Standalone Financials

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GODREJ CONSUMER PRODUCTS LIMITED

Report on the Standalone IND AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **GODREJ CONSUMER PRODUCTS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'Standalone Ind AS financial statements').

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act, read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at March 31, 2017 and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
   d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with relevant rules issued thereunder.
   e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B.
   g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 40 to the standalone Ind AS financial statements.
      ii. The Company did not have any material foreseeable losses on long term contracts including derivative contracts requiring provision under the applicable law or accounting standards.
      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
      iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 47 to the standalone Ind AS financial statements.

For **KALYANIWALLA & MISTRY LLP**
Chartered Accountants
Firm Registration No. 104607W/W100166

Roshni R. Marfatia
Partner
M. No.: 106548

Mumbai: May 09, 2017

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Para 1 'Report on Other Legal and Regulatory Requirements' in our Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended March 31, 2017.

Statement on Matters specified in paragraphs 3 & 4 of the Companies (Auditor's Report) Order, 2016:

i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
   b) As explained to us, the Company has a program for physical verification of fixed assets at periodic intervals.

In our opinion, the period of verification is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies reported on such verification are not material and have been properly dealt with in the books of account.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii) The Management has conducted physical verification of inventory (excluding stocks lying with third parties) at reasonable intervals. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable. The discrepancies reported on such verification are not material and have been properly dealt with in the books of account.

iii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties listed in the register maintained under section 189 of the Companies Act. Accordingly, the provisions of sub-clause (a), (b) and (c) of paragraph 3 (iii) of the Order are not applicable, to the Company.

iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to investments made, guarantees given and securities provided.

v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of section 73 to 76, or any other relevant provisions of the Companies Act and the rules framed there under. No order has been passed by the Company Law Board, or National Company Law Tribunal, or Reserve Bank of India, or any Court, or any other Tribunal.

vi) We have broadly reviewed the books of accounts and records maintained by the Company in respect of manufacture of products covered under the Rules made by the Central Government for maintenance of cost records, under section 148 (i) of the Companies Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii) a) According to the information and explanation given to us and the records examined by us, the Company is generally regular in depositing undisputed statutory dues, including dues pertaining to provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities, wherever applicable and there are no such outstanding dues as at March 31, 2017, for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us and the records of the Company examined by us, dues of income tax, sales tax, service tax, customs duty and excise duty not deposited on account of dispute are as follows:

Name of Statute	Nature of Dues	Amount (₹)	Period	Forum where Dispute is pending
Central Excise Act, 1944	Duty on one to one correlation in terms of excisable material purchased and cleared final product with reference to the said material wherein the benefit under notification No. 32 of 99 availed	3,824,264	2002-03	The Hon'ble Supreme Court of India
		7,302,990	2001-03	The Hon'ble Supreme Court of India
	CENVAT credit availed on Capital Goods	1,755,920	2007-08	CESTAT, Chennai
		86,115	2002-03	
	Advertisement Service- Credit availed as Input	2,837,962	2008-09	Commissioner of Central Excise (Appeals)
	Input Service Tax Distribution Credit availed	3,219,974	2006-08	Commissioner of Central Excise (Appeals)
	Service Tax not paid on Royalty (Foreign Payment)	27,167,930	2004-08	Commissioner of Central Excise (Appeals)
	Cenvat credit availed on goods received from Emox	64,146,884	2007-08	CESTAT, Chennai
	Valuation of Soap Noodles transferred from Malanpur factory to Himachal Pradesh factories	144,754,226	2007-12	CESTAT, Delhi
	Cenvat credit on input services availed based on the invoices issued by suppliers to the branches prior to registration.	543,416	2007-12	CESTAT, Chennai
	Allegations of non- manufacturing of shoe polish brush	6,174,082	2011-12	CESTAT, Chennai
	Valuation of Mosquito Repellant supplied from Guwahati factories to Emox Puducherry	55,307,174	2008-12	CESTAT, Kolkata
	Excise valuation dispute on account of non-compete fees and trademark license fees paid by PGG (JV between Godrej Soaps Limited and Proctor and Gamble) to Godrej	103,600,000	1993-96	The Hon'ble Supreme Court of India
	Distribution of Cenvat Credit by Head Office to Other Factories	243,129,676	2008-12	Commissioner of Central Excise
		196,719,214	2006-12	CESTAT, Chennai
	Valuation of PHD - Differential demand between Section 4 and 4A valuation	78,976,342	2008-14	Commissioner of Central Excise
	Valuation of Combi pack which are marked as Goods for Export	3,045,410	2007-08	CESTAT, Chennai
Central Excise Act, 1944	Violation of Target Plus Scheme of Customs	8,249,528	2007-08	CESTAT, Chennai
	CENVAT credit availed on the grounds of valuation methodology adopted by one plant while transferring goods from Lokhra plant	14,7762,862	2008-13	CESTAT, Chennai
	Self credit taken by Sikkim Unit denied by Asst Commissioner	26,044,314		Commissioner Appeals
	CENVAT credit availed on supplementary invoices issued by GCPL to Emox upon payment of differential duty by GCPL.	4,456,848	2009-10	CESTAT, Chennai
	CENVAT credit availed on account of account of trading activity conducted	37,845,678	2009-12	CESTAT, Mumbai
	Recovery of Service tax on processing activity done by Colortek for Lokhra operations	43,394,056	2009-14	CESTAT, Kolkata
	Service Tax on Business Support Service provided by third party	37,552,534	2009-14	CESTAT, Kolkata
	Cenvat Credit disallowance on outward transportation	225,200	2014-15	Commissioner of Central Excise (Appeals), Kolkata
	Utilisation of Cenvat credit to pay Education Cess and Higher Education Cess demanded back by authorities	22,934,798	2010-16	Commissioner of Central Excise (Appeals), Kolkata
	Others	951,996	2007-08	CESTAT, New Delhi
		282,382	2008-09	CESTAT, Kolkata
		442,266	2003-04	Commissioner of Central Excise (Appeals), Chennai
		425,056	2007-08	Commissioner Excise

Name of Statute	Nature of Dues	Amount (₹)	Period	Forum where Dispute is pending
Central Sales Tax Act, 1956 & Value Added Tax Act of Various States	Sales Tax Dues on account of Classification Head	34,232,967	2005-07 2009-13	Appellate Authority
		82,519,288	1996-97 2005-09 2011-12	Assessing Officer
		3,278,512	2008-2014	Appellate Deputy Commissioner, Vizag and Hyderabad
		19,918,004	2009-2011	Commissioner Commercial Taxes, Ernakulum
		2124000	1998-99	Deputy Commissioner Appeals
		39,157,279	2006-09	High Court, Rajasthan
		187,351,651	2005-15	High Court, Andhra Pradesh
		2,396,904	2000-05 2006-07	High Court, Madhya Pradesh
		784,488	2014-15	Joint Commissioner Appeals, Chennai
		12,462,631	2012-13	Joint Commissioner Appeals, Uttarakhand
		18,993,960	2015-16	Assistant Commissioner
		16,448,458	2013-15	Uttar Pradesh Tribunal
		555,281	2013-2015	Andhra Pradesh Tribunal
		1,642,753	2000-02 2005-06	Bihar Tribunal
		2369744	2013-14	Madhya Pradesh Tribunal
		3,208,868	2003-05	Supreme Court of India
Central Sales Tax Act, 1956 & Value Added Tax Act of Various States	Check post case	1,610,000	2010-11	Appellate Authority
	Entry Tax	19,724,486	2005-08 2010-13	Appellate Authority
		5,790,286	2005-13	Assessing Officer
		1,451,267	1999-00 2005-06	Madhya Pradesh High Court
	Non submission of C and F Forms	4,415,747	2002-11 2012-13	Assessing Officer
		1,048,019	1997-99 2004-09	Appellate Authority
		19,449,405	2009-10	Andhra Pradesh High Court
		6,867,888	2003-04	Karnataka High Court
		8,212,639	2009-10	Kolkata High Court
	Truck Detention cases	314,721	2004-05	U.P. High Court
		3,126,227	2004-05 2007-10 2013-17	Assessing Officer
		370,953	2013-14	Appellate Authority
	Other Sales Tax Dues	34,737,177	2001-12 2013-14	Appellate Authority, West Bengal; High Court, Andhra Pradesh and Tamil Nadu; Assessing Officer; Joint Commissioner (Appeals), Mumbai; Tribunal, Bihar and U.P.
Income Tax Act, 1961	Demand based on the order of regular assessment u/s 143(3) of the Act.	1,082,401	AY 2010-11	Income - tax Appellate Tribunal
	Income-tax in dispute pertaining to erstwhile Godrej Household Products Limited.	92,200	AY 2006-07	High Court
		99,136,617	AY 2006-07 to 2010-11	Income tax Appellate Tribunal

viii) According to the information and explanations given to us and based on the documents and records produced before us, there has been no default in repayment of loans or borrowings to financial institutions, banks or debenture holders. There were no loans or borrowings taken from the government during the year.

ix) According to the information and explanations given to us and the records examined by us, no moneys were raised either by way of initial public offer or further public offer (including debt instruments) or term loans by the Company during the year.

x) Based upon the audit procedures performed by us, to the best of our knowledge and belief and according to the information and explanations given to us by the Management, no material fraud on, or by the Company, has been noticed or reported during the year.

xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934 and hence the provisions of paragraph 3(xvi) of the Order is not applicable.

For **KALYANIWALLA & MISTRY LLP**
Chartered Accountants
Firm Registration No. 104607W/W100166

Roshni R. Marfatia
Partner
M. No.: 106548

Mumbai: May 9, 2017

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Para 2 (f) 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report to the members of the Company on the financial statements for the year ended March 31, 2017.

