulars	March 31, 2019	March 31, 2018
	Oil palm saplings	Oil palm saplings
Gain/(loss) included in 'other operating revenue'	(0.08)	(0.09)
Change in fair value (realised)	(0.15)	(0.26)
Change in fair value (unrealised)	0.07	0.17

iii. Valuation techniques and significant unobservable inputs

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Oil Palm Saplings - it comprises the stock under cultivation	Cost approach and percentage completion method	Estimated cost of completing the stock under cultivation ₹ 49 to ₹ 111 per sapling	The estimated fair valuation would increase/ (decrease) if - Estimated cost to complete was lower (higher)

C. Risk Management strategies related to agricultural activities

The group is exposed to the following risks relating to its plantations, Cattles and PS Bird /Hatching egg /Broiler

i. Regulatory and enviromental risks

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

ii. Supply and demand risks

The group is exposed to risks arising from fluctuations in the price and sales volume of plants and milk. For oil palm plants, when possible, the group manages this risk by aligning its harvest volume to market supply and demand. Management performs regular industry trend analyses for projected harvest volumes and pricing. For milk, the company manage this risk by effictive marketing tie up for sale of milk.

The company exposed the risk arising from the fluctuations in the price of Hatching eggs, commercial day old chicks and live birds. when the price goes down the management possibly manage this risk by diverting more live birds for processing and when prices goes up the management sells more Hatching eggs, Day old Chicks and Live Birds.

Notes to the Consolidated Financial Statements

iii. Climate and other risks

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

The Company is exposed to risks arising from fluctuations in yield and health of the Cattle. Company manages this risk by effective sourcing and maintenance of cattle.

The company's Live stock are exposed to the extreme climatic changes in summer and winter season. However, the company has extensive processes in place aimed at monitoring and mitigating those risks, including regular health inspections of Live Stock and adopting Industry best practices by professional qualified veterinarian doctors.

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

	Profit or (loss) for the year ended March 31,2019		Profit or (loss) for the year ended March 31,2018	
	10% increase	10% decrease	10% increase	10% decrease
Variable cost (Oil plam saplings)	(0.08)	0.09	(0.08)	0.08
Cash flow sensitivity (net)	**(0.08)**	**0.09**	**(0.08)**	**0.08**

Note 5 : Investments

(₹ in crore)

	As at March 31, 2019	As at March 31, 2018
A. Equity accounted investees		
I Investment in Equity Instrument (Fully Paid)		
(a) Investment in equity of associates (Unquoted)		
Godrej Maxximilk Private Limited (refer note 63)	-	4.14
3,07,915 equity shares of ₹ 10 each, acquired during Previous year.		
(b) Investment in joint ventures (Unquoted)		
i ACI Godrej Agrovet Private Limited, Dhaka, Bangladesh.	73.65	67.97
18,50,000 (Previous Year 18,50,000) Equity Shares of ₹ 100/- each.		-
ii Omnivore India Capital Trust	42.85	34.17
2,444.37 (Previous Year 2,256.87) units of ₹ 1,00,000 each.		
iii Godrej Tyson Foods Limited (refer note 63)	-	88.94
(Previous year 97,461) Equity Shares of ₹10/- each.		
Total (A)	**116.50**	**195.22**
B. Non-current investments		
Investment in equity instruments at fair value through Statement of Profit & Loss (Unquoted)		
(a) Investment in co-operative society	0.01	0.01
(b) Investment in other corporates	0.00	0.00
Total (B)	**0.01**	**0.01**
C. Investments at amortised cost (Unquoted)		
Investments in Government or Trust Securities	-	0.00
Total (C)	**-**	**0.00**
TOTAL	**116.51**	**195.23**
Note 5.1 Other disclosures		
Aggregate amount of unquoted investments (other than equity accounted investees)	0.01	0.01
Aggregate amount of impairment in value of investments	-	-

Notes to the Consolidated Financial Statements

(₹ in crore)

		As at March 31, 2019	As at March 31, 2018
Note 6 : Non current - loans			
Unsecured, considered good (unless otherwise stated)			
1	Security deposits		
	i Considered good	18.90	13.20
	ii Considered doubtful	0.23	0.58
	Less : Allowance for bad and doubtful deposits	(0.23)	(0.58)
	Net deposits	18.90	13.20
2	Loan to employees	0.47	0.57
TOTAL		**19.37**	**13.77**
Note 7 : Other non-current financial assets			
1	Claims receivable	1.46	1.46
2	Bank deposit with remaining maturity of more than 12 months (refer note 7.1)	0.15	0.02
TOTAL		**1.61**	**1.48**
Note 7.1: Fixed Deposits of ₹ 0.13 crore (Previous year ₹Nil) are pledged with government authorities. Further Fixed deposits with scheduled banks held as margin money towards bank guarantees and sales tax registration and fixed deposit of ₹ 0.02 crores (Previous Year ₹ 0.02 crore) are kept as ernest money deposit.			
Note 8 : Other non-current assets			
1	Capital advances	37.95	36.97
2	Balance with government authorities	16.41	17.67
3	Others	-	-
	i) Considered good	3.46	2.38
	ii) Considered doubtful	0.46	0.27
	Less : Allowance for doubtful advances	(0.46)	(0.27)
		3.46	2.38
TOTAL		**57.82**	**57.02**
Note 9 : Inventories			
	(Valued at lower of cost and net realizable value)		
1	Raw materials (incuding packing materials)	502.22	405.64
2	Raw materials in transit	1.12	15.71
3	Work in progress	45.69	35.49
4	Project in progress	68.43	68.36
5	Finished goods	165.68	157.87
6	Stock-in-trade	87.75	52.20
7	Stores and spares	27.85	27.59
TOTAL		**898.74**	**762.86**

Note 9.1 : refer note 23 for information on inventories pledged as securities by the Company

Notes to the Consolidated Financial Statements

(₹ in crore)

			As at March 31, 2019	As at March 31, 2018
Note 10 : Current investments				
I	**Investment in equity of associates (Unquoted)**			
	i	**Al Rahaba International Trading Limited Liability Company, Abu Dhabi, UAE.**	-	-
		24 Equity Shares of AED. 1500/- each. During the previous year classified as current investment	-	-
TOTAL			**-**	-
Note 11 : Current trade receivables (refer note 40.2)				
i.	Secured and considered good (refer note 11.1)		78.09	75.42
ii.	Unsecured and considered good		656.80	544.99
iii.	Credit impaired		19.75	15.78
	Less : Loss allowance		(19.75)	(15.78)
TOTAL			**734.89**	**620.41**
Note 11.1: Secured by Security Deposits collected from customers or Bank Guarantees held against them.				
Note 11.2: Refer to note 23 for information on trade receivables pledged as security by the group.				
Note 12 : Cash and cash equivalents				
1	Cash on hand		6.31	4.00
2	Cheques, drafts on hand		5.40	0.75
3	Balances with banks:			-
	(a)	Current accounts	16.05	25.06
	(b)	Saving bank account of company's ESOP Trust	0.04	0.04
TOTAL			**27.80**	**29.85**
Note 13 : Bank balances other than cash and cash equivalents				
1	Fixed deposits -more than 3 months and less than 12 months (refer note. 13.1)		1.92	1.90
2	Unclaimed dividend accounts		0.13	0.07
TOTAL			**2.05**	**1.97**
Note 13.1: Fixed deposits of ₹ 1.21 crore (Previous year ₹ nil) are pledged with Banks for Guarantees issued. Further fixed deposits of ₹ 0.06 crore are kept as ernest money deposit.				
Note 14 : Current loans				
	Unsecured, considered good, unless otherwise stated			
1	Loans and advances to related parties (refer note. 65)			
	Intercorporate deposits		-	7.84
2	Loans and advances - others			
	(a)	Loans and advances to employees	1.19	0.88
	(b)	Security deposits	3.80	5.83
	(c)	Other loans & advances	13.39	0.14
TOTAL			**18.38**	**14.69**

Notes to the Consolidated Financial Statements

(₹ in crore)

		As at March 31, 2019	As at March 31, 2018
Note 15 : Other current financial assets			
1	Interest on bank fixed deposit	0.06	0.12
2	Interest accrued on other deposits	0.16	0.02
3	Non-trade receivables	13.01	12.40
4	Derivatives	-	
	- Foreign exchange forward contracts not designated as hedge	-	0.01
	- Foreign exchange forward contracts designated as hedge	-	0.21
5	Others	12.59	9.08
TOTAL		**25.82**	**21.84**
Note 16 : Other current assets			
1	Advances to suppliers	17.70	17.42
	Less: Allowance for doubtful advance	(0.45)	(0.45)
2	Balance with government authorities	49.75	72.28
3	Others (includes prepayments, inventory receivable on returns, etc.)	36.61	36.63
TOTAL		**103.61**	**125.88**

		As at March 31, 2019	As at March 31, 2018
Note 17 : Share capital			
1	**Authorised :**		
	(a) 22,49,94,000 (Previous Year 22,49,94,000) Equity shares of the par value of ₹ 10 each	224.99	224.99
	(b) 6,000 (Previous Year 6,000) Preference shares of the par value of ₹ 10 each	0.01	0.01
	TOTAL	**225.00**	**225.00**
2	**Issued, subscribed and paid-up:**		
	19,20,28,739 (Previous Year 19,20,28,739) Equity shares of ₹ 10 each fully paid up.	192.03	192.03
TOTAL		**192.03**	**192.03**

		As at March 31, 2019		As at March 31st 2018	
3	**Reconciliation of number of shares outstanding at the beginning and end of the year :**	No. of shares	₹ In crore	No. of shares	₹ In crore
	Equity shares :				
	Outstanding at the beginning of the year	19,20,28,739	192.03	18,51,30,876	185.13
	Shares issued during the year		-	68,97,863	6.90
	Outstanding at the end of the year	**19,20,28,739**	**192.03**	**19,20,28,739**	**192.03**
	Preference shares :				
	Outstanding at the beginning of the year	-	-	6,000	0.01
	Issued during the year	-	-		
	Redeemed during the year		-	(6,000)	(0.01)
	Outstanding at the end of the year	**-**	**-**	**-**	**-**

Notes to the Consolidated Financial Statements

4 Rights, preferences and restrictions attached to:

a. **Equity Shares:** The group has one class of Equity shares having a par value of ₹ 10 per share. Each Share holder is eligible for one vote per share held. All Equity Shareholders are eligible to receive dividends in proportion to their shareholdings. The dividends proposed by the Board of Directors are subject to the approval of the Shareholders in the ensuing Annual General Meeting. In the event of liquidation, the Equity Shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion to their share holding.

b. **Preference Shares:** The group has Non-Convertible Redeemable Preference Shares having a par value of ₹ 10 per share. Each eligible Shareholder is entitled for 8% dividend on par value of shares. In the event of liquidation, Preference Shareholders have preferential right on the asset over Equity Shareholders.These non- convertible redeemable preference shares have been fully redeemed during the previous year.

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

		As at March 31, 2019		As at March 31, 2018	
		No. of shares	%	No. of shares	%
(a)	**Equity shares**				
1	Godrej Industries Limited (the holding Company)	11,16,66,300	58.15%	11,13,57,225	57.99%
2	V-Sciences Investments Pvt Ltd	2,47,07,698	12.87%	2,47,07,698	12.87%

6 There are no shares reserved for issue under options.

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

Year ended	No. of Bonus shares
March 31 2018	-
March 31 2017	9,25,65,438
March 31 2016	-
March 31 2015	7,93,41,804
March 31 2014	-

8 Initial public offering

The Company had made an Initial public issue of 2,51,58,964 equity shares of face value ₹ 10 each fully paid up for cash at a price of ₹ 460/- per equity share (including a share premium of ₹ 450/- per share) aggregating ₹ 1,157.31 crore consisting of a fresh issue of 63,37,225 equity shares by the Company and an offer for sales of 65,21,739 equity shares and 1,23,00,000 equity shares by Godrej industries Limited and V Science Pte. Ltd. respectively aggregating ₹ 1,157.31 crore. Aforementioned 63,37,225 equity shares were allotted on October 12th, 2017. The equity shares of the Company got listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) on October 16th, 2017.

(₹ in crore)

		As at March 31, 2019	As at March 31, 2018
Note 18 : Other equity			
1	Retained earnings	1,090.99	849.04
2	Capital reserve	1.73	1.73
3	General reserve	18.14	20.91
4	Exchange differences on translating the financial statements of a foreign operation	(7.18)	(7.53)
5	Effective portion of cash flow hedges	0.02	(0.11)
6	Employee stock grants outstanding	2.89	1.71
7	Non controlling interest reserve	(76.66)	(73.00)
8	Securities premium account	427.02	426.59
TOTAL		**1,456.95**	**1,219.34**

General reserve

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

Notes to the Consolidated Financial Statements

Capital reserve

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

Exchange differences on translating the financial statements of a foreign operation

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

Effective portion of Cash Flow Hedges

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

Non- controlling interest reserve

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

Employee stock grants outstanding:

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

Securities premium account:

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

(₹ in crore)

9	Dividend	As at March 31, 2019	As at March 31, 2018
	The following dividends were declared and paid by the Company during the year:		
	Equity Dividend paid @₹ 4.5 per share	86.41	83.31
	Dividend distribution tax on the equity dividend paid	17.05	17.65
		103.46	**100.96**

The Board, in its meeting on May 06, 2019 has recommended a final dividend of ₹ 4.5 per equity share for the financial year ended March 31, 2019 subject to the approval at the Annual General Meeting. The cash outflow on account of dividend would be ₹ 104.18 crore including corporate dividend tax of ₹ 17.77 crore.

(₹ in crore)

			As at March 31, 2019	As at March 31, 2018
Note 19 : Non current - borrowings				
1	**Secured**			
	a.	Vehicle loans from bank and NBFC (refer note. 19.1)	-	0.26
2	**Unsecured**			-
	a.	Term loans from banks (refer note. 19.2)	60.97	8.53
	b.	Deferred payment liabilities (refer note.19.3)	2.06	3.09
	c.	Deferred sales tax loan (refer note.19.4)	1.18	2.26
TOTAL			**64.21**	**14.14**

Note 19.1: During the year, the group has made prepayment of its vehicle loans

Note 19.2: The Loan for ₹ 2.95 crore including current maturity of ₹ 0.98 crore for the year (previous year ₹3.60 crore including current maturity of ₹ 0.66 crore) is repayable in 16 structured quarterly instalments commencing from January 2018 and carries the interest at MCLR currently 8.80% p.a.

Notes to the Consolidated Financial Statements

The Loan for ₹ 20.00 crore is repayable in a single tranche in April 2020. The Term Loan carries interest at one month treasury bill rate + 21 bps spread per annum. The Loan for ₹ 5.2 crore, with balance in current maturity of ₹ 2.60 crore as of march 31, 2019 (previous year ₹ 5.2 crore including current maturity of ₹ 2.60 crore), is repayable in two tranches. 50% of draw down amount was repayable in 18 months from the date of draw down and balance 50% at the end of 36 months from the date of draw down. Loan carries the interest at Treasury Bill Rate + 0.19 spread p.a. The first tranche of the term loan of ₹ 2.60 crore has been paid during the year.