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

We have audited the internal financial controls over financial reporting of Godrej Consumer Products Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls system over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting 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 control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
(3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **KALYANIWALLA & MISTRY LLP**
Chartered Accountants
Firm Registration No. 104607W/
W100166

Roshni R. Marfatia
Partner
M. No.: 106548

Mumbai: May 09, 2017

BALANCE SHEET AS AT MARCH 31, 2017

₹ Crore

	Note No.	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
I. ASSETS				
1. Non-current assets				
(a) Property, Plant and Equipment	3	**457.43**	459.01	242.93
(b) Capital work-in-progress		**43.09**	11.05	171.88
(c) Goodwill	4	**2.48**	2.48	2.48
(d) Other Intangible assets	4	**823.59**	822.60	814.78
(e) Intangible assets under development		**2.32**	2.17	6.95
(f) Financial Assets				
(i) Investments in subsidiaries and associates	5	**2,811.83**	2,468.20	2,148.83
(ii) Other Investments	6	**216.51**	-	-
(iii) Loans	7	**15.33**	14.30	14.80
(iv) Others	8	**12.08**	0.06	0.06
(g) Other non-current assets	9	**186.76**	115.27	142.32
(h) Non-Current Tax Assets (Net)	10	**19.46**	17.00	19.29
Total Non Current Assets		**4,590.88**	3,912.14	3,564.32
2. Current assets				
(a) Inventories	11	**561.92**	555.88	489.51
(b) Financial Assets				
(i) Investments	12	**652.86**	143.31	151.59
(ii) Trade receivables	13	**209.33**	276.94	142.94
(iii) Cash and cash equivalents	14 A	**86.54**	40.57	169.86
(iv) Bank balances other than (iii) above	14 B	**10.46**	115.71	332.61
(v) Loans	15	**0.11**	0.11	0.32
(vi) Others	16	**9.00**	3.47	3.71
(c) Other current assets	17	**54.13**	77.99	66.64
		1,584.35	1,213.98	1,357.18
(d) Non Current Assets held for sale	18	**6.49**	-	-
Total Current Assets		**1,590.84**	1,213.98	1,357.18
TOTAL ASSETS		**6,181.72**	5,126.12	4,921.50
II. EQUITY AND LIABILITIES				
1. EQUITY				
(a) Equity Share capital	19	**34.06**	34.05	34.04
(b) Other Equity	20	**4,363.87**	3,749.84	3,248.11
Total Equity		**4,397.93**	3,783.89	3,282.15
2. LIABILITIES				
Non-current liabilities				
(a) Provisions	21	**3.77**	2.72	3.99
(b) Deferred tax liabilities (Net)	22	**224.24**	204.67	182.45
(c) Other non-current liabilities	23	**27.82**	21.09	4.76
Total Non Current Liabilities		**255.83**	228.48	191.20
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	24	**148.97**	2.75	0.34
(ii) Trade payables	25	**1,120.36**	851.32	992.12
(iii) Other financial liabilities	26	**34.18**	21.88	291.67
(b) Other current liabilities	27	**155.55**	188.17	126.52
(c) Provisions	28	**68.90**	49.63	37.50
Total Current Liabilities		**1,527.96**	1,113.75	1,448.15
TOTAL EQUITY AND LIABILITIES		**6,181.72**	5,126.12	4,921.50

The accompanying notes are an integral part of the Standalone Financial Statements.

As per our Report attached
For Kalyaniwalla & Mistry LLP
Chartered Accountants
Firm Regn No. 104607W/W100166

Signatures to the Financial Statements
For and on behalf of the Board

Adi Godrej
Chairman

Roshni R. Marfatia
Partner
M. No. 106548

V Srinivasan
Chief Financial Officer
& Company Secretary

Vivek Gambhir
Managing Director & CEO

Mumbai: May 9, 2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

₹ Crore

		Note No.	Year ended March 31, 2017	Year ended March 31, 2016
Revenue				
I	Revenue from Operations	29	**5,088.99**	4883.40
II	Other Income	30	**63.60**	61.37
III	**Total Income (I + II)**		**5,152.59**	4944.77
IV	**Expenses**			
	Cost of Materials Consumed	31	**1,834.77**	1847.87
	Purchases of Stock-in-Trade		**216.26**	194.90
	Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	32	**(3.79)**	(48.24)
	Excise Duty		**340.89**	329.18
	Employee Benefits Expense	33	**299.01**	331.37
	Finance Costs	34	**36.06**	54.67
	Depreciation and Amortization Expense	35	**56.68**	44.91
	Other Expenses	36	**1,265.23**	1241.89
	Total Expenses		**4,045.11**	3996.55
V	**Profit Before Exceptional Items and Tax (III-IV)**		**1,107.48**	948.22
VI	**Exceptional Items**		**-**	-
VII	**Profit Before Tax (V+VI)**		**1,107.48**	948.22
VIII	**Tax Expense**			
	(1) Current Tax		**235.40**	202.48
	(2) Deferred Tax		**24.05**	23.07
	Total Tax Expense		**259.45**	225.55
IX	**Profit for the Year (VII-VIII)**		**848.03**	722.67
X	**Other Comprehensive Income**			
A	**(i) Items that will not be reclassified to profit or loss**			
	Remeasurements of defined benefit plans		**(11.78)**	(2.46)
	(ii) Income tax relating to item that will not be reclassified to profit or loss		**6.59**	0.85
B	**(i) Items that will be reclassified to profit or loss**			
	The effective portion of gains and losses on hedging instruments in a cash flow hedge		**(1.16)**	-
	(ii) Income tax relating to item that will be reclassified to profit or loss		**0.41**	-
	Total Comprehensive Income for the year (IX+X)		**842.09**	721.06
XI	**Earnings per Equity Share *(Face Value ₹ 1)***	37		
	(1) Basic (₹)		**24.90**	21.22
	(2) Diluted (₹)		**24.89**	21.22

The accompanying notes are an integral part of the Standalone Financial Statements.

As per our Report attached
For Kalyaniwalla & Mistry LLP
Chartered Accountants
Firm Regn No. 104607W/W100166

Signatures to the Financial Statements
For and on behalf of the Board

Adi Godrej
Chairman

Roshni R. Marfatia
Partner
M. No. 106548

V Srinivasan
Chief Financial Officer
& Company Secretary

Vivek Gambhir
Managing Director & CEO

Mumbai: May 9, 2017

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2017

₹ Crore

	Year ended March 31, 2017	Year ended March 31, 2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Exceptional Items and Tax	**1,107.48**	948.22
Adjustment for:		
Depreciation and amortisation	**56.68**	44.91
Unrealised Foreign Exchange (Gain) / Loss	**0.57**	(0.03)
Bad Debts Written off	**0.29**	3.92
Provision / (Write-back) for Doubtful Debts / Advances	**2.43**	(2.35)
Provision for Non Moving Inventory	**(3.11)**	8.25
Write in of Old Balances	**(0.89)**	(1.17)
Expenses on Employee Stock Grant Scheme (ESGS)	**7.59**	6.06
Interest Expense & Discounting Charges	**36.06**	54.67
(Profit) / Loss on Fixed Assets Sold / Discarded (Net)	**(0.13)**	11.39
(Profit) / Loss on Sale of Investments (Net)	**(6.23)**	(12.99)
Reversal of provision for dimunition in the value of investments	**(2.84)**	-
Fair value Gain/ (Loss) on financial assets measured at FVTPL	**(11.60)**	(0.16)
Recovery of loan from GCPL ESOP Trust which was earlier written off	**(0.61)**	(0.60)
Corporate Guarantee Commission	**(17.20)**	(18.60)
Interest Income	**(20.90)**	(28.00)
	40.11	65.30
Operating Cash Flows Before Working Capital Changes	**1,147.59**	1,013.52
Adjustments for:		
Inventories	**(2.93)**	(74.62)
Trade Receivables	**65.25**	(134.18)
Loans	**(1.03)**	0.71
Other Financial Assets	**(17.55)**	0.24
Other Non-Financial Assets	**(39.58)**	(8.36)
Financial Liabilities	**276.61**	(146.25)
Non - Financial Liabilities and Provisions	**(15.52)**	61.23
	265.25	(301.23)
Cash Generated from Operations	**1,412.84**	712.29
Adjustment for:		
Direct Taxes Paid	**(235.35)**	(200.19)
Net Cash Flow from Operating Activities	**1,177.49**	512.10
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment and Intangibles (Net)	**(104.56)**	(93.40)
Sale of Property, Plant & Equipment and Intangibles	**1.51**	1.48
Investments in Mutual Funds (Net)	**(343.03)**	102.88
Investments in Deposits with NBFCs (Net)	**(149.00)**	(80.00)
Investments in NCD with NBFCs (Net)	**(206.44)**	-
Investments in Fixed Deposits having maturities greater than 3 months (Net)	**98.69**	216.38
Investments in Subsidiaries	**(360.81)**	(274.45)
Sale of Subsidiary	**32.29**	-
Recovery of Loan by GCPL ESOP Trust which was earlier written off	**0.61**	0.60
Interest Received	**20.54**	27.07
Net Cash Flow (used in) Investing Activities	**(1,010.20)**	(99.44)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2017

₹ Crore

	Year ended March 31, 2017	Year ended March 31, 2016
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Allotment of Equity Shares under ESGS	**0.01**	0.01
Issue of Debentures (Net of Expenses)	**-**	(0.25)
Redemption of Debentures (including Premium on Redemption)	**-**	(277.64)
(Repayment)/ Proceeds from Packing Credit	**(2.75)**	2.75
Proceeds from Commercial Paper	**148.97**	-
Interest & Discounting Charges Paid	**(31.76)**	(41.06)
Dividend Paid	**(195.78)**	(187.27)
Dividend Tax Paid	**(39.87)**	(38.12)
Net Cash Flow (used in) Financing Activities	**(121.18)**	(541.58)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**46.11**	(128.92)
CASH AND CASH EQUIVALENTS:		
As At The Beginning of the year (Refer Note 14 A)	**40.57**	169.86
Less : Cash credit	**-**	(0.34)
Unrealised Foreign Exchange Restatement in Cash and Cash Equivalents	**(0.14)**	(0.03)
As At The End of the year (Refer Note 14 A)	**86.54**	40.57
	86.54	40.57

Note:

1) The above Statement of Cash Flows includes amount of ₹ 16.52 crore (previous year ₹ 14.57 crore) (Refer Note 46) on account of Corporate Social Responsibility expenditure which has been fully paid.
2) The above Statement of Cash Fows has been prepared under the 'Indirect Method' as set out in IND AS 7, 'Statement of Cash Flows.

As per our Report attached
For Kalyaniwalla & Mistry LLP
Chartered Accountants
Firm Regn No. 104607W/W100166

Roshni R. Marfatia
Partner
M. No. 106548

Mumbai: May 9, 2017

V Srinivasan
Chief Financial Officer
& Company Secretary

Signatures to the Financial Statements
For and on behalf of the Board

Adi Godrej
Chairman

Vivek Gambhir
Managing Director & CEO

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2017

(a) Equity share capital ₹ Crore

	Note No.	
As at April 1, 2015		**34.04**
Changes in equity share capital during the year	19	0.01
As at March 31, 2016		**34.05**
Changes in equity share capital during the year	19	0.01
As at March 31, 2017		**34.06**

(b) Other equity (Refer Note 20) ₹ Crore

Particulars	Reserves & Surplus				Other comprehensive income	Total
	Securities premium reserve	General reserve	Others	Retained Earnings	Effective portion of Cash Flow Hedges	
Balance at April 1, 2015	**1,439.88**	**154.05**	**34.61**	**1,619.57**	**-**	**3,248.11**
Profit for the year	-	-	-	722.67	-	722.67
Remeasurements of defined benefit plans	-	-	-	(1.61)	-	(1.61)
Total comprehensive income for the year	**-**	**-**	**-**	**721.06**	**-**	**721.06**
Exercise of Share options	-	-	(6.39)	-	-	(6.39)
Deferred employee compensation expense	-	-	6.06	-	-	6.06
Cash dividends	-	-	-	(187.27)	-	(187.27)
Dividend Distribution Tax (DDT)	-	-	-	(38.12)	-	(38.12)
Transfer from / (to) Debenture Redemption Reserve	-	-	(24.39)	24.39	-	-
Premium Received on Allotment of Shares	6.39	-	-	-	-	6.39
Balance at March 31, 2016	**1,446.27**	**154.05**	**9.89**	**2,139.63**	**-**	**3,749.84**
Profit for the year	-	-	-	848.03	-	848.03
Remeasurements of defined benefit plans	-	-	-	(5.19)	-	(5.19)
Other comprehensive income for the year	-	-	-	-	(0.75)	(0.75)
Total comprehensive income for the year	**-**	**-**	**-**	**842.84**	**(0.75)**	**842.09**
Cash dividends	-	-	-	(195.78)	-	(195.79)
Dividend Distribution Tax (DDT)	-	-	-	(39.87)	-	(39.87)
Exercise of Share options	-	-	(6.04)	-	-	(6.04)
Deferred employee compensation expense	-	-	7.59	-	-	7.60
Premium Received on Allotment of Shares	6.04	-	-	-	-	6.04
Balance at March 31, 2017	**1,452.31**	**154.05**	**11.44**	**2,746.82**	**(0.75)**	**4,363.87**

The accompanying notes are an integral part of the Standalone Financial Statements.

As per our Report attached
For Kalyaniwalla & Mistry LLP
Chartered Accountants
Firm Regn No. 104607W/W100166

Signatures to the Financial Statements
For and on behalf of the Board

Adi Godrej
Chairman

Roshni R. Marfatia
Partner
M. No. 106548

V Srinivasan
Chief Financial Officer
& Company Secretary

Vivek Gambhir
Managing Director & CEO

Mumbai: May 9, 2017

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

1. CORPORATE INFORMATION

Godrej Consumer Products Limited (the Company) was incorporated on November 29, 2000, to take over as a going concern the consumer products business of Godrej Soaps Limited (subsequently renamed as Godrej Industries Limited), pursuant to a Scheme of Arrangement as approved by the High Court, Mumbai.

The Company is a fast moving consumer goods company, manufacturing and marketing Household and Personal Care products. The Company is a public company limited by shares, incorporated and domiciled in India and is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The Company's registered office is at 4th Floor, Godrej One, Pirojshanagar, Eastern Express Highway, Vikhroli (east), Mumbai – 400 079.

2. BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation and measurement

a) 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 by the Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Act.

The financial statements up to year ended March 31, 2016 were prepared in accordance with the accounting standards notified under the Companies (Accounting Standard) Rules 2006 and other relevant provisions of the Act, considered as the "Previous GAAP".

These financial statements are the Company's first Ind AS financial statements and are covered by Ind AS 101, First-time adoption of Indian Accounting Standards. An explanation of how the transition to Ind AS has affected the Company's equity, financial position, financial performance and its cash flows is provided in Note 51.

Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time taken between acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle as twelve months for the purpose of the classification of assets and liabilities into current and non-current.

b) Basis of Measurement

These financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities (including derivative instruments) measured at fair value (refer accounting policy regarding financial instruments),
- Defined benefit plans – plan assets and share-based payments measured at fair value
- Assets held for sale – measured at lower of carrying value or fair value less cost to sell

2.2 Key estimates and assumptions

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The areas involving critical estimates or judgements are:

i. Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalized; (Note 2.5 (a))

ii. Determination of the estimated useful lives of intangible assets and determining intangible assets having an indefinite useful life; (Note 2.5 (b))

iii. Recognition and measurement of defined benefit obligations, key actuarial assumptions; (Note 44)

iv. Recognition and measurement of provisions and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources; (Note 2.5 (j))
v. Fair valuation of employee share options, Key assumptions made with respect to expected volatility; (Note 2.5 (l)(ii))
vi. Rebates and sales incentives accruals
vii. Fair value of financial instruments (Note 2.3)

2.3 Measurement of fair values

The Company's accounting policies and disclosures require financial instruments to be measured at fair values.

The Company has an established control framework with respect to the measurement of fair values.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

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

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

2.4 Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of Cash Flows' and Ind AS 102, 'Share-based payment.' The amendments are applicable to the Company from April 1, 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity settled awards.

The amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification.

Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The Company is currently evaluating the effect of the above amendments.

2.5 Significant Accounting Policies

a) Property, Plant and Equipment

Recognition and measurement

Items of property, plant and equipment, other than Freehold Land, are measured at cost less accumulated depreciation and any accumulated impairment losses. Freehold land is carried at cost and is not depreciated.

The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable costs of bringing the asset to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the item and restoring the site on which it is located.

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

Any gain or loss on derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised.

Subsequent expenditure

Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate only if it is probable that the future economic benefits associated with the item will flow to the Company and that the cost of the item can be reliably measured. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repair and maintenance are charged to profit and loss during the reporting period in which they are incurred.

Depreciation

Depreciation is provided, under the Straight Line Method, pro rata to the period of use, based on useful lives specified in Schedule II to the Companies Act, 2013 except the following items where useful lives estimated by the management based on internal technical assessment, past trends and expected operational lives differ from those provided in Schedule II of the Companies Act 2013:

- Leasehold land is amortised equally over the lease period.
- Leasehold Improvements are depreciated over the shorter of the unexpired period of the lease and the estimated useful life of the assets.
- Office Equipments are depreciated over 5 to 10 years.
- Tools are depreciated over a period of 9 years, and dies and moulds over 3 years.
- Vehicles are depreciated over a period ranging from 5 years to 8 years depending on the use of vehicles.

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

b) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated impairment losses. Internally generated intangibles, excluding eligible development costs are not capitalized and the related expenditure is reflected in profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Goodwill

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that the asset may be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Other intangible assets

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization method and period are reviewed at least at the end of each reporting period. Changes in the expected useful life or expected pattern of consumption of future economic benefits embodied in the assets are considered to modify amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

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 recognised in profit or loss.

The estimated useful lives for current and comparative periods are as follows:

Software licences	6 years
Trademarks	10 years
Technical knowhow	10 years

Goodknight and Hit (Brands) are assessed as intangibles having indefinite useful life and are not amortised in the financial statements.

Residual value, is estimated to be immaterial by management and hence has been considered at ₹ 1.

c) Borrowing Costs

Interest and other borrowing costs attributable to qualifying assets are capitalized. Other interest and borrowing costs are charged to revenue.

d) Impairment of non-financial assets

An impairment loss is recognised whenever the carrying value of an asset or a cash-generating unit exceeds its recoverable amount. Recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. An impairment loss, if any, is recognised in the Statement of Profit and Loss in the period in which the impairment takes place. The impairment loss is allocated first to reduce the carrying amount of any goodwill (if any) allocated to the cash generating unit and then to the other assets of the unit, pro rata based on the carrying amount of each asset in the unit. Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events and changes in circumstances indicate the carrying amount may not be recoverable.

e) Assets held for sale

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

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

f) 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, futures and currency options.

i) Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For the purpose of subsequent

measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost,
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

  on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

  Debt instruments at amortised cost

- A 'debt instrument' is measured at the amortised cost if both the following conditions are met: The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

  After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. 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 in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables. For more information on receivables, refer to Note 49 (b).

  Debt instrument at fair value through profit and loss (FVTPL)

  Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

  In addition, the Company may, at initial recognition, irrevocably designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

  Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

  Equity investments

  All equity investments within the scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

  If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the Other Comprehensive Income (OCI). There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

  Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

  Investments in Subsidiaries and Associates:

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

  Derecognition

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

- The contractual rights to

receive cash flows from the financial asset have expired, or The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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

Impairment of financial assets

The Company assess on a forward looking basis the Expected Credit Losses (ECL) associated with its financial assets that are debt instruments and are carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Company applies a simplified approach. 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 deposit collected etc. and expectations about future cash flows.

ii) Financial liabilities

Initial recognition and measurement

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. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

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

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

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

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 recognised in the statement of profit or loss.

Loans and borrowing

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortisation process.

Amortised cost is calculated by

taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require specified payments 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.

Where guarantees in relation to loans or other payables of subsidiaries are provided for no compensation, the fair values are accounted for as contributions and recognised as fees receivable under "other financial assets" or as a part of the cost of the investment, depending on the contractual terms.

Offsetting of financial instruments

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

g) Derivative financial instruments and hedge accounting

The Company uses derivative financial instruments, such as forward currency contracts 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. Any changes therein are generally recognised in the profit or loss account. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking the hedge, the hedging economic relationship the hedged item or transaction the nature of the risk being hedged, hedge ration and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they are designated.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for a cash flow hedge is discontinued, the amount that has been accumulated in other equity remains there until is reclassified to profit and loss account in the same period or periods as the hedged expected future cash flows affect profit or loss.

h) Inventories

Inventories are valued at lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Costs are computed on the weighted average basis and are net of CENVAT credits.

Raw materials, packing materials and stores: Costs includes cost of purchase and other costs incurred in bringing each product to its present location and condition.