Term Loan for ₹ 16.00 crore (previous year nil) carries Interest Rates of 3 months T Bill + 175 bps. The loan is repayable in 60 monthly installments commencing from July 2020.

Term loans fro ₹ 27.00 crore including current maturity of ₹ 4.00 crore from banks for the year ended 31 March 2019 are at an Interest Rate of 7.05% (31 March 2018: nil). These loans are repayable at 28 equal quarterly installment of ₹ 1.00 crore each from 15 February 2019.

The Loan from Kotak Mahindra Bank was repayable in 18 structured quarterly instalments commencing from six months from the date of first disbursement i.e. 30 March 2016 and carried interest at MCLR. The group has repaid the loan amount of ₹ 4.47 crore (including closing current maturity of ₹ 1.49 crore as of March 31, 2018) during the year. Balance as at March 31, 2019 is ₹ Nil)

Note 19.3: Deferred Loan against acquisition of Lease hold Land is availed at interest rate of 14% under the scheme floated by the Directorate of Industries, Government of Uttar Pradesh. Loan repayment shall be performed on a half yearly basis for a period of 6 years from 1st July 2016 up to 1st Jan 2022. Total loan availed was ₹ 6.18 crore and outstanding for the year ended March 31, 2019 was ₹ 3.09 crore (Previous year ₹ 4.12 crore) with current maturity disclosed separately in Note 25 at ₹ 1.03 crore (Previous year ₹ 1.03 crore) .

Note 19.4: Deferred Sales Tax Loan is availed interest free under the scheme floated by the Directorate of Industries, Government of Andhra Pradesh. Loan repayment shall be performed on an annual basis 14 years from the year of collection, commencing from March 2014 up to March 2021. Total loan availed was ₹ 4.67 crore and outstanding for the year ended March 31, 2019 was ₹ 2.41 crore (Previous year ₹ 3.11 crore) with current maturity disclosed separately in note 25 at ₹ 1.23 crore (Previous year ₹ 0.85 crore).

(₹ in crore)

	As at March 31, 2019	As at March 31, 2018
Note 20 : Other non-current financial liabilities		
Non Trade Payables	0.51	-
Total	**0.51**	**-**

(₹ in crore)

	As at March 31, 2019	As at March 31, 2018
Note 21 : Non current provisions		
Provision for employee benefits (refer note.38):		
- Provision for compensated absences	5.13	4.87
- Provision for gratuity	1.57	1.57
Total	**6.70**	**6.44**

(₹ in crore)

	As at March 31, 2019	As at March 31, 2018
Note 22 : Other non-current liabilities		
Deferred grant	20.41	14.05
Total	**20.41**	**14.05**

Notes to the Consolidated Financial Statements

(₹ in crore)

		As at March 31, 2019	As at March 31, 2018
Note 23 : Current borrowings			
1	**Secured**		
	(a) Cash credit from banks (refer note 23.1)	11.00	11.01
	(b) Buyers credit (refer note 23.2)	-	6.46
2	**Unsecured**		
	(a) Term loans from banks (refer note 23.3)	125.39	205.05
	(b) Commercial paper (refer note 23.4)	100.00	50.00
	(c) Cash credit (refer note 23.1)	0.36	22.22
	(d) Working capital loans from banks (refer note. 23.5)	53.12	51.03
	(e) Foreign currency loan (refer note 23.6)	1.73	37.99
	(f) Buyers credit (refer note 23.2)	31.93	4.90
Total		**323.53**	**388.66**

Note 23.1: Cash Credit from banks are repayable on demand and carries interest at the rate of 1 Year MCLR + 25 to 55 bps and 8.60% per annum (Previous year 1 Year MCLR + 35 to 110 bps) . The cash credit from Bank is secured against inventories and receivables.

Note 23.2: Buyers credit are at an interest rate of 3 to 6 month LIBOR + 40 to 120 bps and are repayable within 6 months.

All the secured current borrowings of Astec LifeScience Limited have first pari passu charge on the current assets and movable assets of the Company, including inventory and receivables both present & future.

Note 23.3: Term Loans are taken from Citi Bank for the year ended March 31, 2019 and carries Interest Rates of T Bill +0 to T Bill +0.14 and 6.10% p.a. to 6.70% per annum (Previous Year Term Loans were from multiple Banks and carried various Interest Rates of 5.95% to 9.35%, 1 year T Bill + 14 bps, 1 month Mibor + 85 bps and 3 Month T Bill). These loans are repayable on different dates upto one year from the date of the financial statement or on demand.

Note 23.4: During the year the Company has raised Commercial Paper carries interest rate of 6.73% to 8.49% (Previous year 6.15% to 7.25%)

Note 23.5: Working capital loan (Rupee) from banks carries interest rate of 6.35% to 8.45% (Previous year - 7.50% to 7.85%). These loans are repayable on different dates up to December 23, 2019

Note 23.6: Foreign currency loans from Banks are at an interest rate of LIBOR + 65 bps (Previous year LIBOR + 75 bps) and are repayable in 180 days (Previous year - 30 days).

		As at March 31, 2019	As at March 31, 2018
Note 24 : Current trade payables			
1	**Trade Payables**		
	(a) Due to micro enterprises and small enterprises (refer note. 24.1)	16.35	2.42
	(b) Other than micro enterprises and small enterprises	349.18	378.68
2	**Acceptances**	873.90	516.24
Total		**1,239.43**	897.34

A	Principal amount remaining unpaid	14.67	2.42
B	Interest due thereon	0.28	-
C	Interest paid by the company in term of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the suppliers beyond the appointed day during the year	-	-
D	Interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-	-
E	Interest accrued and remaining unpaid	0.28	-
F	Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	-	-

Notes to the Consolidated Financial Statements

Note 24.1: Micro enterprises and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) have been identified by the group on the basis of the information available with the Group and the auditors have relied on the same. Accordingly ₹ 14.67 crore (previous year ₹ 2.42 crores) is overdue as on March 31, 2019 to Micro, Small and Medium Enterprises on account of principal amount.

(₹ in crore)

		As at March 31, 2019	As at March 31, 2018
Note 25 : Other financial liabilities			
1	Current maturities of long-term debt		
	Secured loan		
	Current maturities of long-term debt	7.95	0.37
	Unsecured loan		-
	From others - Deferred sales tax loan (refer note: 19.4)	1.23	0.85
	From others - Deferred payment liabilities (refer note: 19.3)	1.03	1.03
	Current maturities of long-term debt - term loan	-	4.75
2	Liabilities towards beneficiaries of companies ESOP Trust	0.06	0.06
3	Security deposit	81.84	66.89
4	Non trade payables	58.75	112.56
5	Derivative liability	1.06	0.09
6	Unclaimed dividend	0.13	0.07
7	Put option liability (refer note 47)	18.48	36.96
8	Others (includes accrual for expenses, performance bonus, etc.)	47.34	49.89
Total		**217.87**	**273.52**

(₹ in crore)

		As at March 31, 2019	As at March 31, 2018
Note 26 : Other current liabilities			
1	Advances from customers	39.17	32.57
2	Statutory liabilities	8.40	13.00
3	Deferred grants	1.21	1.13
4	Other	0.01	0.18
Total		**48.79**	**46.88**

There are no amounts due to be credited to Investor Education and Protection Fund in accordance with Section 125 (2) (c) of the Companies Act, 2013 as at the year end.

(₹ in crore)

		As at March 31, 2019	As at March 31, 2018
Note 27 : Current provisions			
1	Provision for employee benefits		
	- Provision for compensated absences	1.78	0.84
	- Provision for gratuity (refer note. 38)	5.31	5.92
2	Provision for sales tax liability	0.24	-
3	Provision for sales return (refer note 27.1 & 27.2)	33.75	25.26
Total		**41.08**	**32.02**

Notes to the Consolidated Financial Statements

(₹ in crore)

	As at March 31, 2019	As at March 31, 2018
Note. 27.1 : Movement of provision for sales return		
Opening provision	25.26	20.75
Add : Provision made for the year	146.69	138.63
Less: Utilised during the year	137.98	133.81
Less:- Reversed during the year	0.22	0.31
Closing provision	**33.75**	**25.26**

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

(₹ in crore)

			For the year ended March 31, 2019	For the year ended March 31, 2018
Note 28 : Revenue from operations				
1	**Sale of products (refer note 59)**			
	Sale of products		5,820.89	5,156.50
	Sale of Scrap and Empties		30.99	27.12
			5,851.88	**5,183.62**
2	**Other operating revenue**			
	1	Export incentives	7.22	6.02
	2	Rebates / incentives from government	10.68	7.43
	3	Conversion, handling and storage charges	-	0.31
	4	Service tax rebate	-	0.06
	5	Duty drawback	-	0.22
	6	Processing income	1.04	4.10
	7	Others	-	4.24
	8	Fair value of biological assets (refer note. 4)	(0.08)	(0.09)
		Other operating revenue	**18.86**	**22.29**
Total			**5,870.74**	**5,205.91**
Note 28.1				
1	**Reconciliation of revenue from contract with customers**			
	Particulars			
	Revenue from contract with customer as per the contract price		**6,102.49**	
	Adjustments made to contract price on account of :-			
	a) Commission / Discounts		(250.61)	
			5,851.88	
2	**Disaggregation of revenue**			
	Animal Feed		3,046.47	
	Vegetable Oil		671.54	
	Crop Protection		978.46	
	Dairy		1,161.12	
	Other Business		(5.71)	
			5,851.88	
3	**Geographical disaggregation**			
	Sales in India		**5,605.79**	
	Sales outside India		246.09	
			5,851.88	

Notes to the Consolidated Financial Statements

(₹ in crore)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Note 29 : Other income		
1 Interest income		
(A) Instruments measured at amortised cost		
(i) Interest received on deposits	2.77	1.31
(ii) Interest - others	0.22	0.53
(iii) Interest income on finance lease	-	0.35
(b) Interest received from Income Tax	0.30	1.31
2 Dividend received	-	0.00
3 Profit on sale of property, plant and equipment (net)	25.22	-
4 Profit on sale of investments (net)	0.19	0.18
5 Claims received	1.20	3.07
6 Liabilities no longer required written back	7.37	3.81
7 Recovery of bad debts written off	0.82	0.59
8 Rent income	0.04	-
9 Royalty & technical knowhow	1.30	1.44
10 Applicable net gain on foreign currency transactions and translation	1.41	4.20
11 Other miscellaneous income	10.97	13.27
12 Grant amortization	1.30	1.49
13 Vat refund received	-	0.26
Total	**53.11**	**31.81**

(₹ in crore)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Note 30 : Cost of materials consumed		
(a) Raw material stocks at the commencement of the year	421.35	418.26
(b) Add : Purchases	4,458.71	3,811.47
(c) Less : Raw material sold	45.47	1.33
(d) Less: Raw material stocks at the close of the year	445.52	421.35
Total	**4839.07**	**3807.05**

(₹ in crore)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Note 31 : Purchase of stock-in-trade		
1 Agri inputs	223.01	170.81
2 Others	6.74	-
Total	**229.75**	**170.81**

Notes to the Consolidated Financial Statements

(₹ in crore)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Note 32 : Changes in inventories of finished goods, work in progress, stock under cultivation and stock-in-trade		
1 Stocks at the commencement of the year		
(a) Finished goods	157.87	128.17
(b) Work in progress	35.49	45.46
(c) Stock under cultivation	4.26	4.67
(d) Stock-in-trade	52.20	63.86
Total stock at the commencement of the year	**249.82**	**242.16**
2 Less : Stocks at the close of the year		
(a) Finished goods	158.05	157.87
(b) Work in progress	45.41	35.49
(c) Stock under cultivation	4.68	4.26
(d) Stock-in-trade	86.90	52.20
Total stock at the close of the year	**295.05**	**249.82**
Change in the stock of finished goods, work in progress, stock under cultivation, stock in trade	**(45.22)**	**(7.66)**

(₹ in crore)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Note 33 : Employee benefit expense		
1 Salaries, wages, bonus and allowances	251.41	239.66
2 Contribution to provident, gratuity and other funds (refer note 38)	17.16	15.93
3 Expense on employee stock based payments (refer note. 39)	2.43	2.63
4 Staff welfare expense	23.42	18.12
Total	**294.42**	**276.34**

(₹ in crore)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Note 34 : Finance costs		
1 Interest expense		
i Paid to banks on loans and cash credit	22.71	23.39
ii Others	9.62	19.85
2 Other borrowing costs	1.56	1.75
3 Exchange differences regarded as a adjustment to borrowing cost	-	0.32
4 Preference dividend and tax on preference dividend	-	(0.00)
Total	**33.89**	**45.31**

Note 34.1: Finance costs are net of interest capitalised to capital work in progress and project in progress ₹1.67 crore (Previous year ₹ 4.02 crore).

Notes to the Consolidated Financial Statements

(₹ in crore)

		For the year ended March 31, 2019	For the year ended March 31, 2018
Note 35 : Depreciation and amortisation expenses			
1	Depreciation	95.46	82.65
2	Amortization	6.96	7.52
	Less : Transfer from general reserve (refer note.55)	(4.25)	(4.25)
Total		**98.17**	**85.92**
Note 36 : Other expenses			
1	Stores and spares consumed	28.95	27.23
2	Power and fuel	101.76	85.73
3	Processing and other manufacturing expenses	107.42	106.96
4	Rent	14.92	16.39
5	Rates and taxes	5.56	6.95
6	Repairs and maintenance		
	(a) Machinery	13.54	14.36
	(b) Buildings	2.09	1.66
	(c) Other assets	4.81	4.25
7	Insurance	3.48	3.49
8	Auditor's remuneration (refer note 36.1)	1.05	1.10
9	Freight	20.64	21.12
10	Advertisement, selling and distribution expenses	88.07	86.50
11	Bad debts/advances written off	18.67	8.21
12	Allowances for doubtful debts and advances	4.40	6.88
13	Inventory lost due to fire	-	2.63
14	Loss on sale/write off of property, plant and equipments	-	1.58
15	Research expenses	2.85	1.18
16	Corporate social responsibility expenses	6.06	5.17
17	Miscellaneous expenses	122.61	94.55
Total		**546.88**	**495.94**
Note 36.1: Auditor's remuneration (including to previous auditors)			
(a)	Audit fees (including limited reviews)	0.93	1.04
(b)	Audit under other statutes	-	
(c)	Taxation matters	-	
(b)	Other matters	0.09	0.02
(e)	Certification & company law matters	-	-
(c)	Reimbursement of expenses	0.03	0.04
Total		**1.05**	**1.10**
Other services (in connection with filing of Red herring Prospectus with SEBI)		-	0.72
Total		**1.05**	**1.82**

Notes to the Consolidated Financial Statements

Note 37 Earnings per share

Calculation of weighted average number of equity shares - Basic and diluted (₹ in crore)

		March 31, 2019	March 31, 2018
1	Calculation of weighted average number of equity shares - Basic		
	Number of shares at the beginning of the year	**19,20,28,739**	**18,51,30,876**
	Equity shares issued during the year	-	68,97,863
	Number of equity shares outstanding at the end of the year	**19,20,28,739**	**19,20,28,739**
	Weighted average number of equity shares for the year	**19,20,28,739**	**18,83,77,275**
2	Calculation of weighted average number of equity shares - Diluted		
	Weighted average equity shares - Basic	**19,20,28,739**	**18,83,77,275**
	Effect of exercise of share grants (refer note 37.1)	15,500	-
	Weighted average number of potential equity shares for the year	**19,20,44,239**	**18,83,77,275**
3	**Profit attributable to ordinary shareholders (Basic/diluted)**		
	Profit for the year, attributable to the owners of the Company	329.04	229.21
	Income/(Expense) recognized in Reserves		
	Amortisation of Intangiable Assets	(2.77)	(2.77)
	Profit for the year, attributable to ordinary shareholders	**326.27**	**226.44**
4	Basic Earnings per share (₹)	**16.99**	**12.02**
5	Diluted Earnings per share (₹)	**16.99**	**12.02**
6	Nominal Value of Shares (₹)	**10.00**	**10.00**

Note 37.1 The calculation of diluted earning per share is based on profit attributed to equity shareholders and weigthed average no. of equity shares outstanding after adjustments for the effects of all dilutive potential equity share i.e. shares reserved for employee share based payments.