Finish goods and work in progress: In the case of manufactured inventories and work in progress, cost includes all costs of purchases, an appropriate share of production overheads based on normal operating capacity and other costs incurred in bringing each product to its present location and condition

Finished goods valuation also includes excise duty. Provision is made for cost of obsolescence and other anticipated losses, whenever considered necessary.

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

i) Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet includes cash at bank and on hand, deposits held at call with financial institutions, other short term highly liquid investments, with original maturities less than three months which are readily convertible into cash and which are subject to insignificant risk of changes in value.

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

j) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the enterprise has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

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

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent Assets are not recognised till the realization of the income is virtually certain. However the same are disclosed in the financial statements where an inflow of economic benefit is probable.

k) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Sale of goods

Revenue from sale of goods is recognised when significant risks and rewards of ownership in the goods are transferred to the buyer. The Company recognizes revenues on the sale of products, net of returns, discounts, sales incentives/rebate, amounts collected on behalf of third parties (such as sales tax) and payments or other consideration given to the customer that has impacted the pricing of the transaction.

Accumulated experience is used to estimate and provide for the discounts and returns. No element of financing is deemed present as the sales are made with normal credit days consistent with market practice.

Customer Loyalty Programme

Sales consideration is allocated between the loyalty programme and the other components of the transaction. The amount allocated to the loyalty programme is deferred, and is recognised as revenue when the Company has fulfilled its obligations to supply the products under the terms of the programme or when it is no longer probable that the points under the programme will be redeemed.

Royalty & Technical Fees

Royalty is recognized on accrual basis in accordance with the substance of the relevant agreement.

Interest income

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate which exactly discounts the estimated future cash receipts over the expected life of the financial instrument to the gross carrying amount of the financial asset. When calculating the EIR the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayments, extensions, call and similar options). The expected credit losses are considered if the credit risk on that financial instrument has increased significantly since initial recognition.

Dividend income

Dividends are recognised in profit or loss on the date on which the Company's right to receive payment is established

l) Employee Benefits

i) Short-term Employee benefits

Liabilities for wages and salaries including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are classified as short term employee benefits and are recognized as an expense in the Statement of Profit and Loss as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii) Share-based payments

The cost of equity settled transactions is determined by the fair value at the grant date, the fair value of the employee share options is based on the Black Scholes model used for valuation of options.

The grant-date fair value of equity-settled share-based payment granted to employees is recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

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

iii) Post-Employment Benefits

Defined Contribution Plans

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

Defined Benefit Plans

Gratuity Fund

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. Gratuity is payable to all eligible employees on death or on separation/termination in terms of the provisions of the payment of the Gratuity (Amendment) Act, 1997 or as per the Company's scheme whichever is more beneficial to the employees.

Provident Fund

Provident Fund Contributions which are made to a Trust administered by the Company are considered as Defined

Benefit Plans. The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. The Company's liability towards interest shortfall, if any, is actuarially determined at the year end.

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

The calculation of defined benefit obligations is performed by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv) Other Long Term Employee Benefits

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by the employees upto the end of the reporting period using the projected unit credit method.

Re-measurements are recognised in profit or loss in the period in which they arise. Actuarial gains and losses in respect of such benefits are charged to Statement of Profit and Loss in the period in which they arise.

m) Leases

Lease payments

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains a lease 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 or assets, even if that right is not explicitly specified in the arrangement.

As a lessee

Leases of assets where the company has substantially all the risks and rewards of ownership are classified as finance leases. Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge 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.

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.

Leases of assets under which significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease payments /receipts under operating leases are recognised as an expense / income on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Leases in which the company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight line basis over the term of the relevant lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

n) Income Tax

Income tax expense/ income comprises current tax expense income and deferred tax expense income. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in OCI. In which case, the tax is also recognized directly in equity or other comprehensive income, respectively.

Current Tax

Current tax comprises the expected tax payable or recoverable on the taxable profit or loss for the year and any adjustment to the tax payable or recoverable in respect of previous years. It is measured using tax rates enacted or substantively enacted by the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretations and establishes provisions where appropriate.

- Current tax assets and liabilities are offset only if, the Company has a legally enforceable right to set off the recognised amounts; and
- intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred Tax

Deferred Income tax is recognised in respect of temporary difference between the carrying amount of assets and liabilities for financial reporting purpose and the amount considered for tax purpose.

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 utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised such reductions are reversed when it becomes probable that sufficient taxable profits will be available.

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 recovered.

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

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

Deferred tax assets and liabilities are offset only if:

i) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.
iii) Deferred tax asset / liabilities in respect of temporary differences which originate and reverse during the

tax holiday period are not recognised. Deferred tax assets / liabilities in respect of temporary differences that originate during the tax holiday period but reverse after the tax holiday period are recognised. Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is a convincing evidence that the Company will pay normal tax during specified period.

o) Foreign Currency Transactions

i) Functional and Presentation currency

The Company's financial statements are prepared in Indian Rupees (INR "₹") which is also the Company's functional currency.

ii) Transactions and balances

Foreign currency transactions are recorded on initial recognition in the functional currency using the exchange rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate at the date the fair value is determined.

Exchange differences arising on the settlement or translation of monetary items are recognized in profit or loss in the year in which they arise except for the qualifying cash flow hedge, which are recognised in OCI to the extent that the hedges are effective.

p) Government grants

Government grants, including non-monetary grants at fair value are recognised when there is reasonable assurance that the grants will be received and the company will comply with all the attached conditions.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods necessary to match them with the costs that they are intended to compensate.

Government grants relating to purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to the profit and loss on a straight line basis over the expected lives of the related assets

q) Dividend

The Company recognises a liability for any dividend declared but not distributed at the end of the reporting period, when the distribution is authorised and the distribution is no longer at the discretion of the Company on or before the end of the reporting period. As per Corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

r) Earnings Per Share

Basic earnings per share is calculated by dividing the profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- Weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

s) Segment Reporting

The Company is considered to be a single segment company – engaged in the manufacture of Personal and Household Care products. Consequently, the Company has, in its primary segment, only one reportable business segment. As per INDAS-108 'Operating Segments', if a financial report contains both the consolidated financial statements of a parent that is within the scope of Ind AS-108 as well as the parent's separate financial statements, segment information is required only in the consolidated financial statements. Accordingly, information required to be presented under Ind AS-108 Operating Segments has been given in the consolidated financial statements.

NOTE 3 : PROPERTY, PLANT & EQUIPMENT

₹ Crore

Particulars	Owned Assets									Assets held under lease	Total
	Freehold Land	Leasehold Land	Buildings	Leasehold Improvements	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computers	Building	
Year ended March 31, 2017											
Gross Carrying Amount											
Opening Gross Carrying Amount	0.51	14.21	122.52	24.43	203.07	9.34	10.14	7.26	15.07	90.26	496.81
Additions	-	0.20	3.08	2.00	29.00	1.17	3.20	2.68	7.78	-	49.11
Assets classified as held for sale (Note 18)	-	-	-	-	-	-	(1.78)	-	-	-	(1.78)
Disposals	-	-	(0.38)	(0.03)	(0.49)	(0.13)	(1.25)	(0.02)	(0.01)	-	(2.31)
Closing Gross Carrying Amount	**0.51**	**14.41**	**125.22**	**26.40**	**231.58**	**10.38**	**10.31**	**9.92**	**22.84**	**90.26**	**541.83**
Accumulated Depreciation											
Opening Accumulated Depreciation	-	0.41	2.67	2.10	24.70	0.80	2.13	0.78	2.89	1.32	37.80
Depreciation charge during the year	-	1.08	3.60	3.10	28.69	1.23	2.42	1.43	5.24	1.50	48.29
Assets classified as held for sale (Note 18)	-	-	-	-	-	-	(0.76)	-	-	-	(0.76)
Disposals	-	-	(0.27)	(0.01)	(0.06)	(0.04)	(0.53)	(0.01)	(0.01)	-	(0.93)
Closing Accumulated Depreciation	**-**	**1.49**	**6.00**	**5.19**	**53.33**	**1.99**	**3.26**	**2.20**	**8.12**	**2.82**	**84.40**
Net Carrying Amount	**0.51**	**12.92**	**119.22**	**21.21**	**178.25**	**8.39**	**7.05**	**7.72**	**14.72**	**87.44**	**457.43**
Year ended March 31, 2016											
Gross Block											
Deemed Cost as at April 1, 2015	0.51	6.14	51.78	6.74	157.59	2.00	7.72	3.66	6.79	-	242.93
Additions	-	8.07	70.80	18.16	55.26	7.46	3.80	4.34	8.48	90.26	266.63
Disposals	-	-	(0.06)	(0.47)	(9.78)	(0.12)	(1.38)	(0.74)	(0.20)	-	(12.75)
Closing Gross Carrying Amount	**0.51**	**14.21**	**122.52**	**24.43**	**203.07**	**9.34**	**10.14**	**7.26**	**15.07**	**90.26**	**496.81**
Accumulated Depreciation											
Depreciation charge during the year	-	0.41	2.67	2.17	25.25	0.81	2.32	0.91	2.93	1.32	38.79
Disposals	-	-	-	(0.07)	(0.55)	(0.01)	(0.19)	(0.13)	(0.04)	-	(0.99)
Closing Accumulated Depreciation	**-**	**0.41**	**2.67**	**2.10**	**24.70**	**0.80**	**2.13**	**0.78**	**2.89**	**1.32**	**37.80**
Net Carrying Amount	**0.51**	**13.80**	**119.85**	**22.33**	**178.37**	**8.54**	**8.01**	**6.48**	**12.18**	**88.94**	**459.01**

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

Deemed cost as on 1 April 2015

₹ Crore

Particulars	Owned Assets									Assets held under lease	Total
	Freehold Land	Leasehold Land	Buildings	Leasehold Improvements	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computers	Building	
Gross Carrying Value as on April 1, 2015	0.51	6.85	79.31	9.70	357.81	8.50	12.94	9.58	15.88	-	501.08
Accumulated Depreciation till March 31, 2015	-	0.71	27.53	2.96	200.22	6.50	5.22	5.92	9.09	-	258.15
Net Block treated as Deemed cost upon transition	0.51	6.14	51.78	6.74	157.59	2.00	7.72	3.66	6.79	-	242.93

NOTE 4 : INTANGIBLE ASSETS

₹ Crore

Particulars	Goodwill	Other Intangible assets: Trademarks and Brands	Other Intangible assets: Computer Software	Other Intangible assets: Technical Knowhow	Total
Year ended March 31, 2017					
Gross Carrying Amount					
Opening Gross Carrying Amount	2.48	791.56	35.14	1.85	828.55
Additions	-	-	9.38	-	9.38
Disposals	-	-	-	-	-
Closing Gross Carrying Amount	**2.48**	**791.56**	**44.52**	**1.85**	**837.93**
Accumulated Amortisation					
Opening Accumulated Depreciation	-	0.07	5.61	0.27	5.95
Amortisation recognised for the year	-	0.07	8.04	0.28	8.39
Disposals	-	-	-	-	-
Closing Accumulated Amortisation	**-**	**0.14**	**13.65**	**0.55**	**14.34**
Closing Net Carrying Amount	**2.48**	**791.42**	**30.87**	**1.30**	**823.59**
Year ended March 31, 2016					
Gross Carrying Amount					
Deemed Cost as at April 1, 2015	2.48	791.56	21.37	1.85	814.78
Additions	-	-	14.54	-	14.54
Disposals	-	-	(0.77)	-	(0.77)
Closing Gross Carrying Amount	**2.48**	**791.56**	**35.14**	**1.85**	**828.55**
Accumulated Amortisation					
Amortisation recognised for the year	-	0.07	5.78	0.27	6.12
Disposals	-	-	(0.17)	-	(0.17)
Closing Accumulated Amortisation	**-**	**0.07**	**5.61**	**0.27**	**5.95**
Closing Net Carrying Amount	**2.48**	**791.49**	**29.53**	**1.58**	**822.60**

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

Deemed cost as on 1 April 2015

Particulars	Goodwill	Trademarks and Brands	Computer Software	Technical Knowhow
Gross Carrying Value as on April 1, 2015	12.60	1,055.39	42.52	2.64
Accumulated Amortisation till March 31, 2015	10.12	263.83	21.15	0.79
Net Block treated as Deemed cost upon transition	2.48	791.56	21.37	1.85

NOTE 5 : INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

₹ Crore

	Face Value	Numbers: As at March 31, 2017	Numbers: As at March 31, 2016	Numbers: As at April 1, 2015	Amounts: As at March 31, 2017	Amounts: As at March 31, 2016	Amounts: As at April 1, 2015
Unquoted, fully paid up:							
Carried at cost							
(a) Investments in Equity Instruments							
(i) Subsidiary Companies							
Godrej Netherlands B.V.	EUR 100	1,000	1,000	1,000	107.23	107.23	76.22
Godrej South Africa (Pty) Ltd.	ZAR 1	18,050,000	18,050,000	18,050,000	12.67	12.67	12.67

₹ Crore

	Face Value	Numbers			Amounts		
		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Godrej Consumer Products Mauritius Ltd.	USD 1	45,235,006	45,235,006	45,235,006	615.09	614.41	614.41
Godrej Consumer Products Holding (Mauritius) Ltd.	USD 1	199,300,001	186,300,001	185,800,001	1,096.56	996.40	993.19
Godrej Household Products (Bangladesh) Pvt. Ltd.	BDT 10	-	34,352,653	34,352,653	-	35.13	24.60
Godrej Household Products Lanka (Pvt) Ltd.	LKR 10	21,501,045	21,501,045	21,501,045	37.33	27.10	27.10
Godrej Consumer Products (Bangladesh) Ltd.	BDT 100	4,999	4,999	4,999	0.04	0.04	0.04
Godrej Mauritius Africa Holdings Ltd.	USD 1	96,750,000	78,000,001	54,100,001	622.87	497.97	316.46
Godrej East Africa Holdings Ltd.	USD 1	28,950,001	15,450,001	8,400,001	208.96	113.88	51.55
Godrej Tanzania Holdings Ltd.	USD 1	11,350,000	4,750,001	200,001	76.10	31.91	1.11
Godrej SON Holdings INC.	USD 1	100,000	-	-	0.66	-	-
(ii) Associate Company							
Bhabhani Blunt Hairdressing Pvt Ltd.	₹ 10	5,546	5,546	5,546	22.32	22.32	22.32
					2,799.83	**2,459.04**	**2,139.67**
(b) Investments in Compulsorily Convertible Debentures of Associate Company							
Bhabhani Blunt Hairdressing Pvt Ltd.	₹ 10	3,060	3,060	3,060	12.00	12.00	12.00
					2,811.83	**2,471.04**	**2,151.67**
Less : Provision for Diminution in the Value of Investments					-	(2.84)	(2.84)
TOTAL					**2,811.83**	**2,468.20**	**2,148.83**
Aggregate Amount of Unquoted Investments					2,811.83	2,471.04	2,151.67
Aggregate Amount of Quoted Investments					-	-	-
Aggregate Market Value of Quoted Investments					-	-	-
Aggregate Provision for Impairment in the Value of Investments					-	2.84	2.84

NOTE:

As per the Company's policy, investments include the fair value of financial guarantees issued as security for loans taken by subsidiaries. The details of such fair values included in the investments above is as shown below:

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Godrej Netherlands B.V.	4.52	4.52	-
Godrej Consumer Products Mauritius Ltd.	0.68	-	-
Godrej Consumer Products Holding (Mauritius) Ltd.	11.83	-	-
Godrej Mauritius Africa Holdings Ltd.	24.54	24.54	-
Godrej East Africa Holdings Ltd.	19.62	15.86	-
	61.19	44.92	-

NOTE 6 : OTHER INVESTMENTS (NON-CURRENT)

₹ Crore

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Unquoted, fully paid up:			
At amortised cost			
Investments in Deposits with Non-Banking Financial Companies	**62.85**	-	-
At Fair Value through Profit or Loss			
Investment in Equity Instruments*	**-**	-	-
Quoted, fully paid up:			
At amortised cost			
Investments in Non-convertible Debentures with Non-Banking Financial Companies	**153.66**	-	-
TOTAL	**216.51**	-	-
Aggregate Amount of Unquoted Investments	**62.85**	-	-
Aggregate Amount of Quoted Investments	**153.66**	-	-
Aggregate Market Value of Quoted Investments	**153.89**	-	-
Aggregate Provision for Impairment in the Value of Investments	**-**	-	-

* amount less than ₹ 0.01 crore

NOTE 7 : LOANS (NON-CURRENT)

₹ Crore

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Unsecured, Considered Good, Unless Otherwise Stated			
Loans to Employees	**0.04**	0.05	0.05
Security Deposits	**15.29**	14.25	14.75
TOTAL	**15.33**	14.30	14.80

NOTE 8 : OTHER NON-CURRENT FINANCIAL ASSETS

₹ Crore

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Fixed Deposits with maturity of more than 12 months (under lien against Bank Guarantees)	**0.06**	0.06	0.06
Financial guarantee fee receivable	**12.02**	-	-
TOTAL	**12.08**	0.06	0.06

NOTE 9 : OTHER NON-CURRENT ASSETS

₹ Crore

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Capital Advances *(Refer Note below)*	**12.82**	4.41	27.08
Balances with Government Authorities			
Considered Good	**172.94**	110.55	114.74
Considered Doubtful	**13.62**	13.62	12.23
Less: Provision for Doubtful Advances	**(13.62)**	(13.62)	(12.23)
	172.94	110.55	114.74
Other non-current assets			
Considered Good	**1.00**	0.31	0.50
Considered Doubtful	**1.22**	1.22	-
Less: Provision for Doubtful Advances	**(1.22)**	(1.22)	-
	1.00	0.31	0.50
TOTAL	**186.76**	115.27	142.32

NOTE:

Capital Advances include ₹ 0.28 crore (31-Mar-16 ₹ 0.08 crore; 01-Apr-15 ₹ 5.18 crore) due from Related Parties.

NOTE 10 : NON-CURRENT TAX ASSETS (NET)

₹ Crore

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Advance Tax			
[Net of Provision for taxation - ₹ 1301.89 crore (31-Mar-16 ₹ 1069.12 crore; 01-Apr-15 ₹ 913.17 crore)]	**19.46**	17.00	19.29
TOTAL	**19.46**	17.00	19.29

(Refer Note 22 for tax reconciliations)

NOTE 11 : INVENTORIES

₹ Crore

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(Valued at lower of cost or net realizable value)			
Raw Materials (Including Packing Materials)	**186.52**	190.57	176.61
Goods-in Transit	**7.80**	2.54	-
	194.32	193.11	176.61
Work-in-Progress	**30.81**	35.98	47.11
Finished Goods	**299.18**	295.44	235.41
Stock-in-Trade	**29.53**	24.31	24.97
Stores and Spares	**8.08**	7.04	5.41
	561.92	555.88	489.51

During FY 2016-17 an amount of NIL crores *(31-Mar-16: ₹ 8.25 crore)* was charged to the Statement of Profit and Loss on account of damage and slow moving inventory. The reversal on account of above during the year amounted to ₹ 3.11 crore *(31-Mar-16: NIL)*.