Note. 38 Employee benefits

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

Defined Contribution Plans:

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

The group recognised ₹ 11.59 crore for the year ended March 31, 2019 (Previous Year ₹ 10.51 crore) towards provident fund contribution₹ 0.87 crore for the year ended March 31, 2019 (for Previous Year ₹ 0.99 crore) towards employees' state insurance contribution and ₹ 0.58 crore for the year ended March 31, 2019 (Previous Year ₹ 0.57 crore) towards superannuation fund contribution in the Statement of Profit and Loss.

Defined Benefit Plan:

I. Provident Fund.

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

The Group has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. These administered rates are determined annually predominantly considering the social rather than economic factors and the actual return 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.

Notes to the Consolidated Financial Statements

(₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Plan assets at period end, at fair value	114.85	99.07
Provident Fund Corpus/ obligation	111.94	96.25
Valuation assumptions under Deterministic Approach:		
Weighted Average Yield	8.49%	8.61%
Weighted Average YTM	8.54%	8.60%
Guaranteed Rate of Interest	8.65%	8.55%

II. Gratuity

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

In accordance with the provisions of the Payment of Gratuity Act, 1972, the Group has a defined benefit plan which provides for gratuity payments. The plan provides a lump sum gratuity payment to eligible employees at retirement or termination of their employment. The amounts are based on the respective employee's last drawn salary and the years of employment with the Group. Liabilities in respect of the gratuity plan are determined by an actuarial valuation, based upon which the Group makes annual contributions to the Group Gratuity cum Life Assurance Schemes administered by the ICICI Prudential Life insurance, a funded defined benefit plan for qualifying employees. Trustees administer the contributions made by the Company to the gratuity scheme. The employee gratuity fund scheme for other Indian subsidiaries is managed by Life Insurance Corporation of India.

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

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

(₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Defined benefit obligation	(35.34)	(28.49)
Fair value of plan assets	28.46	21.01
Net defined benefit (obligation)/assets	**(6.88)**	**(7.48)**

i. Movement in net defined benefit (asset) liability

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

(₹ in crore)

Particulars	Defined Benefit Obligation		Fair value of plan assets		Net defined benefit (asset) liability	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Opening balance	28.49	22.65	21.01	17.07	7.48	5.58
Included in profit or loss	-	-	-	-	-	-
Current service cost	2.62	2.20	-	-	2.62	2.20
Past service cost	-	0.35	-	-	-	0.35
Interest cost (income)	2.20	1.68	1.63	1.25	0.57	0.43
Liability / Assets transferred in / Acquisitions	0.01	0.23	0.01	0.23	-	-
Included in OCI						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:	2.53	3.69	-	-	2.53	3.69

Notes to the Consolidated Financial Statements

(₹ in crore)

Particulars	Defined Benefit Obligation		Fair value of plan assets		Net defined benefit (asset) liability	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Demographic assumptions	0.68	0.44	-	-	0.68	0.44
Financial assumptions	0.07	(0.78)	-	-	0.07	(0.78)
Experience adjustment	1.78	4.03	-	-	1.78	4.03
Return on plan assets excluding interest income	-	-	0.01	(0.22)	(0.01)	0.22
	35.85	**30.80**	**22.66**	**18.33**	**13.19**	**12.47**
Other						
Contributions paid by the employer	-		6.32	4.99	(6.32)	(4.99)
Benefits paid	(3.42)	(2.31)	(3.15)	(2.31)	(0.27)	-
Acquisitions	2.91		2.63		0.28	
Closing balance	**35.34**	**28.49**	**28.46**	**21.01**	**6.88**	**7.48**
Represented by						
Net defined benefit liability	6.88	7.48				
	6.88	**7.48**				

ii. **Plan assets**

Plan assets comprise the following

	March 31, 2019	March 31, 2018
Insurer managed fund (100%)	28.46	21.01
	28.46	**21.01**

iii. **Actuarial assumptions**

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

	March 31, 2019	March 31, 2018
Discount rate	7.57%	7.69%
Future salary growth	5.00%	5.00%
Rate of employee turnover	For service 4 yrs & Below 15.00 % p.a. & For service 5 yrs and above 2.00 % p.a.	For service 4 yrs & Below 15.00 % p.a. & For service 5 yrs and above 2.00 % p.a.
Mortality rate	Indian Assured Lives Mortality(2006-08)	Indian Assured Lives Mortality(2006-08)

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

iv. **Sensitivity analysis**

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

(₹ in crore)

	March 31, 2019		March 31, 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(2.25)	2.58	(1.96)	2.26
Future salary growth (1% movement)	2.62	(2.32)	2.29	(2.02)
Rate of employee turnover (1% movement)	0.61	(0.80)	0.60	(0.80)

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

Notes to the Consolidated Financial Statements

v. Expected future cash flows

The expected future cash flows in respect of gratuity as at March 31, 2019 and March 31, 2018 were as follows

(₹ in crore)

Expected future benefit payments	As at March 31, 2019	As at March 31, 2018
1st Following year	5.57	4.33
2nd Following year	2.82	1.79
3rd Following year	2.99	2.72
4th Following year	3.24	2.03
5th Following year	6.96	1.86
Therafter	24.84	14.92

Other long-term employee benefits:

Compensated absences are payable to employees at the rate of daily salary for each day of accumulated leave on death or on resignation or upon retirement. The charge towards compensated absences for the period ended March 31, 2019 based on actuarial valuation using the projected accrued benefit method is ₹ 2.32 crore (Previous Year ₹ 1.72 crore)

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

Note 39: Share-based payment arrangements:

Description of share-based payment arrangements

A. Godrej Agrovet Limited

Employee stock grants

The Company has participated in the Godrej Industries Limited Employee Stock Grant Scheme 2011 and on May 30, 2011 the Compensation Committee of the Company has approved the grant of stocks to certain eligible employees in terms of the Employee Stock Grant Scheme 2011. The grants would vest in three equal parts every year over the next three years. The exercise price is ₹ 1 per equity share as provided in the scheme. The Company has provided ₹ 1.09 crore (Previous Year ₹ 2.20 crore) for the aforesaid eligible employees for the current financial year.

Employee stock grants - equity settled

The Company had set up the Employees Stock Grant Scheme 2018 (ESGS) pursuant to the approval by the Shareholders by way of postal ballot, the result of which was declared on June 20,2018.

The ESGS Scheme is effective from April 1, 2018, (the "Effective Date") and shall continue to be in force until (i) its termination by the Board or (ii) the date on which all of the shares to be vested under Employee Stock Grant Scheme 2018 have been vested in the Eligible Employees and all restrictions on such Stock Grants awarded under the terms of ESGS Scheme, if any, have lapsed, whichever is earlier.

The Scheme applies to the Eligible Employees who are in whole time employment of the Company or its Subsidiary Companies. The entitlement of each employee would be decided by the Nomination and Remuneration Committee of the respective Company based on the employee's performance, level, grade, etc.

The total number of Stock Grants to be awarded under the ESGS Scheme are restricted to 25,00,000 (Twenty five lac) fully paid up equity shares of the Company. Not more than 5,00,000 (Five lac) fully paid up equity shares or 1% of the issued equity share capital at the time of awarding the Stock Grant, whichever is lower, can be awarded to any one employee in any one year.

The Stock Grants shall vest in the Eligible Employees pursuant to the ESGS Scheme in the proportion of 1/3rd at the end of each year from the date on which the Stock Grants are awarded for a period of three consecutive years, or as may be determined by the Nomination and Remuneration Committee, subject to the condition that the Eligible Employee continues to be in employment of the Company or the Subsidiary company as the case may be.

The Eligible Employee shall exercise her / his right to acquire the shares vested in her / him all at one time within 1 month from the date on which the shares vested in her / him or such other period as may be determined by the Nomination and Remuneration Committee.

The Exercise Price of the shares has been fixed at Re. 10 per share. The fair value of the employee share options has been measured using the Black-Scholes Option Pricing Model and charged to the Statement of Profit and Loss. The value of the options is treated as a part of employee compensation in the financial statements and is amortised over the vesting period. The Company has provided ₹ 1.16 crore for all the eligible employees for current year.

Notes to the Consolidated Financial Statements

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

Particulars	Year ended March 31, 2019	Description of the Inputs used
Dividend yield %	0.73%	Dividend yield of the options is based on recent dividend activity.
Expected volatility %	27%	Expected volatility of the option is based on historical volatility, during a period equivalent to the option life, of the observed market prices of the Company's publicly traded equity shares.
Risk free Interest rate %	7.174% to 7.744%	Risk-free interest rates are based on the government securities yield in effect at the time of the grant.
Expected life of share options	1 to 3 years	
Weighted Average Market price on date of granting the options	619.95	

The Status of the above plan is as under:

Particulars	Year ended March 31, 2019	Weighted average Exercise Price (₹)	Weighted average Share Price (₹)
Options Outstanding at the Beginning of the Year	-		
Options Granted	43,599		
Options Vested	-		
Options Exercised	-	10.00	362.72
Options Lapsed / Forfeited	894		
Total Options Outstanding at the end of the year	**28,470**		

The weighted average exercise price of the options outstanding as on March 31, 2019 is ₹ 6.11.

B. Astec LifeScience Limited

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

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

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

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

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

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

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

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

Notes to the Consolidated Financial Statements

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

Employee stock option plan (ESOP,2012)

	March 31, 2019		March 31, 2018	
	Average exercise price per share option (INR)	Number of options	Average exercise price per share option (INR)	Number of options
Opening balance	34.00	37,200	34.00	50,000
Granted during the period	-	-	-	-
Exercised during the period	34.00	18,500	34.00	12,800
Lapsed during the period	-	-	-	-
Closing balance		**18,700**		**37,200**
Vested and exercisable		**15,700**		**21,500**

Employee stock option scheme (ESOS,2015)

	March 31, 2019		March 31, 2018	
	Average exercise price per share option (INR)	Number of options	Average exercise price per share option (INR)	Number of options
Opening balance	387.35	40,000	387.35	50,000
Granted during the period	-	-	-	-
Exercised during the period	387.35	5,500	387.35	4,000
Lapsed during the period	-	-	387.35	6,000
Closing balance		**34,500**		**40,000**
Vested and exercisable		**22,500**		**16,000**

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

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

Grant date	Expiry date	Exercise price	March 31, 2019	March 31, 2018
			Share options	Share options
January 31, 2015	January 30, 2023	34.00	-	-
January 31, 2015	January 30, 2024	34.00	3,200	4,500
January 31, 2015	January 30, 2025	34.00	4,800	11,400
January 31, 2015	January 30, 2026	34.00	5,700	6,700
May 16, 2015	May 15, 2023	34.00	-	-
May 16, 2015	May 15, 2024	34.00	-	5,600
May 16, 2015	May 15, 2025	34.00	2,000	6,000
May 16, 2015	May 15, 2026	34.00	3,000	3,000
July 26, 2016	July 25, 2020	387.35	12,000	16,000
July 26, 2016	July 25, 2021	387.35	10,500	12,000
July 26, 2016	July 25, 2022	387.35	8,000	8,000
July 26, 2016	July 25, 2023	387.35	4,000	4,000
Total			**53,200**	**77,200**
Weighted average remaining contractual life of options outstanding at end of period			3.76	5.11

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(i) Fair value of options granted

The fair value of grant date of options granted during the year ended March 31, 2019 and March 31, 2018 is mentioned in the table below. The fair value at grant date is determined using the Black Scholes model which takes into account the exercise price, the term of option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

Grant date	Expiry date	Fair Value	March 31, 2019	March 31, 2018
			Share options	Share options
January 31, 2015	January 30, 2023	95.84	-	-
January 31, 2015	January 30, 2024	109.41	3,200	4,500
January 31, 2015	January 30, 2025	109.91	4,800	11,400
January 31, 2015	January 30, 2026	110.49	5,700	6,700
May 16, 2015	May 15, 2023	105.77	-	-
May 16, 2015	May 15, 2024	118.18	-	5,600
May 16, 2015	May 15, 2025	119.30	2,000	6,000
May 16, 2015	May 15, 2026	119.67	3,000	3,000
July 26, 2016	July 25, 2020	100.00	12,000	16,000
July 26, 2016	July 25, 2021	159.00	10,500	12,000
July 26, 2016	July 25, 2022	278.00	8,000	8,000
July 26, 2016	July 25, 2023	297.00	4,000	4,000
Total			**53,200**	**77,200**

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

<u>ESOS, 2015 granted on 26 July 2016</u>

Options are granted for a consideration as mentioned in the below table and 40% of options vest after 1 year, 30% of options after 2 years, 20% of options after 3 years and 10% of options after 4 years. Vested options are exercisable for a period of 3 years after vesting.

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

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

<u>ESOP, 2012- Option B granted on 16 May 2015</u>

Options are granted for a consideration as mentioned in the below table and 40% of options vest after 1 year, 30% of options after 2 years, 20% of options after 3 years and 10% of options after 4 years. Vested options are exercisable for a period of 7 years after vesting.

	May 15, 2023	May 15, 2024	May 15, 2025	May 15, 2026
Exercise price	INR 34/- (March 31, 2016 - INR 34/-)	INR 34/- (March 31, 2016 - INR 34/-)	INR 34/- (March 31, 2016 - INR 34/-)	INR 34/- (March 31, 2016 - INR 34/-)
Grant date	16 May 2015	16 May 2015	16 May 2015	16 May 2015
Expiry date	May 15, 2023	May 15, 2024	May 15, 2025	May 15, 2026
Share price at grant date	INR 138/-	INR 138/-	INR 138/-	INR 138/-
Expected price volatility of the group's shares	71%	139%	121%	108%
Expected dividend yield	0.91%	0.91%	0.91%	0.91%
Risk free interest rate	8.30%	8.19%	8.21%	8.30%

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The model inputs for options granted during the year ended March 31, 2015 included:

ESOP, 2012- Option A granted on 31 January 2015

Options are granted for a consideration as mentioned below in the table and vest 40% of options after 1 year, 30% of options after 2 years, 20% of options after 3 years and 10% of options after 4 years. Vested options are exercisable for a period of 7 years after vesting.