NOTE 12 : INVESTMENTS (CURRENT)

₹ Crore

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Unquoted, fully paid up:			
At Fair Value through Profit or Loss			
Investments in Mutual Funds	**425.56**	61.86	151.59
At amortised cost			
Investments in Deposits with Non-Banking Financial Companies	**174.52**	81.45	-
Quoted, fully paid up:			
At amortised cost			
Investments in Non-convertible Debentures with Non-Banking Financial Companies	**52.78**	-	-
TOTAL	**652.86**	143.31	151.59
Aggregate Amount of Unquoted Investments	**600.08**	143.31	151.59
Aggregate Amount of Quoted Investments	**52.78**	-	-
Aggregate Market Value of Quoted Investments	**52.89**	-	-
Aggregate Amount of Provision for Impairment in the Value of Investments	**-**	-	-

NOTE 13 : TRADE RECEIVABLES

₹ Crore

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Secured			
Considered Good	**5.37**	5.90	5.44
Unsecured			
Considered Good	**203.96**	271.04	137.50
Considered Doubtful	**5.07**	3.00	6.74
Less: Provision for Doubtful Debts	**(5.07)**	(3.00)	(6.74)
	203.96	271.04	137.50
TOTAL	**209.33**	276.94	142.94

NOTE 14 A : CASH AND CASH EQUIVALENTS

₹ Crore

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Balances with Banks			
- In Current Accounts	**56.35**	18.29	44.18
- Deposits with less than 3 months original maturity	**30.00**	20.00	125.32
	86.35	38.29	169.50
Cheques, Drafts on Hand	**-**	2.01	0.09
Cash on Hand	**0.19**	0.27	0.27
TOTAL	**86.54**	40.57	169.86

NOTE 14 B : OTHER BANK BALANCES

₹ Crore

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Deposits with maturities more than 3 months but less than 12 months (Refer Note (a))	**2.94**	108.50	325.86
In Unpaid Dividend Accounts	**7.52**	7.21	6.75
TOTAL	**10.46**	115.71	332.61

NOTE:

a) The fixed deposits include deposits under lien against bank guarantees ₹ 2.94 crore (31-Mar-16 ₹ 1.93 crore; 01-Apr-15 ₹ 2.05 crore)

b) For Specified Bank Notes, Refer note 47

c) There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

NOTE 15 : LOANS (CURRENT)

₹ Crore

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Unsecured, Considered Good, Unless Otherwise Stated			
Loans to Employees	**0.07**	0.09	0.11
Security Deposits	**0.04**	0.02	0.21
TOTAL	**0.11**	0.11	0.32

NOTE 16 : OTHER CURRENT FINANCIAL ASSETS

₹ Crore

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Financial guarantee fee receivable	**3.71**	-	-
Others	**5.29**	3.47	3.71
TOTAL	**9.00**	3.47	3.71

NOTE 17 : OTHER CURRENT ASSETS

₹ Crore

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Balances with Government Authorities	**28.62**	59.84	48.88
Right to receive inventory	**3.80**	3.23	1.81
Other Advances (Refer Note Below)			
Considered Good	**21.71**	14.92	15.95
Considered Doubtful	**1.02**	0.47	0.36
Less: Provision for Doubtful Advances	**(1.02)**	(0.47)	(0.36)
TOTAL	**54.13**	77.99	66.64

NOTE:

Includes ₹ 0.12 crore (31-Mar-16 ₹ 0.01 crore; 01-Apr-15 ₹ 0.57 crore) due from Related Parties.

NOTE 18 : NON CURRENT ASSETS HELD FOR SALE

₹ Crore

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Vehicles held for sale	**6.49**	-	-
TOTAL	**6.49**	-	-

NOTE:

In March 2017, the Management decided to dispose off vehicles which were no longer in use. The negotiations for sale to interested parties are in process.

NOTE 19 : EQUITY SHARE CAPITAL

₹ Crore

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Authorised			
410,000,000 Equity Shares *(31-Mar-16: 410,000,000; 01-Apr-15: 410,000,000)* of ₹ 1 each	**41.00**	41.00	41.00
10,000,000 Preference Shares *(31-Mar-16: 10,000,000; 01-Apr-15: 10,000,000)* of ₹ 1 each	**1.00**	1.00	1.00
Issued			
340,631,940 Equity Shares *(31-Mar-16: 340,564,947; 01-Apr-15: 340,478,025)* of ₹ 1 each	**34.06**	34.06	34.04
Subscribed and Fully Paid up			
340,600,816 Equity Shares *(31-Mar-16: 340,533,823; 01-Apr-15: 340,446,901)* of ₹ 1 each fully paid up	**34.06**	34.05	34.04
TOTAL	**34.06**	34.05	34.04

NOTES:

a) During the year, the Company has issued 66,993 equity shares (previous year 86,922) under the Employee Stock Grant Scheme.

b) 31,124 Right Issue equity shares (previous year 31,124 equity shares) are kept in abeyance due to various suits filed in courts / forums by third parties for which final order is awaited.

c) The reconciliation of number of equity shares outstanding and the amount of share capital at the beginning and at the end of the reporting period:

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of Shares	₹ Crore	No. of Shares	₹ Crore	No. of Shares	₹ Crore
Shares outstanding at the beginning of the year	340,533,823	34.05	340,446,901	34.04	340,378,310	34.04
Add : Shares Issued during the year *	66,993	0.01	86,922	0.01	68,591	0.00
Shares outstanding at the end of the year	**340,600,816**	**34.06**	**340,533,823**	**34.05**	**340,446,901**	**34.04**

** amount less than ₹ 0.01 crore*

d) **Terms / rights attached to equity shares**

The Company has issued only one class of equity shares having a par value of ₹ 1 each. Each equity shareholder is entitled to one vote per share.

During the year ended March 31, 2017 the amount of per share dividend recognised as distribution to equity shareholders was ₹ 5.75 *(previous year ₹ 5.50).*

e) Shares held by Holding Company and Subsidiary of Holding Company and details of shareholders holding more than 5% shares in the Company:

Name of the Shareholder	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of Shares	% held	No. of Shares	% held	No. of Shares	% held
Godrej & Boyce Manufacturing Co Ltd*	25,003,815	7.34	118,503,815	34.80	119,163,815	35.00
Godrej Industries Limited	80,937,620	23.76	80,937,620	23.77	80,277,620	23.58
Godrej Seeds & Genetics Limited	93,500,000	27.45	-	-	-	-

*Godrej & Boyce Manufacturing Company has ceased to be the holding company with effect from March 30, 2017 owing to reorganisation of shareholding within promoter group

f) **Shares Reserved for issue under options**

The Company has 128,895 (previous year 141,096) equity shares reserved for issue under Employee Stock Grant Scheme as at March 31, 2017. (As detailed in Note 45)

g) Information regarding aggregate number of equity shares during the five years immediately preceding the date of Balance Sheet:

The Company has not issued any bonus shares or shares for consideration other than cash and has not bought back any shares during the past five years.

The Company has not allotted any shares pursuant to contract without payment being received in cash.

h) There are no calls unpaid on equity shares, other than shares kept in abeyance as mentioned in Note (b) above.

i) No equity shares have been forfeited.

j) **Capital Management**

The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios to support its business and maximize shareholder value. The Company makes adjustments to its capital structure based on economic conditions or its business requirements. To maintain / adjust the capital structure the Company may make adjustments to dividend paid to its shareholders or issue new shares.

The Company monitors capital using the metric of Net Debt to Equity. Net Debt is defined as borrowings less cash and cash equivalents, fixed Deposits and readily redeemable investments.

NOTE 20 : OTHER EQUITY

₹ Crore

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Securities Premium Account	**1452.31**	1446.27	1439.88
General Reserve	**154.05**	154.05	154.05
Other Reserves			
Capital Investment Subsidy Reserve	**0.15**	0.15	0.15
Capital Redemption Reserve	**1.46**	1.46	1.46
Debenture Redemption Reserve	**-**	-	24.39
Employee Stock Options Outstanding	**9.83**	8.28	8.61
	11.44	9.89	34.61
Retained Earnings	**2746.81**	2139.63	1619.57
Other Comprehensive Income (Effective portion of cash flow hedges)	**(0.75)**	-	-
	4,363.87	3,749.84	3,248.11

OTHER RESERVES MOVEMENT

₹ Crore

	As at March 31, 2017	As at March 31, 2016
Capital Investment Subsidy Reserve		
Balance as per last financial statements	**0.15**	0.15
Closing Balance	**0.15**	0.15
Capital Redemption Reserve		
Balance as per last financial statements	**1.46**	1.46
Closing Balance	**1.46**	1.46
Debenture Redemption Reserve		
Balance as per last financial statements	**-**	24.39
(-) Transfer to retained earnings	**-**	(24.39)
Closing Balance	**-**	-
Employee Stock Options Outstanding		
Gross Employee Compensation for Options granted	**8.28**	8.61
(-) Exercise of Share options	**(6.04)**	(6.39)
(+) Deferred Employee Compensation Expense	**7.59**	6.06
Closing Balance	**9.83**	8.28
TOTAL	**11.44**	9.89

Nature and purpose of reserves

1) **Securities premium reserve**

The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. The reserve is utilised in accordance with the provisions of the Companies Act.

2) **General reserve**

The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.

3) **Capital Investment Subsidy Reserve**

Capital Investment Subsidy Reserve represents subsidy received from the government for commissioning of Malanpur plant in the nature of capital investment.

4) Capital redemption reserve

Capital Redemption reserve represents amount set aside by the company for future redemption of capital.

5) Debenture Redemption Reserve

The Company had issued debentures in India and as per the provisions of the Companies Act, 2013, is required to create debenture redemption reserve out of the profits of the Company available for the payment of dividend. The debenture redemption reserve has been transferred to retained earning during the year ended March 31, 2016 on redemption of the debentures.

6) Employee Stock Options Outstanding

The shares option outstanding account is used to recognise the grant date fair value of options issued to employees under the Employee Stock Grant Scheme which are unvested as on the reporting date and is net of the deferred employee compensation expense.

Refer note 45 for details on ESGS Plans.

7) Effective portion of Cash Flow Hedges

The cash flow hedging reserve represents the cumulative portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow reserve will be reclassified to Statement of Profit and Loss only when the hedged transaction affects the profit or loss or included as a basis adjustment to the non financial hedged item.

NOTE 21 : PROVISIONS (NON-CURRENT)

₹ Crore

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Provision for Employee Benefits			
Compensated Absences	**3.77**	2.72	3.99
TOTAL	**3.77**	2.72	3.99

NOTE 22 : TAX RECONCILIATIONS

₹ Crore

	Year ended March 31, 2017	Year ended March 31, 2016
The income tax expense consists of the following:		
Current Tax:		
Current tax on profits for the year	**235.40**	202.48
Deferred tax (net)	**24.05**	23.07
Total income tax expense	**259.45**	225.55

₹ Crore

	Year ended March 31, 2017	Year ended March 31, 2016
Current tax and Deferred Tax related to items recognised in Other Comprehensive Income during the year:		
Net (gain) / loss on remeasurements of defined benefit plans	**(6.59)**	(0.85)
Net (gain) / loss on revaluation of cash flow hedges	**(0.41)**	-
Total	**(7.00)**	(0.85)

Reconciliation of tax expense and the accounting profit

The reconciliation between estimated income tax expense at statutory income tax rate into income tax expense reported in Statement of Profit & Loss is given below:

₹ Crore

	Year ended March 31, 2017	Year ended March 31, 2016
Profit before income taxes	**1,107.48**	948.22
Indian statutory income tax rate	**34.61%**	34.61%
Expected income tax expense	**383.28**	328.16
Tax effect of adjustments to reconcile expected Income Tax Expense to reported Income Tax Expense:		
Deduction under Sec 80IC	**(213.22)**	(206.32)
Incremental deduction allowed for research and development costs	**(0.03)**	(0.63)
Tax impact of income not subject to tax	**(0.05)**	(0.21)
Tax effects of amounts which are not deductible for taxable income	**11.49**	23.64
Additional tax paid on book profits	**77.98**	83.65
Others	**-**	(2.74)
Total income tax expense	**259.45**	225.55

The Company benefits from the tax holiday available to units set up under section 80-IC and 80-IE of Income Tax Act, 1961. These tax holidays are available for a period of ten years from the date of commencement of operations.

Deferred Tax (Liabilities): ₹ Crore

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Property, Plant and Equipment	**(30.04)**	(24.27)	(20.79)
Intangible assets	**(225.10)**	(208.85)	(183.85)
Others	**(5.40)**	(1.26)	(0.75)
Total deferred tax liabilities	**(260.54)**	(234.38)	(205.39)

Deferred Tax Assets: ₹ Crore

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Defined benefit obligations	**2.28**	1.84	2.30
Provisions	**27.39**	22.46	17.37
Others	**6.63**	5.41	3.27
Total deferred tax assets	**36.30**	29.71	22.94
Net Deferred tax (Liabilities) / Assets	**(224.24)**	(204.67)	(182.45)

Movement in Deferred tax Liabilities / Asset ₹ Crore

	Property, plant and equipment	Intangible assets	Other Deferred Tax Liability	Defined benefit obligations	Provisions	Other Deferred Tax Asset	Deferred Tax Liabilities / Asset (net)
At 1st April 2015	**(20.79)**	**(183.85)**	**(0.75)**	**2.31**	**17.37**	**3.26**	**(182.45)**
(Charged)/Credited :							
- to profit or loss	(3.48)	(25.00)	(0.51)	(0.47)	4.24	2.15	(23.08)
- to other comprehensive income	-	-	-	-	0.85	-	0.85
As at 31st March 2016	**(24.27)**	**(208.85)**	**(1.26)**	**1.84**	**22.46**	**5.41**	**(204.68)**
(Charged)/Credited :							
- to profit or loss	(5.77)	(16.25)	(4.14)	0.44	0.86	0.81	(24.05)
- to other comprehensive income	-	-	-	-	4.07	0.41	4.48
As at 31st March 2017	**(30.04)**	**(225.10)**	**(5.40)**	**2.28**	**27.39**	**6.63**	**(224.24)**

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

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

As on March 31, 2017 the tax liability with respect to the dividends proposed is ₹ 83.21 crores (31-Mar-16 : ₹ 19.06 crores, 1-Apr-15 : ₹ 17.33 crores)

During the year, the Company has not accounted for tax credits in respect of Minimum Alternative Tax (MAT credit) of ₹ 77.98 crores (31-Mar-16 : ₹ 83.65 crores, 1-Apr-15 : ₹ 94.72 crores). The Company is not reasonably certain of availing the said MAT credit in future years against the normal tax expected to be paid in those years and accordingly has not recognised a deferred tax asset for the same.

₹ Crore

Tax Credits carried forward	As at March 31, 2017	Expiry Date	As at March 31, 2016	Expiry Date	As at April 1, 2015	Expiry Date
2006-07	-		14.28	March 31, 2017	14.28	March 31, 2017
2007-08	12.02	March 31, 2018	12.02	March 31, 2018	12.02	March 31, 2018
2008-09	8.30	March 31, 2019	8.30	March 31, 2019	8.30	March 31, 2019
2009-10	29.72	March 31, 2020	29.72	March 31, 2020	29.72	March 31, 2020
2010-11	100.08	March 31, 2021	100.08	March 31, 2021	100.08	March 31, 2021
2011-12	40.09	March 31, 2022	40.09	March 31, 2022	40.09	March 31, 2022
2012-13	60.60	March 31, 2023	60.60	March 31, 2023	60.60	March 31, 2023
2013-14	84.35	March 31, 2024	84.35	March 31, 2024	84.35	March 31, 2024
2014-15	94.72	March 31, 2025	94.72	March 31, 2025	94.72	March 31, 2025
2015-16	83.65	March 31, 2026	83.65	March 31, 2026		
2016-17	77.98	March 31, 2027				

NOTE 23 : OTHER NON-CURRENT LIABILITIES

₹ Crore

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Unearned premium on guarantees given to subsidiaries	**26.77**	21.09	4.76
Others	**1.05**	-	-
TOTAL	**27.82**	21.09	4.76

NOTE 24 : BORROWINGS

₹ Crore

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Secured			
Cash Credit from Bank (Refer Note (a) below)	**-**	-	0.34
Unsecured			
Packing Credit from Bank (Refer Note (b) below)	**-**	2.75	-
Commercial Paper (Refer Note (c) below)	**148.97**	-	-
	148.97	2.75	-
TOTAL	**148.97**	2.75	0.34

NOTES:

a) Cash Credit from Banks are secured by hypothecation of Inventories and Book debts repayable on demand.

b) The packing credit is granted by banks for a maximum tenure of 180 days at Bank's base rate less interest subvention of 3% per annum as per Interest Equalisation Scheme of Government of India.

c) Commercial Paper carries an average interest rate of 6.49% and are repayable at maturity dates in May 2017.

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

NOTE 25 : TRADE PAYABLES

₹ Crore

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Dues to Micro, Small and Medium Enterprises	**-**	-	-
Others	**1,120.36**	851.32	992.12
TOTAL	**1,120.36**	851.32	992.12

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at the balance sheet date. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

NOTE 26 : OTHER CURRENT FINANCIAL LIABILITIES

₹ Crore

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Current Maturities of Long Term Debt (Refer Notes (a) below)	**-**	-	260.20
Security Deposit Received	**4.19**	4.66	4.42
Unclaimed Dividends (Refer Note (b) below)	**7.52**	7.21	6.75
Capital creditors and other payables	**22.47**	10.01	20.30
TOTAL	**34.18**	21.88	291.67

NOTES:

a) Current Maturities of Long term Debt as on April 1, 2015 include 2,500 zero-coupon, unsecured, redeemable, non-convertible debentures having a face value of ₹ 10 lac each, redeemable at a premium, which will yield 9.35% p.a. at maturity. These debentures have been redeemed on December 18, 2015.

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

NOTE 27 : OTHER CURRENT LIABILITIES

₹ Crore

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Statutory Dues (VAT, Excise, Service Tax, Octroi, etc)	**39.44**	40.94	40.59
Advance received from Customers	**7.45**	7.01	6.45
Employee Benefits Payable	**85.94**	119.58	71.53
Unearned premium on guarantees given to subsidiaries	**19.15**	13.51	3.51
Others	**3.57**	7.13	4.44
TOTAL	**155.55**	188.17	126.52

NOTE 28 : PROVISIONS (CURRENT)

₹ Crore

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Provision for Employee Benefits			
Gratuity (Net)	**44.16**	27.76	21.54
Compensated Absences	**2.81**	2.59	2.79
Other Provisions :			
Provision for Sales Returns	**14.03**	11.84	7.29
Provision towards Litigations	**7.90**	7.44	5.88
TOTAL	**68.90**	49.63	37.50

Movements in each of the class of other provision during the financial year are set out below: ₹ Crore

	Sales Return	Provision towards Litigation
As at April 1, 2015	**7.29**	5.88
Additional provisions recognised	**4.55**	2.16
Amount Utilised /Unused amounts reversed	**-**	(0.60)
As at March 31, 2016	**11.84**	7.44
As at April 1, 2016	**11.84**	7.44
Additional provisions recognised	**2.19**	0.74
Amount Utilised /Unused amounts reversed	**-**	(0.28)
As at March 31, 2017	**14.03**	7.90

Sales Returns:

When a customer has a right to return the product within a given period, the Company recognises a provision for sales return. This is measured on the basis of average past trend of sales return as a percentage of sales. Revenue is adjusted for the expected value of the returns and cost of sales are adjusted for the value of the corresponding goods to be returned.

Legal Claims:

The provisions for indirect taxes and legal matters comprises of numerous separate cases that arise in the ordinary course of business. A provision is recognised for legal cases; if company assesses that it is probable that an outflow of economic resources will be required. These provisions have not been discounted as it is not practicable for the Company to estimate the timing of the provision utilisation and cash outflows, if any, pending resolution.

NOTE 29 : REVENUE FROM OPERATIONS

₹ Crore

	Year ended March 31, 2017	Year ended March 31, 2016
Sale of Products (including excise duty)	**5013.69**	4820.02
Other Operating Revenues		
a) Royalty & Technical Fees	**54.60**	53.71
b) Miscellaneous Income	**20.70**	9.67
TOTAL	**5088.99**	4883.40

NOTE 30 : OTHER INCOME

₹ Crore

	Year ended March 31, 2017	Year ended March 31, 2016
Interest Income on:		
Non-convertible debentures and fixed deposits with Non-Banking Financial Companies at amortised cost	**18.74**	2.03
Deposits with banks	**1.99**	25.82
On Others	**0.17**	0.15
Net Gain on Sale of Investments	**6.23**	12.99
Fair Value Gain on financial assets measured at fair value through profit or loss	**11.60**	0.16
Reversal of provision for diminution in investments	**2.84**	-
Other Non-Operating Income		
Profit on Sale of Fixed Assets (net)	**0.13**	-
Guarantee Commission income	**20.99**	18.60
Miscellaneous Non-operating Income (Refer Note below)	**0.91**	1.62
TOTAL	**63.60**	61.37

NOTE :

Miscellaneous non-operating income includes ₹ 0.61 crore *(Previous Year ₹ 0.60 crore)*, recovered from the GCPL ESOP Trust towards loan repayment, which was earlier written off against reserves under a Scheme of Amalgamation approved by the Hon'ble High Court of Bombay.