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

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

b) Expense arising from share based payment transactions

Total expenses arising from share-based payment transactions recognised in profit or loss as part of employee benefit expense were as follows:

(₹ in crore)

	March 31, 2019	March 31, 2018
Employee stock option plan	0.18	0.34
TOTAL	**0.18**	**0.34**

Note 40: Financial instruments – fair values and risk management

Note 40.1: Accounting classification and fair values

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(₹ in crore)

March 31, 2019		Carrying amount			Total	Fair value			Total
		FVTPL	FVOCI	Amortised Cost		Level 1	Level 2	Level 3	
	Financial assets								
I	**Non current financial assets**								
1	Investments	0.01	-	-	0.01	-	-	0.01	0.01
2	Loans and advances	-	-	19.37	19.37	-	-	-	-
3	Others	-	-	1.61	1.61	-	-	-	-
II	**Current financial assets**								
1	Trade and other receivables	-	-	734.89	734.89	-	-	-	-
2	Cash and cash equivalents	-	-	27.80	27.80	-	-	-	-
3	Other bank balances	-	-	2.05	2.05	-	-	-	-
4	Loans and advances	-	-	18.38	18.38	-	-	-	-
5	Others	0.25	-	25.57	25.82	-	0.25	-	0.25
		0.26	**-**	**829.67**	**829.93**	**-**	**0.25**	**0.01**	**0.26**
Financial liabilities									
I	**Non current financial liablities**								
1	Borrowings	-	-	64.21	64.21	-	1.18	-	1.18
2	Others	-	-	0.51	0.51	-	-	-	-
		-	-	-	-	-		-	

Notes to the Consolidated Financial Statements

(₹ in crore)

March 31, 2019		Carrying amount			Total	Fair value			Total
		FVTPL	FVOCI	Amortised Cost		Level 1	Level 2	Level 3	
II	**Current financial liabilities**								
1	Borrowings	-	-	323.53	323.53	-	-	-	-
2	Trade and other payables	-	-	1,239.43	1,239.43	-	-	-	-
3	Others	1.06	-	216.81	217.87	-	1.06	-	1.06
		1.06	**-**	**1,844.49**	**1,845.55**	**-**	**2.24**	**-**	**2.24**

March 31, 2018		Carrying amount				Fair value			
		FVTPL	FVOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
I	**Non-current financial assets**								
1	Investments	0.01	-	0.00	0.01	-	-	0.01	0.01
2	Loans and advances	-	-	13.77	13.77	-	-	-	-
3	Others	-	-	1.48	1.48	-	-	-	-
II	**Current financial assets**								
1	Trade and other receivables	-	-	620.41	620.41	-	-	-	-
2	Cash and cash equivalents	-	-	29.85	29.85	-	-	-	-
3	Other bank balances	-	-	1.97	1.97	-	-	-	-
4	Loans and advances	-	-	14.69	14.69	-	-	-	-
5	Others	0.59	0.21	21.04	21.84	-	0.80	-	-
		0.60	**0.21**	**703.21**	**704.02**	**-**	**0.80**	**0.01**	**0.01**
I	**Non-current financial liabilities**								
1	Borrowings		-	14.14	14.14	-	0.25	-	0.25
2	Others	-	-	-	-	-		-	-
		-	-						
II	**Current financial liabilities**								
1	Borrowings	-	-	388.66	388.66	-	-	-	-
2	Trade and other payables	-	-	897.34	897.34	-	-	-	-
3	Others	0.09	-	273.43	273.52	-	0.24	-	0.24
		0.09	**-**	**1,573.57**	**1,573.66**	**-**	**0.49**	**-**	**0.49**

Valuation technique used to determine fair value

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

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

Financial risk management

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

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

Notes to the Consolidated Financial Statements

i. Risk management framework

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

The group's risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the group's activities. The group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

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

Note 40.2: Credit risk

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

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

Trade receivables and loans and advances.

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

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

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

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

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

(₹ in crore)

	Carrying amount	
	March 31, 2019	March 31, 2018
Trade receivables (net of credit impaired)	734.89	620.41
Exports		
Distributors	-	-
Other	43.38	57.96
Domestic		
Distributors	569.26	475.86
Other	122.26	86.59
	734.89	**620.41**
Other receivables	**36.08**	**13.20**

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Impairment

The ageing of trade receivables as follows.

(₹ in crore)

Particulars	March 31, 2019	March 31, 2018
Neither past due nor impaired	481.86	439.48
Past due 1–30 days	78.88	57.89
Past due 31–90 days	59.70	42.14
Past due 91–180 days	43.70	23.59
> 180 days	90.50	73.09
	754.64	**636.19**

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

(₹ in crore)

For trade receivable	March 31, 2019	March 31, 2018
Balance as at April 1	15.78	7.78
Impairment loss recognised	22.31	16.21
Amounts written off	(18.34)	(8.21)
Balance as at March 31	**19.75**	**15.78**

(₹ in crore)

For other receivable	March 31, 2019	March 31, 2018
Balance as at April 1	0.58	0.59
Impairment loss recognised	(0.02)	0.23
Amounts written off	(0.33)	(0.25)
Balance as at March 31	**0.23**	**0.58**

Cash and cash equivalents and other bank balances

The group held cash and cash equivalents and other bank balances of ₹ 30.00 crore at March 31, 2019 (Previous Year ₹ 31.84 crore). The cash and cash equivalents and other bank balances are held with bank and financial institution counterparties with good credit rating.

Note 40.3: Liquidity risk

Liquidity risk is the risk that the group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation. The Group has access to funds from debt markets through loans from banks, commercial papers and other debt instruments.

Exposure to liquidity risk

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

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(₹ in crore)

March 31, 2019	Contractual cash flows						
	Carrying amount	Total	0-6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Non current, non derivative financial liabilities							
Deferred sales tax loan	1.18	1.34	-	-	1.34		-
Deferred payment liablities	2.06	2.70	-	-	1.49	1.21	-
Term loans from bank and NBFC (Unsecured) & vehicle loans (Secured)	60.97	60.97	-	-	31.23	25.44	4.30
Other non-current financial liabilities-non trade payables	0.51	0.51	-	-	0.51	-	-
Current, non derivative financial liabilities							
Cash credit from bank	11.36	11.36	11.36	-	-	-	-
Term loans from banks	125.39	125.39	125.39	-	-	-	-
Commercial papers	100.00	100.00	100.00	-	-	-	-
Buyers credit	31.93	31.93	31.93	-	-	-	-
Working capital loans from banks	54.85	62.85	54.85	8.00	-	-	-
Trade and other payables	365.56	365.56	365.56	-	-	-	-
Acceptances	873.90	873.90	873.90	-	-	-	-
Other current financial liabilities	198.34	198.34	190.94	7.40	-	-	-
Derivative liability							
MTM on forward exchange contract	1.06	1.06	1.06	-	-	-	-
Put option liability	18.48	18.48	18.48	-	-	-	-
Total	**1,845.59**	**1,854.39**	**1,773.47**	**15.40**	**34.57**	**26.65**	**4.30**

March 31, 2018	Contractual cash flows						
	Carrying amount	Total	0-6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Non current, non derivative financial liabilities							
Deferred sales tax loan	2.26	2.57	-	-	1.23	1.34	-
Deferred payment liablities	3.09	3.09	-	-	1.03	2.06	-
Term loans from bank and NBFC - Secured	8.79	8.79	-	-	5.24	3.55	-
Current, non derivative financial liabilities							
Cash credit from bank	33.23	33.23	33.23	-	-	-	-
Term loans from banks	205.05	205.05	203.89	1.16	-	-	-
Commercial papers	50.00	50.00	50.00	-	-	-	-
Buyers credit	11.36	11.36	11.36	-	-	-	-
Working capital loans from banks	89.02	89.02	89.02	-	-	-	-
Trade and other payables	381.10	381.11	370.56	10.55	-	-	-
Acceptances	516.24	516.24	516.24	-	-	-	-
Other current financial liabilities	236.48	235.47	233.92	1.55	-	-	-
Derivative liability					-	-	-
MTM on forward exchange contract	0.09	0.09	-	0.09	-	-	-
Put option liability	36.96	36.96	36.96	-	-	-	-
Total	**1,573.67**	**1,572.98**	**1,545.18**	**13.35**	**7.50**	**6.95**	**-**

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

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Note 40.4 : Currency risk

Market risk

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

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

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

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

Currency risk

The group's risk management policy is to hedge its foreign currency exposure in accordance with the exposure limits advised from time to time.

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

Exposure to currency risk

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

(₹ in crore)

	March 31, 2019			March 31, 2018		
	USD	EUR	GBP	USD	EUR	GBP
Financial assets						
Trade receivables	**50.46**	-	-	57.94	-	-
Foreign exchange forward contracts	**-**	-	-	(6.79)	-	-
Net exposure to foreign currency risk (assets)	**50.46**	**-**	**-**	**51.15**	**-**	**-**
Financial liabilities						
Borrowings	-	-	-	(37.56)	-	-
Buyers credit	(33.17)	-	-	(11.32)	-	-
Trade payables	(52.79)	(0.16)	(0.08)	(81.29)	(3.50)	(0.07)
Derivative liabilities	-	-	-	-	-	-
Foreign exchange forward contracts	43.33	-	-	52.67	-	-
Net exposure to foreign currency risk (liabilities)	**(42.63)**	**(0.16)**	**(0.08)**	**(77.50)**	**(3.50)**	**(0.07)**
Net exposure	**7.83**	**(0.16)**	**(0.08)**	**(26.35)**	**(3.50)**	**(0.07)**
Un-hedged foreign currency exposures						
Purchase	**(42.63)**	(0.16)	(0.08)	(77.50)	(3.50)	(0.07)
Sale	50.46	-	-	51.15	-	-

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Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against all other currencies at 31 March 2019 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Effect in INR crore	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
March 31, 2019				
USD (3% movement)	0.17	(0.17)	0.17	(0.17)
EUR (2% movement)	(0.00)	0.00	(0.00)	0.00
GBP (2% movement)	(0.00)	0.00	(0.00)	0.00
	0.17	**(0.17)**	**0.17**	**(0.17)**

Effect in INR crore	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
March 31, 2018				
USD (1% movement)	(0.26)	0.26	(0.26)	0.26
EUR (4% movement)	(0.14)	0.14	(0.14)	0.14
GBP (3% movement)	(0.00)	0.00	(0.00)	0.00
	(0.40)	**0.40**	**(0.40)**	**0.40**

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

Note 40.5: Interest rate risk

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

Exposure to interest rate risk

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

(₹ in crore)

Nominal amount	March 31, 2019	March 31, 2018
Fixed-rate instruments		
Loans and advances	13.88	0.57
Other financial assets	2.97	21.53
Borrowings	55.34	123.56
Other financial liabilities	69.60	56.46
Total	**141.79**	**202.12**
Variable -rate instruments		
Term loans from banks	156.21	203.28
Cash credit / wc demand loans from banks/cp	145.12	84.27
Buyers credit	31.93	11.36
Foreign currency loan	1.73	37.99
Total	**334.99**	**336.90**
TOTAL	**476.78**	**539.02**

Notes to the Consolidated Financial Statements

Cash flow sensitivity analysis for variable-rate instruments

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

(₹ in crore)

Particulars	Profit or (loss) and Equity (net of tax)		Profit or (loss) and Equity (net of tax)	
	March 31, 2019		March 31, 2018	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Variable-rate instruments	(3.35)	3.35	(3.37)	3.37
Cash flow sensitivity (net)	**(3.35)**	**3.35**	**(3.37)**	**3.37**

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

Fair value sensitivity analysis for fixed-rate instruments

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

Note 41 : Hedge accounting

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

The forward exchange contracts are denominated in the same currency as the highly probable future transaction value, therefore the hedge ratio is 1:1. The Group's policy is for the critical terms of the forward exchange contracts to align with the hedged item.

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

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

a. Disclosure of effects of hedge accounting on financial position

March 31, 2019 (₹ in crore)

Type of hedge	Nominal Value (in respective currencies)	Carrying amount of hedging instrument		Line item in the statement of financial position where the hedging instrument is included	Maturity date	Hedge ratio	Average strike price/ rate	Changes in fair value of the hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
		Assets	Liabilities						
Forward exchange forward contracts on outstanding borrowings	NA	NA	NA	NA	NA	NA	NA	NA	NA

March 31, 2018

Type of hedge	Nominal Value (in respective currencies)	Carrying amount of hedging instrument		Line item in the statement of financial position where the hedging instrument is included	Maturity date	Hedge ratio	Average strike price/ rate	Changes in fair value of the hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
		Assets	Liabilities						
Forward exchange forward contracts on outstanding borrowings	37.69	0.21	-	Other Financial Assets - current	April 25, 2018	1:1	1 USD = INR 65.00	0.35	(0.35)
	37.69	**0.21**	-						

Notes to the Consolidated Financial Statements

b. **Disclosure of effects of hedge accounting on financial performance**

March 31, 2019	Change in the value of the hedging instrument recognised in OCI (net of tax)	Hedge ineffectiveness recognised in profit or loss	Line item in the statement of profit or loss that includes the hedge ineffectiveness	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit or loss because of the reclassification
Cash flow hedge	NA	NA	NA	0.23	-

March 31, 2018	Change in the value of the hedging instrument recognised in OCI (net of tax)	Hedge ineffectiveness recognised in profit or loss	Line item in the statement of profit or loss that includes the hedge ineffectiveness	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit or loss because of the reclassification
Cash flow hedge	(0.23)	-	-	3.15	-

c. **The following table provides a reconciliation by risk category of components of equity and analysis of OCI items, net of tax, resulting from cash fow hedge accounting**

(₹ in crore)

Movements in cash flow hedging reserve	March 31, 2019	March 31, 2018
Opening balance	**(0.23)**	**2.06**
Add : Changes in fair value	0.35	(0.35)
Less : Amounts reclassified to profit or loss	-	3.15
Less: Deferred tax relating to the above	(0.12)	(1.21)
Closing balance	**-**	**(0.23)**

Note 42 : Tax expense

(a) Amounts recognised in profit and loss **(₹ in crore)**

Particular	For the year ended March 31, 2019	For the year ended March 31, 2018
Current income tax	**107.21**	**111.58**
Adjustments in respect of earlier years	**0.65**	**(0.82)**
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	20.75	9.25
Reduction in tax rate	0.05	-
Increase in tax rate	-	0.70
MAT Credit	(0.69)	**-**
Deferred tax expense	**20.11**	**9.95**
Tax expense for the year	**127.97**	**120.71**

(b) Amounts recognised in other comprehensive income **(₹ in crore)**

Particular	For the year ended March 31, 2019			For the year ended March 31, 2018		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of defined benefit liability	(2.51)	0.88	(1.63)	(4.80)	1.66	(3.14)
Items that will be reclassified to profit or loss						
Exchange difference on translation of financial statements of foreign operations	0.35	-	0.35	(0.42)	-	(0.42)
Effective portion of gains/(losses) on hedging instruments in cash flow hedges	0.35	(0.12)	0.23	(3.50)	1.21	(2.29)
Equity accounted investee share of other comprehensive income	0.05	(0.02)	0.03	(0.99)	0.05	(0.94)
	(1.76)	**0.74**	**(1.02)**	**(9.71)**	**2.92**	**(6.79)**

Notes to the Consolidated Financial Statements

(c) Amounts recognised directly in equity (₹ in crore)

Particulars	For the year ended March 31, 2019			For the year ended March 31, 2018		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
General reserve						
Amortisation of Intangibles as per Oil Palm Companies Merger Scheme approved by Bombay High Court (refer Note 61(i)).	4.25	1.48	2.77	4.25	1.48	2.77
	4.25	**1.48**	**2.77**	**4.25**	**1.48**	**2.77**

(d) Reconciliation of effective tax rate (₹ in crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit before tax	477.30	371.75
Company's domestic tax rate	34.94%	34.61%
Tax using the Company's domestic tax rate (Current year 34.94%)	166.77	128.66
Tax effect of:		
Expenses not allowed for tax purpose	3.27	1.37
Additional allowance for tax purpose	(5.61)	(5.84)
Income not considered for tax purpose	(29.79)	(0.25)
Tax paid at lower rate	(4.20)	(0.19)
Share of profit of JV/Associate	(2.48)	(3.36)
Adjustment for current tax of earlier years	0.38	(0.82)
Other items	(0.37)	1.14
	127.97	**120.71**

Difference

The Group's weighted average tax rates for the year ended March 31, 2019 and 2018 was 26.81% and 32.47% respectively.

Note. 43 : Movement in deferred tax balances for the year ended March 31, 2019 (₹ in crore)

	Net balance April 1, 2018	Recognised in profit or loss /OCI			Acquired through business combinations		Closing Balance as of March 31, 2019		
		Recognised in profit or loss	Recognised in OCI	Recog-nised directly in equity	Asstes	Liability	Deferred tax asset	Deferred tax liability	Deferred tax Net
Deferred tax asset/(liabilities)									
Property, plant and equipment & intangible assets	(176.11)	(21.59)	-	0.84	(0.71)	(16.83)	4.91	(219.31)	(214.40)
Compensated absences	1.30	1.50	0.21	-	-	-	-	3.01	3.01
Investments	1.29	(4.50)	-	-	-	-	(3.21)	-	(3.21)
Biological assets	(0.08)	0.04	-	-	0.07	(8.91)	0.07	(8.96)	(8.89)
Doubtful debts	5.76	1.05	-	-	-	-	-	6.81	6.81
Provisions	1.30	(1.06)	-	-	-	0.54	-	0.78	0.78
MAT credit entitlment	0.01	0.69	-	-	-	4.52	-	5.23	5.23
Carried forward loss	-	-	-	-	2.47	-	2.47		2.47
Others	0.04	3.76	(0.10)	-	-	0.14	-	3.84	3.84
Total	**(166.49)**	(20.11)	**0.11**	**0.84**	**1.83**	**(20.54)**	**4.24**	**(208.60)**	**(204.36)**

Notes to the Consolidated Financial Statements

Movement in deferred tax balances for the year ended March 31, 2018 **(₹ in crore)**

	Net balance April 1, 2017	Recognised in profit or loss /OCI			Acquired through business combinations		Closing Balance as of March 31, 2018		
		Recognised in profit or loss	Recognised in OCI	Recog-nised directly in equity	Asstes	Liability	Deferred tax asset	Deferred tax liability	Deferred tax Net
Deferred tax asset/(liabilities)									
Property, plant and equipment & intangible assets	(163.61)	(13.77)	-	1.28	-	-	5.26	(181.36)	(176.11)
Compensated absences	0.51	0.79	-	-	-	-	-	1.30	1.30
Investments	0.96	0.33	-	-	-	-	1.29	-	1.29
Biological assets	(0.11)	0.03	-	-	-	-	-	(0.08)	(0.08)
Doubtful debts	3.24	2.52	-	-	-	-	-	5.76	5.76
Provisions	1.11	(0.30)	0.49	-	-	-	-	1.30	1.30
MAT credit entitlement	7.63	(7.63)	-	-	-	-	-	0.01	0.01
Others	(9.29)	8.07	1.26	-	-	-	-	0.04	0.04
Total	**(159.56)**	**(9.95)**	**1.75**	**1.28**			**6.55**	**(173.03)**	**(166.49)**

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

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

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

Deferred tax liabilities of undistributed earnings of subsidiaries was not recoginised because the company controls the dividend policy of its subsidiaries and does not expect any distribution of part profits in the for seeable future.

Group considers it probable that future taxable profits would be available against which the tax losses can be recovered and MAT credit can be utilised. Therefore the related deferred tax asset and MAT credit entitlement is recognised

Note 44 : Capital management

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

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

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

The Group's adjusted net debt to equity ratio at March 31, 2019 and March 31, 2018 were as follows.

(₹ in crore)

	As at March 31, 2019	As at March 31, 2018
Total Borrowings	397.95	409.80
Less : Cash and cash equivalent	27.80	29.85
Adjusted net debt	**370.15**	**379.95**
Total equity (including non-controlling interests)	2,049.94	1,680.65
Adjusted net debt to adjusted equity ratio	**0.18**	**0.23**

Notes to the Consolidated Financial Statements

Note 45 Segment Information for the year ending March 31, 2019

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

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

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

Further the Company has acquired the control of Godrej Tyson Foods Limited and Godrej Maxximilk Private Limited on 27th March, 2019 and accordingly the segment assets and liabilities for the poultry business and cattle breeding business are included in the segment assets and segment liabilities as at March 31, 2019.

(i) Information about Primary business Segments

Segment information

(i) Information about primary business segments

Revenue	For the year ended March 31, 2019							(₹ in crore)
	Animal Feed	Vegetable Oil	Crop Protection	Dairy	Other Business	Unallocated	Elimination	Total
Total sales	3,046.47	679.30	987.54	1,161.12	17.46	-	(21.15)	5,870.74
Less : inter-segment	-	-	-	-	-	-		-
External sales	**3,046.47**	**679.30**	**987.54**	**1,161.12**	**17.46**	**-**	**(21.15)**	**5,870.74**
Result					0.17			
Segment result	**128.55**	**113.45**	**231.15**	**14.84**	**26.52**	**-**	**-**	**514.51**
Unallocated expenditure net of unallocated income	-	-	-	-	(0.08)	(107.14)	-	(107.22)
Interest expenses	-	-	(12.38)	(2.05)	(0.79)	(21.96)	3.29	(33.89)
Interest income	-	-	0.36	0.28	-	5.94	(3.29)	3.29
Dividend income and profit on fair valuation / sale of investments	-	-	-	0.19	-	3.48	(3.47)	0.20
Profit before exceptional, tax & share of equity accounted investees	**128.55**	**113.45**	**219.13**	**13.26**	**25.65**	**(119.68)**	**(3.47)**	**376.89**
Share of equity accounted investees net of tax						12.11		12.11
Exceptional items						88.30		88.30
Profit before taxation	**128.55**	**113.45**	**219.13**	**13.26**	**25.65**	**(19.27)**	**(3.47)**	**477.30**
Provision for taxation	-	-	21.29	4.69	0.04	100.37	1.58	127.97
Profit after taxation	**128.55**	**113.45**	**197.84**	**8.57**	**25.61**	**(119.64)**	**(5.05)**	**349.33**
Other information								
Segment assets	1,114.17	362.65	1,196.63	757.64	567.06	793.64	(558.18)	4,233.61
Segment liabilities	1,027.78	45.73	459.56	284.35	158.85	232.41	(25.01)	2,183.67
Capital expenditure	83.84	69.72	54.01	37.10	214.63	5.02	-	464.32
Depreciation and amortisation	30.93	18.44	19.41	23.48	1.39	4.52	-	98.17

Notes to the Consolidated Financial Statements

Segment Information

(i) Information about Primary business Segments

	For the year ended March 31, 2018							(₹ in crore)
Revenue	**Animal Feed**	**egetable Oil**	**Crop Protection**	**Dairy**	**Other Business**	**Unallocated**	**Elimination**	**Total**
	(A)	**(B)**	**(D)**		**(I)**	**(L)**	**(M)**	**(A+B+D+H+ I+L+M)**
Total sales	2,575.98	585.42	881.80	1,157.66	24.77	-	(19.72)	5,205.91
Segment result	155.94	112.26	207.04	13.00	(3.28)	-	-	484.96
Unallocated expenditure net of unallocated income	-	-	-	-	-	(99.70)	-	(99.70)
Interest expenses	-	-	(10.66)	(2.78)	(1.01)	(31.85)	0.99	(45.31)
Interest income	-	-	0.88	0.36	0.00	3.24	(0.99)	3.49
Dividend income and profit on sale of investments	-	-	-	0.18	-	4.00	(4.00)	0.18
Profit before exceptional, tax & share of equity accounted investees	**155.94**	**112.26**	**197.26**	**10.76**	**(4.29)**	**(124.31)**	**(4.00)**	**343.62**
Share of equity accounted investees net of tax						16.08		16.08
Exceptional items						12.05		12.05
Profit before taxation	**155.94**	**112.26**	**197.26**	**10.76**	**(4.29)**	**(96.18)**	**(4.00)**	**371.75**
Provision for taxation	-	-	24.55	3.70	0.03	90.47	1.96	120.71
							-	
Profit after taxation	**155.94**	**112.26**	**172.71**	**7.06**	**(4.32)**	**(186.65)**	**(5.96)**	**251.04**
Other information								
Segment assets	961.99	304.84	1,025.89	765.75	134.45	788.17	(439.72)	3,541.37
Segment liabilities	694.55	96.48	423.67	296.56	18.51	343.49	(12.54)	1,860.72
Capital expenditure	17.14	115.80	47.25	25.71	0.06	6.95	-	212.91
Depreciation and amortisation	29.67	14.75	14.56	21.25	1.41	4.28	-	85.92

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

Note 46 : Contingent liabilities

(₹ in crore)

Particular			**As at March 31, 2019**	**As at March 31, 2018**
Claims against the group not acknowledged as debts:				
(i)	Excise Matter			
	Excise duty demands relating to disputed classification, assessable values, availment of credit etc. which the group has contested and is in appeal at various levels		169.29	134.11
(ii)	Customs Matter		-	-
	The group has preferred an appeal with the Customs Dept. in the matter of Assessable value of imported Capital goods and presently the case is pending with the Commissioner of Customs, Chennai.		1.29	1.06
(iii)	Income Tax			
	a	The Company has received a rectification order u/s 154 of Income Tax Act 1961 for AY 2014-15 dated 23.01.2017, as per the said order amount determined to be payable is ₹ 1.32 crore which includes interest amounting to ₹ 0.25 crore.	1.32	1.32
	b	The Company has preferred an appeal before the Commissioner of Income Tax (Appeals) against the order of the Assessing Officer for the A.Y 2013-14 in which a demand of ₹1.43 crore has been determined to be payable by the Company.	1.43	1.43

Notes to the Consolidated Financial Statements

Note 46 : Contingent liabilities

(₹ in crore)

	Particular	As at March 31, 2019	As at March 31, 2018
c	The company has preferred an appeal before the Commissioner of Income Tax (Appeals) against the Order of the Assessing Officer in which he has disallowed against sec. 14A and in respect of additional depreciation claimed u/s 32 (1) (iia)	3.31	-
d	The Group has preferred appeal against the order of assessing officer and CIT in which demand of ₹ 8.12 crore has been determined for various assessment years as under. The said demand also included interest payable up to the date of passing order by the competent authority i.e. assessing officer / CIT.	8.12	8.57
e	The group has preferred an appeal against the disallowance of deduction U/s 32(1)(iia) of the Income Tax Act, 1961. Against the aforesaid demand, the group has deposited / adjusted payment aggregating to ₹ 33.72 crores.	-	0.38
f	The company has preferred an appeal before the Commissioner of Income Tax (Appeals) against the Order of the Assessing Officer in which he has disallowed against sec. 14A and in part disallownace of office building depreciation .	2.10	-
(iv)	Sales Tax Matters		
a	Pending before JSCT(Appeal)	1.27	-
b	Pending before Dy. Comm. Sales tax, Thane	0.06	-
c	Contingent Liabilities against pending C & H Forms	0.51	1.25
d	The group has preferred an appeal against levy of Sales Tax on sale of cream and has deposited the entire demand of tax.	-	0.15
e	The group has preferred an appeal against levy of Sales Tax on sale of flavoured milk and has deposited the entire demand of tax.	-	0.01
f	The group has filed writ petition in Telangana High Court against levy of Sales tax on sale of flavoured milk. The details of which are given below. The Honurable High Court of Telangana had passed a favourable order allowing the writ petition filed by the group. The order stating that the writ petition is allowed and impugned order is set aside only in so far as the taxing of flavoured milk @ 14.5%, the miscellaneous petitions, if any pending in this writ petition shall stand closed. (ADC Appeal)	-	0.14
(v)	Civil Matter		
a	Nath Bio-Genes (India) Ltd has filed a suit against the Group alleging that some product supplied by the Group was responsible for the poor germination of its seeds.	65.00	65.00
	Suit was filed by Model Financial Corporation Ltd (O.S. No.479/98) for recovery of dues from Ushodaya Agro Products Ltd and Creamline Dairy Products Ltd (CDPL) as borrowers and as alleged guarantor respectively. However, in case of OS No: 479/98, the company has deposited the title deeds of land along with the buildings therein and equipments pertaining to milk chilling center located at Kothapallimitta village Chittor Dist. as security, pending final orders. CDPL has deposited ₹47.00 crores as per the orders of Honourable City Civil Court, Hyderabad passed in C.M.P No.2777 of 2007 in C.M.P No.282 of 2006 in C.C.C.A no.94 of 2006 dt.14.6.2007. The Company is also liable to pay Interest at the rate of 6% p.a. on the balance due amount of ₹ 47 crores which is coming to ₹ 31.84 crores. The aggregate contingent liability would be ₹ 78.84 crores	-	0.82
b	The group has cancelled the Milk distributorhip for Hanamkonda (Warangal) due to large overdue outstanding to the extent of ₹6.07 crores. Consequent to the cancellation of distributionship, the distributor filed case against the group demanding ₹10 laksh Subseuently the group filed a counter claim and the matter is pending for listing in the Court.	-	0.10
c	The complainant has been filed regarding the quality of products in Consumer Court towards grievance and expenses incurred by the applicant seeking damage. The complainant has not appeared before the forum during the last four hearings and the group has requested the President of the Consumer Forum to dismiss the case.	-	0.02
d	A Complaint has been filed under FSSAI for quality of curd in Guntur on the group and penalty has been levied The group has preferred an appeal in the Guntur sessions Court against the referred order.	-	0.03

Notes to the Consolidated Financial Statements

Note 46 : Contingent liabilities

(₹ in crore)

	Particular	As at March 31, 2019	As at March 31, 2018
e	Food safety Officer imposed a penalty under FSSAI rules based on the FSSAI lab report declaring that jersey gold plus full cream milk, sample of which was picked up from a sales point in Vijayawada, is substandard/misbranded. The preferred an Appeal vide Crl. Apl. No.152/17 before Metropolitan Sessions Judge, Vijayawada. (for Summons).	-	0.03
f	SE- Tangedco-Tirunelveli sent a demand notice to a subsidiary and included the same in the electricty bill for the month of January,2018, based on an audit slip. The company challenged the same by filing writ petition on 5th February, 2018.	-	0.54
g	Surety Bond issued on behalf of related party.	1.21	1.21
h	Letters of Credit given by Group (Different letter of credits issued to various suppliers for supply of material to us.)	16.50	34.52
i	Guarantees issued by the Banks and counter guaranteed by the group which have been secured by deposits with bank.	8.66	21.70
j	Claims against the company not acknowledged as debt	6.14	4.94

Note 46.1 : Contingent liabilities represents estimates made mainly for probable claims arising out of litigation/ disputes pending with authorities under various statutes (Excise duty, Customs duty, Income tax).The probability and timing of outflow with regard to these matters depend on the final outcome of litigations/ disputes. Hence the Group is not able to reasonably ascertain the timing of the outflow.

Note 46.2 : The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal.

Pending decision on the subject review petition and directions from the EPFO, the management has a view that the applicability of the decision is prospective and accordingly provided the liability for March 2019.

The impact for the past period, will depend upon the outcome of subject review petition and directions from the EPFO and hence, disclosed as a Contingent liability in the financial statements. The impact of the same is not ascertainable.

Note 47 : Commitments

(₹ in crore)

Particular	As at March 31, 2019	As at March 31, 2018
Estimated value of contracts remaining to be executed on capital account (net of Advances), to the extent not provided for:	53.56	38.92
Outstanding Export obligation Under EPCG Scheme	34.72	39.36

Note 48 : Leases

Operating lease:

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

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

(₹ in crore)

	Particulars	As at March 31, 2019	As at March 31, 2018
	Future lease commitments		
	- Within one year	7.35	4.59
	- Later than one year and not later than five years	16.88	14.56
	- Later than five years	6.38	5.26
b.	Lease payments recognised in the Statement of Profit & Loss for the year :		
	Minimum lease payments	14.92	16.39

Notes to the Consolidated Financial Statements

Note 49 : Grants/subsidies from government

Subsidy amounting to ₹ 5.26 crore (previous year ₹ Nil) accrued during the year is in the nature of capital subsidy.

Note 50: Earlier, the company had initiated the process of merger of its subsidiary astec lifesciences limited, which is now being withdrawn.

Note 51 : Merger of Nagavalli Milkline Private Limited

As a part of a reorganization plan, Board of Directors of the Company and its wholly owned subsidiary, Nagavalli Milkline Private Limited ('Nagavalli') have in their respective board meetings held on 2 May 2018 unanimously approved the proposal for the amalgamation of Nagavalli with CDPL, subject to the necessary statutory / regulatory approvals. Accordingly, a scheme of amalgamation has been filed with the National Company Law Tribunal ('NCLT') under Sections 230 to 232 of the Companies Act, 2013 and under applicable rules of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 with an appointed date of 1 April 2018. Pending approval of NCLT, no effect of the scheme has been given in the financial statements.

As per the scheme filed with the NCLT, the amalgamation will be accounted for in accordance with 'pooling of interest' method, prescribed under Appendix C to Ind AS 103 "Business Combinations" and/or such other Ind AS, as may be applicable, as amended from time to time.

Note 52: The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 have not been made since the requirement does not pertain to financial year ended 31 March 2019.

Note 53: Exceptional item :

Exceptional item for the year ended March 31, 2019 relates to remeasurement gain on fair valuation of existing stake in Joint venture and Associate. On 27th March 2019 the Company has increased its stake and acquired control of Godrej Tyson Foods Limited and Godrej Maxximilk Private Limited (which was earlier a Joint Venture and Associate respectively).

On obtaining control, the Company has remeasured the existing stake at fair value and has recognised the remeasurement gain in the consolidated statement of profit and loss in accordance with the Indian Accounting Standards.

Exceptional Items of the Financial year ended March 31, 2018 comprises gain recognised by a subsidiary company on cancellation of an agreement for supply of product with one of its customer of ₹ 19.33 crores and loss due to inventory written off by the subsidiary company aggregating ₹ 7.28 crore.

Note 54 : Information in respect of investment in associates.

During the previous year, the management has decided to divest its stake in AL Rahaba International Trading Limited Liability Company. Consequently, the same had been reclassified as current investment. Further the equity accounted investment in Al Rahaba is ₹ Nil as at March 31, 2019.

Note 55 : Amalgamation of oil palm companies.

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

Amortisation of Intangible Assets of the Transferor Companies amounting to ₹ 4.25 crore each for the Financial year ended March 31, 2019 and March 31, 2018 recorded in the books of the Transferee Company are charged against the balance in the General Reserve Account of the Transferee Company. The Gross Book value of these Assets now held by the Transferee Company is ₹ 42.51 crore.

Had the Scheme not prescribed the above treatment, profit for the Financial year ended March 31, 2019 would have been lower by ₹ 2.77 crore (previous year ₹ 2.77 crore).

Notes to the Consolidated Financial Statements

Note 56 : Goodwill and other intangible assets with indefinite useful life.

The Goodwill and Indefinite life intangible assets (Brand) are tested for impairment and accordingly no impairment charges were identified for the year ended March 31, 2019

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

(₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Astec LifeSciences Limited (Crop Protection)	118.17	118.17
Creamline Dairy Products Limited (Dairy)		
- Goodwill	76.70	76.70
- Brand	38.22	38.22
Godrej tyson Foods Limited (Poultry)*	64.18	-
Godrej Maxximilk Private Limited (Cattle Breeding)*	5.84	-
Total	**303.11**	**233.09**

* Refer note 63

Astec LifeSciences Limited

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

Creamline Dairy Products Limited

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

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

Particulars	As at March 31, 2019	As at March 31, 2018
Pre tax discount rate	9%	9%
Long term growth rate beyond 5 years	2%	2%

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

Note 57 : Managerial remuneration.

During the year ended March 31, 2017, the stock options granted under the Company's stock option scheme were fully vested, exercised and transferred to the eligible employees including the Managing Director of the Company. The perquisite value of the said stock options have been included in the managerial remuneration which resulted in the same exceeding the limits prescribed under Section 197 of the Companies Act, 2013 by an amount of ₹ 86.61 crore. The Company has obtained necessary approvals for the same, in accordance with the Companies (Amendment) Act, 2017.

Notes to the Consolidated Financial Statements

Note 58 : IPO utilisation

During the previous year, the proceeds from Initial Public Offer (IPO) were ₹291.51 crores (including issue related expenses of ₹ 14.26 crores.). The utilisation of the same were as follows.

(₹ in crore)

Particulars	Object of the issue as per the Prospectus	Utilised upto March 31, 2018
Repayment or prepayment of working capital facilities availed by the Company	100.00	100.00
Repayment of commercial papers issued by the Company	150.00	150.00
General corporate purposes (including repayment of debts)	27.25	27.25
TOTAL	**277.25**	**277.25**

During the previous year, the Company had incurred ₹ 56.61 crores of IPO expenses. These IPO expenses were allocated between the Company ₹ 14.26 crores (which has been adjusted against the securities premium account) and the selling shareholders ₹ 42.35 crores in proportion to the equity shares allotted to the public as fresh issue by the Company and under offer for sale by the selling shareholders.

During the year, the Company has reversed a provision for ₹ 0.40 crore of IPO expenses and has been adjusted in Security Premium Account.

Note 59 : The Government of India introduced the Goods and Services Tax (GST) with effect from July 1, 2017, consequently revenue from operations for the year ended March 31, 2018 is net of GST, however revenue for quarter ended June 30, 2017 is inclusive of excise duty and hence, total income from operations for year ended March 31, 2018 and year ended March 31, 2019 are not comparable.

Notes to the Consolidated Financial Statements

Note : 60 Additional information, as required under Schedule III to the Companies Act, 2013

Name of the entity in	Net Assets - total assets minus total liabilities (net off inter company eliminations)		Share in profit or loss		Share in other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated other Comprehensive Income	Amount	As % of Consolidated Total Comprehensive Income	Amount
1	2	3	4	5	6	7	8	9
Parent								
1. Godrej Agrovet Limited	40.29%	825.94	83.10%	290.28	118.41%	(1.22)	82.99%	289.06
Subsidiaries								
Indian								
2. Godvet Agrochem Limited	0.58%	11.94	0.17%	0.59	0.00%	-	0.17%	0.59
3. Astec Lifesciences Limited	11.48%	235.27	6.19%	21.61	-10.97%	0.11	6.24%	21.72
4. Creamline Dairy Products Limited	13.13%	269.08	1.27%	4.45	19.78%	(0.20)	1.22%	4.26
5. Godrej Tyson Foods Limited (refer note 63)	8.94%	183.17	0.68%	2.39	-3.47%	0.04	0.70%	2.42
6. Godrej Maxximilk Private Limited (refer note 63)	0.35%	7.08	-0.69%	(2.42)	0.00%	-	-0.70%	(2.42)
Minority interest in all subsidiaries	19.55%	400.96	5.80%	20.29	10.19%	(0.10)	5.79%	20.19
Associates (Investment as per equity method)								
AL RAHABA INTERNATIONAL TRADING LIMITED LIABILITY COMPANY	0.00%	0%	0.00%	-	0.00%	0%	0.00%	0%
Joint Ventures (as per proportionat e consolidation / Investment as per equity method)								
Indian								
Omnivore India Capital Trust	2.09%	42.85	1.95%	6.81	0.00%	-	1.96%	6.81
Foreign								
ACI Godrej Agrovet Private Limited	3.59%	73.65	1.53%	5.33	-33.94%	0.35	1.63%	5.68
TOTAL	**100.00%**	**2,049.94**	**100.00%**	**349.33**	**100.00%**	**(1.02)**	**100.00%**	**348.31**

Notes to the Consolidated Financial Statements

Note 61: Disclosure of joint venture and associates

Equity accounted investees

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

Name of the entity	Place of business	% of ownership interest as of march 31, 2019	% of ownership interest as of march 31, 2018	Relationship	Accounting method	Carrying Amounts	
						March 31, 2019	March 31, 2018
ACI Godrej Agrovet Private Limited*	Bangladesh	50.0%	50.0%	Joint Venture	Equity method	73.65	67.97
Omnivore India Capital Trust	Maharashtra			Investment entity	Equity method	42.85	34.18
Al Rahaba International Trading Limited Liability Company	Abu Dhabi	24.0%	24.0%	Associate	Equity method	-	-
Godrej Tyson Foods Limited* (Joint venture upto March 26, 2019)	Maharashtra	NA	49.0%	Joint Venture (Upto March 26, 2019)	Equity method	NA	88.94
Godrej Maxximilk Private Limited. (Associate upto March 26, 2019)	Maharashtra	NA	49.9%	Associate (Upto March 26, 2019)	Equity method	NA	4.14
Total equity accounted investments						**116.50**	**195.22**

* Unlisted equity, no quoted prices available

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

Pariculars	ACI Godrej Agrovet Private Limited		Godrej Tyson Foods Limited (Joint Venture upto March 26, 2019)
	March 31, 2019	March 31, 2018	March 31, 2018
Ownership	50%	50%	49%
Cash and cash equivalent	5.83	8.60	8.78
Other current assets	163.83	137.82	43.51
Total current assets	169.66	146.42	52.29
Total non-current assets	159.53	178.40	177.91
Total assets	**329.19**	**324.82**	**230.20**
Current liabilites			
Financial liabilities (excluidng trade payables and provisions)	99.32	129.71	19.46
Other liabilities	64.47	19.63	17.32
Total current liabilities	163.79	149.34	36.78
Total non current liabilities	18.86	38.62	10.96
Total liabilities	**182.65**	**187.96**	**47.74**
Net assets	**146.54**	**136.86**	**182.46**
Groups' share of net assets	**73.27**	**68.43**	**89.40**
Carrying amount of interest in joint venture	**73.65**	**67.97**	**88.94**

Notes to the Consolidated Financial Statements

(₹ in crore)

Particulars	ACI Godrej Agrovet Private Limited		Godrej Tyson Foods Limited	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Revenues	654.86	675.35	488.78	433.53
Interest income	0.19	0.07	0.29	0.68
Depreciation and amortisation	19.93	(19.94)	12.08	(15.06)
Interest expense	(11.23)	(9.08)	0.29	(0.02)
Income tax expense	(4.93)	(8.68)	2.72	(2.28)
Profit from continuing opertaions	**10.67**	**13.03**	**3.96**	**4.15**
Profit from discontinued opertaions		-	-	-
Profit for the year	**10.67**	**13.03**	**3.96**	**4.15**
Other comprehensive income	-	(2.01)	0.07	(0.18)
Total comprehensive income	**10.67**	**11.02**	**4.03**	**3.97**
Group's share of profit	5.33	6.52	2.00	2.03
	-		0.39	2.34
Group's share of profit	**5.33**	**6.52**	**2.39**	**4.37**
Group's share of Other comprehensive income	**-**	**(1.00)**	**0.04**	**(0.09)**
Group's share of Total comprehensive income	**5.33**	**5.52**	**2.43**	**4.28**

Note 62: Non controlling interest

Non controlling interest

Financial information of subsidiaries that have material non-controlling interests is provided below :

Name of the entity	Place of business / country of incorporation	Ownership interest held by the group		Ownership interest held by non-controlling interest		Principal activities
		31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	
Godvet Agrochem Limited	India	100.00%	100.00%	0.00%	0.00%	Investment Property
Astec LifeSciences Ltd.	India	57.67%	57.45%	42.33%	42.55%	Manufacturing and Distribution of Agrochemical active ingredients and pharmaceutical intermediates.
Creamline Dairy Products Limited	India	51.91%	51.91%	48.09%	48.09%	The Company is principally engaged in milk procurement, processing of milk and manufacturing of milk products. The Company is also engaged in generation of power through renewable energy sources.
Godrej Maxximilk Private Limited (subsidiary with effect from March 27, 2019)	India	62.97%	NA	37.03%	NA	The Company is an agribusiness company and its principal activities include Dairy Farm activities and Developing high breed Cattles.
Godrej Tyson Foods Limited (subsidiary with effect from March 27, 2019)	India	51.00%	NA	49.00%	NA	The Company is principally engaged in poultry processing, marketing and selling of value added vegetarian and poultrty products.

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

Notes to the Consolidated Financial Statements

I. Summarised statement of profit or loss

(a) Astec LifeSciences Ltd.

(₹ in crore)

	March 31, 2019	March 31, 2018
Total Revenue	442.05	378.95
Profit for the year	37.89	42.28
Other Comprehensive Income	0.19	(0.29)
Profit allocated to non-controlling interests	**16.16**	**18.42**
OCI allocated to non-controlling interests	**0.08**	**(0.14)**
Dividends paid to non-controlling interests (including dividend distribution tax)	**1.51**	**-**

(b) Creamline Dairy Products Limited

(₹ in crore)

	March 31, 2019	March 31, 2018
Total Revenue	1,160.06	1,160.25
Profit for the year	8.58	7.06
Other Comprehensive Income	(0.39)	(0.93)
Profit allocated to non-controlling interests	**4.13**	**3.41**
OCI allocated to non-controlling interests	**(0.18)**	**(0.45)**
Dividends paid to non-controlling interests (including dividend distribution tax)	**1.96**	**-**

II. Summarised balance sheet

(a) Astec LifeSciences Ltd.

(₹ in crore)

Particulars	March 31, 2019	March 31, 2018
Non-current liabilities	11.37	5.60
Current liabilities	248.80	238.39
	260.17	**243.99**
Non-current assets	216.91	182.50
Current assets	248.48	231.68
	465.39	**414.18**
Net assets	**205.22**	**170.19**
Net assets attributable to non-controlling interest	**87.10**	**72.70**

(b) Creamline Dairy Products Limited

(₹ in crore)

Particulars	March 31, 2019	March 31, 2018
Non-current liabilities	100.62	87.70
Current liabilities	165.62	190.85
	266.24	**278.55**
Non-current assets	545.75	515.56
Current assets	133.43	171.84
	679.18	**687.40**
Net assets	**412.94**	**408.85**
Net assets attributable to non-controlling interest	**198.57**	**196.60**

Notes to the Consolidated Financial Statements

(c) Godrej Tyson Foods Limited (Became a subsidiary during the year)

(₹ in crore)

Particulars	March 31, 2019
Non-current liabilities	45.88
Current liabilities	63.41
	109.29
Non-current assets	228.84
Current assets	113.68
	342.52
Net assets	**233.23**
Net assets attributable to non-controlling interest	**114.28**

(d) Godrej Maxximilk Private Limited (Became a subsidiary during the year)

(₹ in crore)

Particulars	March 31, 2019
Non-current liabilities	16.00
Current liabilities	12.18
	28.18
Non-current assets	28.51
Current assets	1.64
	30.15
Net assets	**1.97**
Net assets attributable to non-controlling interest	**0.73**

III. Summarised cash flow information

(₹ in crore)

(a) Astec LifeSciences Ltd.

Particulars	March 31, 2019	March 31, 2018
Cash flows from(used in) in operating activities	15.29	64.67
Cash flows from(used in) in investing activities	(52.50)	(48.94)
Cash flows from(used in) in financing activities	37.09	(18.24)
Net (decrease) in cash and cash equivalents	**(0.12)**	**(2.51)**

(b) Creamline Dairy Products Limited

Particulars	March 31, 2019	March 31, 2018
Cash flows from(used in) in operating activities	68.48	48.21
Cash flows from(used in) in investing activities	(55.09)	(51.42)
Cash flows from(used in) in financing activities	(20.75)	7.60
Net decrease /(increase) in cash and cash equivalents	**(7.36)**	**4.39**

Notes to the Consolidated Financial Statements

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

During the current year, the Group has acquired 0.22% (previous year acquired 1.92%) of subsequent interest in Astec LifeSciences Limited. The carrying amount of such additional NCI stake acquired is ₹ 0.48 crore (previous year 2.83 crore).

Particulars	March 31, 2019	March 31, 2018
Carrying amount of non-controlling interests acquired	**0.48**	**2.83**
Consideration paid	**2.92**	**20.83**
Decrease in equity attributable to the owners of the company	**2.44**	**18.00**

Transactions with non-controlling interests - Godrej Maxximilk Private Limited

During the current year, the Group has acquired 10.91% of subsequent interest in Godrej Maxximilk Private Limited by. The carrying amount of such additional NCI stake acquired is ₹ 1.22 crore.

	March 31, 2019
Carrying amount of non-controlling interests acquired	**(1.22)**
Consideration paid	**3.00**
Decrease in equity attributable to the owners of the company	**(1.22)**

Note 63. Business combinations.

During the year the group has made two business acquisitions as given below

I. Godrej Maxximilk Private Limited.

A. Acquisition of subsidiary

On March 27, 2019, the Company has acquired 13,310 equity shares of Godrej Maxximilk Pvt. Ltd (GMPL) for a consideration of ₹ 0.21 crores. Pursuant to this acquisition, the shareholding in GMPL rose to 51.00 % and it became a subsidiary of the Company.

Taking control of Godrej Maxximilk will enable the Group to add value through its association with Indian dairy farmers and in-depth knowledge of agri-businesses & rural marketing. GMPL will also get leverage through the Godrej Agrovet brand, which has strong recall with dairy farmers through the cattle feed business.

If the acquisition had occurred on 1 April, 2018, management estimates that consolidated revenue would have been ₹5,873.64 crore and consolidated profit would have been ₹ 346.80 crore.

determining these amounts, management has assumed that the fair value adjustments,determined provisionally, that arose on date of acquisition would have been same if the acquisition had occurred on 1 April, 2018.

B. Details of purchase consideration, net assets acquired and goodwill

(₹ in crore)

Particulars	Amount
Cash paid	0.22
Equity shares acquired	13,310
Total consideration transferred	**0.22**

Notes to the Consolidated Financial Statements

Identifiable assets acquired and liabilities assumed

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

(₹ in crore)

Particulars	Amount
Property, plant and equipment	22.39
Capital work-in-progress	0.03
Biological assets other than bearer plants (Cattle)	4.13
Deferred tax assets	1.85
Other non-current assets	0.10
Inventories	1.06
Trade receivables	0.42
Cash and cash equivalents	0.07
Loans others	0.02
Loans and advances to employees	0.01
Other current assets	0.05
Fair value of assets acquired	**30.15**
Borrowings	(16.00)
Trade payables	(1.90)
Other financial liabilities	(11.57)
Other current liabilties	(0.05)
Intercorporate deposits	(1.64)
Fair value of liabilities acquired	**(31.16)**
Deferred tax on acquistion	-
Total identifiable net assets/ (liabilities) acquired	**(1.03)**

The gross contractual amounts and the fair value of trade and other receivables acquired is ₹ 0.45 crores. None of the trade and other receivables are credit impaired and it is expected that the full contractual amounts will be recoverable.

C. Goodwill

(₹ in crore)

Particulars	Amount
Consideration transferred	0.22
Non-controlled interest in the acquired entity	(0.49)
Fair value of previously held equity interest	5.08
Add: Net identifiable liabilities acquired	1.03
Goodwill	**5.84**

Goodwill on acquisition comprises the value of expected synergies arising from the acquisition and long-standing relationships with farmers, which does not meet the criteria for recognition as an intangible asset under Ind AS 38 and hence, has not been separately recognised. No amount of Goodwill is expected to be deductible for tax purpose.

The fair value of non-controlling interest has been estimated as proportion of net assets acquired.

The remeasurement to fair value of the Group's existing 49.90% interest in GMPL resulted in a gain of ₹ 3.37 crore, which has been recognised in exceptional income.

D Purchase consideration - Cash outflow

Particulars	Amount
Outflow of cash to acquire subsidiary, net of cash acquired	
Cash consideration	0.22
Less: Balances acquired	
Cash and cash equivalents	(0.07)
Net outflow of cash - investing activities	**0.15**

Notes to the Consolidated Financial Statements

II. Godrej Tyson Foods Limited.

A. Acquisition of subsidiary

On March 27, 2019, the Company has acquired 2,188 equity shares of Godrej Tyson Foods Limited (GTFL) for a consideration of ₹ 3.95 crores. Pursuant to this acquisition, the shareholding in GTFL rose to 51.00 % and it become a subsidiary of the Company.

Taking control of GTFL will enable the Group to add value through its association with Indian poultry farmers and in-depth knowledge of agri-businesses & rural marketing. GTFL will also get leverage through the Godrej Agrovet brand, which has strong recall with poultry farmers through the poultry feed business.

If the acquisition had occurred on 1 April, 2018, management estimates that consolidated revenue would have been ₹ 6084.75 crore and consolidated profit would have been ₹ 351.20 Crore.

In determining these amounts, management has assumed that the fair value adjustments,determined provisionally, that arose on date of acquisition would have been same if the acquisition had occurred on 1 April, 2018.

B. Details of purchase consideration, net assets acquired and goodwill

(₹ in crore)

Particulars	Amount
Cash paid	3.95
Equity shares acquired	2,188
Total consideration transferred	**3.95**

Acquisition-related cost

The group incurred acquisition related cost of ₹0.08 crore on legal fees. These costs have been included in “administrative expenses”

Identifiable assets acquired and liabilities assumed

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

(₹ in crore)

Particulars	Amount
Property, plant and equipment	192.05
Capital work-in-progress	0.21
Intangible assets	3.67
Brands	16.57
Biological assets other than bearer plants (Non Current)	10.19
Long-term loans and advances - Others	3.41
Long-term loans and advances - to employees	0.04
Others	0.02
Non-current tax assets (net)	1.99
Other non-current assets	0.69
Biological assets other than bearer plants (Current)	52.98
Inventories	23.35
Trade receivables	23.55
Cash and cash equivalents	3.92
Bank balance other than above	0.06
Short-term loans and advances - to employees	0.17
Others	0.18
Other current assets	9.47
Fair value of assets acquired	**342.52**
Long term borrowings	(23.00)
Deferred tax liabilities (net)	(7.35)
Other non current liabilities	(2.35)
Short-term borrowings	(14.29)

Notes to the Consolidated Financial Statements

(₹ in crore)

Particulars	Amount
Trade payables	(18.07)
Other financial liabilities	(27.35)
Employee payable	(0.10)
Other current liabilities	(3.04)
Short-term provisions	(0.55)
Fair value of liabilities acquired	**(96.10)**
Deferred tax on acquistion	(13.19)
Total identifiable net assets/ (liabilities) acquired	**233.23**

The gross contractual amounts and the fair value of trade and other receivables acquired is ₹ 26.96 crores. None of the trade and other receivables are credit impaired and it is expected that the full contractual amounts will be recoverable.

C. Goodwill

(₹ in crore)

Particulars	Amount
Consideration transferred	3.95
Non-controlled interest in the acquired entity	114.28
Fair value of previously held equity interest	179.18
Less: Net identifiable assets acquired	(233.23)
Goodwill	**64.18**

Goodwill on acquisition comprises the value of expected synergies arising from the acquisition and long-standing relationships with farmers, which does not meet the criteria for recognition as an intangible asset under Ind AS 38 and hence, has not been separately recognised. No amount of Goodwill is expected to be deductible for tax purpose.

The fair value of non-controlling interest has been estimated as proportion of net assets acquired.

The remeasurement to fair value of the Group's existing 49.90% interest in GTFL resulted in a gain of ₹ 84.93 crore, which has been recognised in exceptional income.

D. Purchase consideration - Cash outflow

(₹ in crore)

Particulars	Amount
Outflow of cash to acquire subsidiary, net of cash acquired	
Cash consideration	3.95
Less: Balances acquired	
Cash and cash equivalents	(3.92)
Net outflow of cash - investing activities	**0.03**

Note 64: Movement in borrowings

Particulars	March 31, 2018	Cash Flow	Non-cash changes (Fair value changes)	Non-cash changes (Acquistions)	March 31, 2019
Long term borrowings	21.09	9.82	0.51	43.00	74.42
Short term borrowings	388.66	(77.78)	(1.64)	14.29	323.53
Total borrowings	**409.75**	**(67.96)**	**(1.13)**	**57.29**	**397.95**

Particulars	March 31, 2017	Cash Flow	Non-cash changes (Fair value changes)	Non-cash changes (Acquistions)	March 31, 2018
Long term borrowings	24.83	(4.26)	0.52	-	21.09
Short term borrowings	639.25	(252.86)	2.27	-	388.66
Total borrowings	**664.08**	**(257.12)**	**2.79**	**-**	**409.75**

Notes to the Consolidated Financial Statements

Note No. 65: Related Party Disclosures

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

			GODREJ AGROVET LIMITED
(a)	(i)	**Key Management Personnel and Entities where Key Management Personnel has significant influence**	Mr. N. B. Godrej (Chairman)
			Mr. A. B. Godrej (upto 5th November, 2018)
			Mr. J. N. Godrej
			Mr. V. M. Crishna
			Ms. Tanya A. Dubash
			Ms. Nisaba Godrej
			Mr. Pirojsha A. Godrej (w.e.f. 5th November, 2018)
			Mr. B. S. Yadav (Managing Director)
			Mr. K. N. Petigara
			Mr. A. B. Choudhury
			Dr. S. L. Anaokar (upto 3rd February, 2019)
			Dr. R. A. Mashelkar (w.e.f. July 18, 2017)
			Dr. Ritu Anand (w.e.f. July 18, 2017)
			Ms. Aditi Kothari Desai (w.e.f. July 18, 2017)
			Ms. Roopa Purushothaman (w.e.f. July 18, 2017)
			Mr. N. Srinivasan (w.e.f. 4th February, 2019)
			Mr. Vivek Raizada (Company Secretary)
			Mr. S. Varadaraj (Chief Financial Officer)
			The Raika Godrej Family Trust
			TAD Family Trust
			BNG Family Trust
			HNG Family Trust
			SNG Family Trust
			NG Family Trust
			PG Family Trust
(b)	(i)	**Holding companies**	Godrej Industries Limited (holding company)
			Vora Soaps Limited (ultimate holding company upto 23rd December, 2018)
	(ii)	**Fellow Subsidiary Companies**	Godrej Properties Ltd.
			Natures Basket Limited
			Godrej One Premises Management Private Limited
			Godrej Vikhroli Properties India Limited
	(iii)	**Joint Ventures**	Godrej Tyson Foods Limited (upto 26th March, 2019)
			ACI Godrej Agrovet Private Limited, Bangladesh
			Omnivore India Capital Trust
	(iv)	**Associates**	Godrej Maxximilk Private Limited (upto 26th March, 2019)
			Al Rahba International Trading Limited Liability Company, United Arab Emirates (UAE)
	(v)	**Other Related Parties**	Godrej & Boyce Manufacturing Company Limited
			Godrej Consumer Products Limited

Notes to the Consolidated Financial Statements

Note No. 65: Related Party Disclosures (Contd.)

		GODREJ AGROVET LIMITED
		Godrej Seeds & Genetics Limited
		Godrej Infotech Limited
		Anamudi Real Estates LLP
		Astec Crop Care Private Limited
		Nichem Solutions
		Kavali Milkline Private Limited
		Khammam Milkline Private Limited
		Mohan Milkline Private Limited
		Orgaa Farms Private Limited
		Pamuru Milk Line Private Limited
		Pragathi Milkline
		PSR Enterprises
		PVR Enterprises
		Vidya MilkLine Private Limited
		Ongole MilkLine Private Limited.
		Dhulipalla MilkLine Private Limited.
		Prima FoodTech Private Limited
(vi)	**Post-employment benefit plan (entities) for the benefit of employees of the company**	Godrej Agrovet Limited Provident Fund Trust
		Godrej Agrovet Limited Superannuation Scheme
		Godrej Agrovet Limited Group Gratuity Trust

Note No. 65: Related Party Disclosures (Contd.)

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

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

(i) Details relating to parties referred to in items 1(b) (i), (ii), (iii), (iv), (v)

(₹ in crore)

Sr. No.	Nature of Transactions	Holding Companies (i)	Fellow Subsidiaries (ii)	Joint Ventures (iii)	Associates (iv)	Other related Parties (v)
1	Purchase / Transfer of property, plant and equipment	-	-	-	-	2.86
		-	-	-	-	0.63
2	Investment in share capital	-	-	4.84	-	-
		-	-	1.32	4.34	-
3	Acquisition of shares (investment) (refer note 63)	-	-	-	-	4.17
		-	-	-	-	-
4	Sundry deposits placed	0.23	-	-	-	-
		0.04	0.00	-	-	-
5	Intercorporate deposits placed during the year	-	-	-	10.54	-
		-	-	-	7.84	-
6	Intercorporate deposits returned	-	-	-	16.74	-
		-	-	-	-	-
7	Sale of materials / finished goods	1.17	-	271.75	1.41	0.53
		-	-	227.63	0.08	0.67
8	Purchase of materials / finished goods / services	5.38	-	0.08	0.03	136.86
		4.31	-	1.62	-	157.53
9	Expenses charged to / reimbursement received from other companies	0.07	-	4.10	3.35	0.69
		-	0.01	3.07	1.52	0.07

Notes to the Consolidated Financial Statements

(₹ in crore)

Sr. No.	Nature of Transactions	Holding Companies (i)	Fellow Subsidiaries (ii)	Joint Ventures (iii)	Associates (iv)	Other related Parties (v)
10	Expenses charged by / reimbursement made to other companies	11.47	2.95	0.06	-	0.74
		8.72	2.82	0.04	-	0.74
11	Dividend income	-	-	0.02	-	-
		-	-	0.61	-	-
12	Dividend paid	50.11	-	-	-	-
		53.05	-	-	-	-
13	Interest income on intercorporate deposits placed / loans given	-	-	-	0.69	-
		-	-	-	0.14	0.04
14	Sundry income	-	-	1.30	-	0.05
		-	-	1.31	-	0.01
15	Outstanding intercorporate deposit receivable	-	-	-	-	-
		-	-	-	7.84	-
16	Capital advance given during the year	-	0.95	-	-	0.54
		-	4.50	-	-	-
17	Outstanding capital advance	-	9.09	-	-	0.16
		-	8.14	-	-	-
18	Outstanding receivables (net of payables)	(0.84)	(0.13)	6.57	-	(6.65)
		(0.75)	0.09	6.52	2.20	(9.80)
19	Guarantees outstanding	-	-	-	-	1.21
		-	-	-	-	1.21
20	Contribution to post-employment benefit plans	-	-	-	-	22.79
		-	-	-	-	20.59

(ii) Details relating to persons referred to in items 1(a)(i) above

(₹ in crore)

	Particulars	As at March 31, 2019	As at March 31, 2018
1	**Remuneration to key management personnel**		
	Salary and short term employee benefit	5.76	6.40
	Post employee gratuity & medical benefits	0.09	0.09
	Shared based payment	1.26	2.30
2	Dividend paid	5.75	6.03
3	Director's sitting fees	0.48	0.63
4	Director's commission	**1.95**	-

Notes to the Consolidated Financial Statements

Note No. 65: Related Party Disclosures (Contd.)

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

3. Significant Related Party Transactions :

(₹ in crore)

Sr. No.	Nature of Transaction	As at March 31, 2019	As at March 31, 2018
1	**Purchase of property, plant and equipment**		
	Godrej & Boyce Mfg Co Limited	**0.78**	0.63
	Godrej Consumer Products Limited	**2.07**	-
2	**Investment in subsidiaries and joint ventures**		
	Godrej Maxximilk Pvt. Ltd.	**-**	4.34
	Omnivore India Capital Trust	**1.88**	1.32
	Godrej Tyson Foods Limited	**2.96**	-
3	**Acquisition of shares (investment) (refer note 63)**		
	Anamudi Real Estates LLP	**4.17**	-
4	**Sundry deposits placed**		
	Godrej Industries Limited	**0.23**	0.04
	Godrej One Premises Management Pvt. Ltd.	**-**	0.00
5	**Intercorporate deposits placed during the year**		
	Godrej Maxximilk Pvt. Ltd.	**10.54**	7.84
6	**Intercorporate deposits returned**		
	Godrej Maxximilk Pvt. Ltd.	**16.74**	-
7	**Sale of materials / finished goods**		
	ACI Godrej Agrovet Private Limited	**2.50**	6.10
	Godrej Maxximilk Pvt. Ltd.	**1.41**	0.08
	Godrej Consumer Products Limited	**0.04**	-
	Godrej Tyson Foods Limited	**269.25**	221.53
	Godrej Industries Limited	**1.17**	-
	Astec Crop Care Private Limited	**0.22**	0.47
	Nichem Solutions	**0.08**	0.01
	Khammam Milkline Private Limited	**0.19**	0.19
8	**Purchase of materials / finished goods / services**		
	Godrej & Boyce Mfg Co Limited	**0.13**	0.63
	Godrej Industries Limited	**5.38**	4.31
	Godrej Consumer Products Limited	**0.22**	0.44
	Godrej Tyson Foods Limited	**0.08**	1.62
	Godrej Maxximilk Pvt. Ltd.	**0.03**	-
	Astec Crop Care Private Limited	**0.21**	-
	Ongole Milkline Private Limited	**29.99**	33.71
	Mohan Milkline Private Limited	**35.61**	39.17

Notes to the Consolidated Financial Statements

(₹ in crore)

Sr. No.	Nature of Transaction	As at March 31, 2019	As at March 31, 2018
	Vidya Milkline Private Limited	**8.86**	10.63
	Khammam Milkline Private Limited	**15.76**	17.64
	Pamuru Milkline Private Limited	**11.80**	13.00
	Kavali Milkline Private Limited	**27.84**	30.12
	Pragathi Milkline Private Limited	**5.58**	6.49
	Dhulipalla Milkline Private Limited	**0.09**	1.72
	Orga Farms Private Limited	**0.32**	1.89
	PVR Enterprises	**-**	1.41
	PSR Enterprises	**-**	0.43
	Prima FoodTech Private Limited	**0.44**	0.26
9	**Expenses charged to / reimbursement received from other companies**		
	ACI Godrej Agrovet Private Limited	**-**	0.05
	Omnivore India Capital Trust	**0.02**	0.08
	Godrej & Boyce Mfg Co Limited	**0.67**	-
	Godrej Consumer Products Limited	**0.02**	0.07
	Godrej Industries Limited	**0.07**	-
	Godrej Tyson Foods Limited	**4.07**	2.94
	Godrej Properties Limited	**-**	0.01
	Godrej Maxximilk Pvt. Ltd.	**3.35**	1.52
10	**Expenses charged by / reimbursement made to other companies**		
	Godrej Infotech Limited	**0.04**	0.02
	Godrej & Boyce Mfg Co Limited	**0.19**	0.34
	Godrej Consumer Products Limited	**0.43**	0.32
	Godrej Industries Limited	**11.47**	8.72
	Godrej Tyson Foods Limited	**0.06**	0.04
	Natures Basket Limited	**0.01**	0.02
	Godrej One Premises Management Pvt. Ltd.	**2.93**	2.80
	Nichem Solutions	**0.08**	0.06
11	**Dividend income**		
	Omnivore India Capital Trust	**0.02**	0.61
12	**Dividend paid**		
	Godrej & Boyce Mfg Co Limited	**-**	-
	Godrej Industries Limited	**50.11**	53.05
	Mr. B. S. Yadav (Managing Director)	**1.92**	1.98
	Mr. N. B. Godrej (Chairman)	**0.74**	1.87
	Mr. A. B. Godrej	**0.00**	0.00
	Mr. J. N. Godrej	**-**	0.93
	Ms. Tanya A. Dubash	**0.25**	0.62
	Ms. Nisaba Godrej	**0.25**	0.62
	Mr. Pirojsha A. Godrej (w.e.f. 5th November, 2018) (Personal)	**0.25**	-
	Ms. Roopa Purushothaman	**0.00**	-
	Dr. S. L. Anaokar (upto 3rd February, 2019)	**0.00**	-
	S. Varadaraj	**0.09**	-
	Vivek Raizada	**0.00**	-
	The Raika Godrej Family Trust	**0.00**	-
	TAD Family Trust	**0.37**	-

Notes to the Consolidated Financial Statements

(₹ in crore)

Sr. No.	Nature of Transaction	As at March 31, 2019	As at March 31, 2018
	BNG Family Trust	**0.37**	-
	HNG Family Trust	**0.37**	-
	SNG Family Trust	**0.37**	-
	NG Family Trust	**0.37**	-
	PG Family Trust	**0.37**	-
13	**Interest income on intercorporate deposits placed / loans given**		
	Godrej Seeds & Genetics Limited	**-**	0.04
	Godrej Maxximilk Pvt. Ltd.	**0.69**	0.14
14	**Sundry income**		
	ACI Godrej Agrovet Private Limited	**1.30**	1.31
	Godrej Consumer Products Limited	**0.01**	0.01
	Astec Crop Care Private Limited	**0.04**	-
15	**Outstanding intercorporate deposit receivable**		
	Godrej Maxximilk Pvt. Ltd.	**-**	7.84
16	**Capital advance given during the year**		
	Godrej & Boyce Mfg Co Limited	**0.54**	-
	Godrej Vikhroli Properties India Limited	**0.32**	4.50
	Godrej Properties Limited	**0.63**	-
17	**Outstanding capital advance**		
	Godrej Vikhroli Properties India Limited	**8.46**	8.14
	Godrej Properties Limited	**0.63**	-
	Godrej & Boyce Mfg Co Limited	**0.16**	-
18	**Outstanding receivables (net of payables)**		
	Godrej & Boyce Mfg Co Limited	**0.23**	0.01
	Godrej Industries Limited	**(0.84)**	(0.75)
	Godrej Seeds & Genetics Limited	**-**	(0.17)
	Godrej Consumer Products Limited	**0.02**	(0.03)
	Godrej Infotech Limited	**-**	(0.02)
	Natures Basket Limited	**0.00**	(0.00)
	Godrej Tyson Foods Limited	**-**	1.01
	ACI Godrej Agrovet Private Limited	**6.53**	4.46
	Omnivore India Capital Trust	**0.03**	1.05
	Godrej Maxximilk Pvt. Ltd.	**-**	2.20
	Godrej One Premises Management Pvt. Ltd.	**(0.13)**	0.10
	Godrej Agrovet Limited Employees Provident Fund Trust.	**(1.43)**	(0.51)
	Godrej Agrovet Limited Employees Superannuation Scheme.	**(0.05)**	(0.05)
	Godrej Agrovet Limited Employees Group Gratuity Trust.	**(3.80)**	(5.02)
	Astec Crop Care Private Limited	**0.02**	-
	Nichem Solutions	**0.03**	(0.03)
	Kavali Milkline Private Limited	**(0.30)**	(0.56)
	Khammam Milkline Private Limited	**(0.55)**	(0.65)
	Mohan Milkline Private Limited	**(0.23)**	(0.99)
	Orgaa Farms Private Limited	**-**	(0.07)
	Pamuru Milk Line Private Limited	**(0.14)**	(0.13)
	Pragathi Milkline	**(0.06)**	(0.12)
	PSR Enterprises	**-**	(0.17)
	PVR Enterprises	**-**	(0.13)

Notes to the Consolidated Financial Statements

(₹ in crore)

Sr. No.	Nature of Transaction	As at March 31, 2019	As at March 31, 2018
	Vidya MilkLine Private Limited	**(0.11)**	(0.26)
	Ongole MilkLine Private Limited.	**(0.22)**	(0.74)
	Dhulipalla MilkLine Private Limited.	**-**	(0.06)
	Prima FoodTech Private Limited	**(0.04)**	(0.08)
19	**Guarantees outstanding**		
	Godrej Consumer Products Limited	**1.21**	1.21
20	**Director's sitting fees**		
	Mr. A. B. Godrej, (Director)	**0.04**	0.08
	Mr. K. N. Petigara, (Independent Director)	**0.08**	0.12
	Dr. S. L. Anaokar, (Independent Director)	**0.01**	0.07
	Mr. Amit B. Choudhury, (Independent Director)	**0.06**	0.10
	Dr. Ritu Anand, (Independent Director)	**0.08**	0.08
	Ms. Aditi Kothari Desai, (Independent Director)	**0.08**	0.07
	Dr. Raghunath A. Mashelkar, (Independent Director)	**0.06**	0.07
	Ms. Roopa Purushothaman, (Independent Director)	**0.07**	0.05
	Mr. N. Srinivasan (w.e.f. 4th February, 2019)	**0.01**	-
21	**Director's commission**		
	Mr. A. B. Godrej, (Director)	**0.12**	-
	Mr. N.B. Godrej	**0.15**	-
	Mr. K. N. Petigara, (Independent Director)	**0.15**	-
	Dr. S. L. Anaokar, (Independent Director)	**0.14**	-
	Mr. Amit B. Choudhury, (Independent Director)	**0.15**	-
	Dr. Ritu Anand, (Independent Director)	**0.15**	-
	Ms. Aditi Kothari Desai, (Independent Director)	**0.15**	-
	Dr. Raghunath A. Mashelkar, (Independent Director)	**0.15**	-
	Ms. Roopa Purushothaman, (Independent Director)	**0.15**	-
	Ms. Tanya A. Dubash	**0.15**	-
	Mr. V. M. Crishna	**0.15**	-
	Mr. J. N. Godrej	**0.15**	-
	Ms. Nisaba Godrej	**0.15**	-
	Mr. N. Srinivasan (w.e.f. 4th February, 2019)	**0.01**	-
	Mr. Pirojsha A. Godrej	**0.03**	-
22	**Contribution to post-employment benefit plans**		
	Godrej Agrovet Limited Employees Provident Fund Trust.	**17.18**	15.81
	Godrej Agrovet Limited Employees Superannuation Scheme.	**0.58**	0.57
	Godrej Agrovet Limited Employees Group Gratuity Trust.	**5.02**	4.21

Note 66: The figures for the previous year have been regrouped/ reclassified to correspond with current year's classification/ disclosures.

As per our report of even date attached

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

Koosai Lehery
Partner
Membership Number: 112399
Mumbai, May 06, 2019

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

N. B. GODREJ
Chairman
DIN: 00066195

B.S.YADAV
Managing Director
DIN: 00294803

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

VIVEK RAIZADA
Company Secretary
ICSI Memb. No. ACS11787