NOTE 31 : COST OF MATERIALS CONSUMED

₹ Crore

	Year ended March 31, 2017	Year ended March 31, 2016
Raw material and packing material		
Opening Inventory	**193.11**	176.61
Add : Purchases (Net)	**1835.98**	1864.37
	2029.09	2040.98
Less: Closing Inventory	**(194.32)**	(193.11)
Cost of Materials Consumed	**1834.77**	1847.87

NOTE 32 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN- TRADE AND WORK-IN-PROGRESS

₹ Crore

	Year ended March 31, 2017	Year ended March 31, 2016
Opening Inventory		
Finished Goods	**295.44**	235.41
Stock-in-Trade	**24.31**	24.97
Work-in-Progress	**35.98**	47.11
	355.73	307.49
Less: Closing Inventory		
Finished Goods	**299.18**	295.44
Stock-in-Trade	**29.53**	24.31
Work-in-Progress	**30.81**	35.98
	359.52	355.73
(Increase) in Inventories	**(3.79)**	(48.24)

NOTE 33 : EMPLOYEE BENEFITS EXPENSE

₹ Crore

	Year ended March 31, 2017	Year ended March 31, 2016
Salaries and Wages	**270.87**	307.19
Contribution to Provident and Other Funds	**14.94**	12.36
Share based payments to Employees (Employee Stock Grant Scheme) (Refer Note 45)	**7.59**	6.06
Staff Welfare Expenses	**5.61**	5.76
TOTAL	**299.01**	331.37

NOTE 34 : FINANCE COSTS

₹ Crore

	Year ended March 31, 2017	Year ended March 31, 2016
Premium on Debentures	**-**	17.68
Interest Expense		
Unwinding of interest on liabilities	**2.79**	0.45
Others	**5.20**	2.21
Bill discounting Charges	**28.07**	34.33
TOTAL	**36.06**	54.67

NOTE 35 : DEPRECIATION AND AMORTISATION EXPENSES

₹ Crore

	Year ended March 31, 2017	Year ended March 31, 2016
Depreciation on property, plant and equipment	**48.29**	38.79
Amortisation on intangible assets	**8.39**	6.12
TOTAL	**56.68**	44.91

NOTE 36 : OTHER EXPENSES

₹ Crore

	Year ended March 31, 2017	Year ended March 31, 2016
Consumption of Stores and Spare Parts	**12.50**	13.56
Power and Fuel	**68.89**	97.25
Rent (Net) (Refer Note (a) below)	**40.30**	36.88
Repairs and Maintenance		
Plant and Equipment	**4.20**	4.26
Buildings	**5.13**	5.03
Others (Net)	**23.15**	21.99
	32.48	31.28
Insurance	**4.39**	4.75
Rates and Taxes	**3.08**	5.41
Processing and Other Manufacturing Charges	**149.12**	139.09
Travelling and Conveyance	**31.85**	31.46
Auditors' Remuneration		
As Statutory Auditor	**1.44**	1.48
For Taxation Matters	**0.40**	0.42
For Other Services	**0.48**	0.51
Reimbursement of Expenses	**0.05**	0.05
Service Tax	**0.09**	0.14
Legal and Professional Charges	**19.13**	19.01
Donations	**1.36**	7.92
Sales Promotion	**35.45**	29.83
Advertising and Publicity (Refer Note (c) and (d))	**528.22**	493.60
Selling and Distribution Expenses	**78.20**	78.80
Freight	**178.38**	184.51
Net Loss on Sale/ write off of Fixed Assets	**-**	11.39
Net Loss on Foreign Currency Transactions and Translations	**0.95**	0.66
Bad Debts Written Off	**0.29**	3.92
Provision for Doubtful Debts / Advances	**2.43**	(2.13)
Miscellaneous Expenses (Net)	**75.75**	52.10
TOTAL	**1265.23**	1241.89

NOTE :

a) During the year, the Company has netted off the rental income in respect of corporate office premises amounting to ₹ 9.12 crore for the year ended on March 31, 2017 (Previous Year ₹ 7.99 crore) with rental expenses amounting to ₹ 9.12 crore for the year ended on March 31, 2017 (Previous Year ₹ 7.99 crore) in respect of similar premises in the same building.

b) Miscellaneous Expenses include the Company's share of various expenses incurred by group companies for sharing of services and use of common facilities.

c) During the current year, the Company has paid ₹ 0.03 crore as donation to Armed Forces Flag Day included under Donations above.

d) During the previous year, the Company had paid ₹ 0.10 crore for an advertisement in the commemorative souvenir on Pandit Jawaharlal Nehru published by the All India Congress Committee included under Advertising and Publicity above.

NOTE 37 : EARNINGS PER SHARE

	As at March 31, 2017	As at March 31, 2016
Net Profit After Tax (₹ Crore)	**848.03**	722.67
Number of Shares outstanding at the beginning of the year	**340,533,823**	340,446,901
Add : Shares Issued during the year	**66,993**	86,922
Number of Shares outstanding at the end of the year	**340,600,816**	340,533,823
Weighted Average Number of Equity Shares		
For calculating Basic EPS	**340,578,974**	340,513,052
Effect of dilution:		
Shared based payments	**85,924**	91,992
For calculating Diluted EPS	**340,664,898**	340,605,044
Earnings Per Share Before and After Extraordinary Items *(Face Value ₹ 1)*		
Basic (₹)	**24.90**	21.22
Diluted (₹)	**24.89**	21.22

NOTE 38 : COMMITMENTS

Estimated value of contracts remaining to be executed on capital account to the extent not provided for : ₹ 46.72 crore (31-Mar-16 ₹ 34.40 crore; 01-Apr-15 ₹ 39.43 crore), net of advances there against of ₹ 15.80 crore (31-Mar-16 ₹ 3.40 crore; 01-Apr-15 ₹ 20.30 crore).

NOTE 39 : DIVIDEND

The Board has declared a fourth interim dividend for the year 2016-17 on May 9, 2017 at the rate of ₹ 12 per share (1200% of the face value of ₹ 1 each) amounting to ₹ 408.68 crore. The dividend distribution tax on the said dividend is ₹ 83.20 crore.

NOTE 40 : CONTINGENT LIABILITIES

₹ Crore

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
a)	**CLAIMS FOR EXCISE DUTIES, TAXES AND OTHER MATTERS**			
i)	Excise duty demands aggregating ₹ 64.20 crore (31-Mar-16 ₹ 69.14 crore, 1-April-15 ₹ 69.70 crore)against which the Company has preferred appeals (net of tax).	**41.98**	45.64	46.01
ii)	Sales tax demands aggregating ₹ 52.34 crore (31-Mar-16 ₹ 49 crore, 1-April-15 ₹ 62.46 crore) against which the Company has preferred appeals (net of tax).	**34.23**	32.35	41.23
iii)	Income-tax matters			
	Demand notices issued by Income-tax Authorities.	**10.03**	9.83	16.01
iv)	Other matters : ₹ 3.00 crore (previous year ₹ 3.00 crore) (net of tax).	**1.96**	1.98	1.98

₹ Crore

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
b)	**GUARANTEES GIVEN ON BEHALF OF SUBSIDIARIES**			
i)	Guarantee amounting to USD 42.90 million (31-Mar-16 USD 57.20 million, 1-April-15 USD Nil) given by the Company to DBS Bank Ltd, Singapore against loan provided to Godrej Mauritius Africa Holdings Ltd.	**278.21**	378.98	-
ii)	Guarantee amounting to USD 67.28 million (31-Mar-16 USD 84 million, 1-April-15 USD 84.0 million) given by the Company to The Hongkong and Shanghai Banking Corporation Limited, Hongkong (1-April-15 guarantee provided to The Hongkong and Shanghai Banking Corporation Limited, Hongkong & Standard Chartered Bank Mauritius Limited) against loan provided to Godrej East Africa Holdings Limited	**436.31**	556.54	525.00
iii)	Guarantee amounting to GBP NIL (31-Mar-16 GBP 0.55 million, 1-April-15 GBP 4.95 million) given by the Company to The Hongkong and Shanghai Banking Corporation Limited, Hongkong against loan provided to Godrej Netherlands BV.	**-**	5.25	45.77
iv)	Guarantee given by the Company to secure credit facilities extended by Citibank Sri Lanka and Citibank Bangladesh to Godrej Household Products (Lanka) Private Limited and Godrej Household Products (Bangladesh) Private Limited respectively.	**-**	-	2.96
v)	Guarantee amounting to USD NIL (31-Mar-16 USD 5.0 million, 1-April-15 USD 5.0 million) given by the Company to The Hongkong and Shanghai Banking Corporation Limited Hongkong towards interest rate swap/derivative facilities provided to Godrej Netherlands BV.	**-**	33.13	31.25
vi)	Guarantee amounting to GBP 30.0 million (31 Mar-16 GBP 30.0 million, 1-April-15 GBP 30.0 million) to The Hongkong and Shanghai Banking Corporation Limited, Hongkong towards loan provided to Godrej Netherlands BV.	**242.71**	286.42	277.41
vii)	Guarantee amounting to USD 145.2 million (31-Mar-16 USD 145.2 million, 1-April-15 USD NIL) given by the Company to The Hongkong and Shanghai Banking Corporation Limited (Hongkong), DBS Bank (Singapore) and Standard Chartered Bank Mauritius Limited against loan provided to Godrej Mauritius Africa Holdings Ltd.	**941.62**	962.02	-
viii)	Guarantee amounting to USD 34.32 million (31-Mar-16 USD 45.76 million, 1-April-15 USD NIL) given by the Company to Barclays Bank PLC, London against loan provided to Godrej Mauritius Africa Holdings Ltd.	**222.57**	303.18	-
ix)	Guarantee amounting to USD 57.2 million (31-Mar-16 USD 57.20 million, 1-April-15 USD NIL) given by the Company to The Hongkong and Shanghai Banking Corporation Limited & Standard Chartered Bank Mauritius Limited against loan provided to Godrej East Africa Holdings Limited.	**370.94**	378.98	-
x)	Guarantee amounting to USD 88.0 million (31-Mar-16 USD NIL, 1-April-15 USD NIL) given by the Company to DBS Bank Ltd (Singapore) & Sumitomo Mitsui Banking Corporation (Singapore) against loan provided to Godrej Consumer Products Holdings Mauritius Ltd.	**570.68**	-	-
xi)	Guarantee amounting to USD 121.0 million (31-Mar-16 USD NIL, 1-April-15 USD NIL) given by the Company to The Bank of Tokyo-Mitsubishi UFJ Ltd (London) against loan provided to Godrej SON Holdings, Inc.	**784.69**	-	-

₹ Crore

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
xii)	Guarantee amounting to USD 1.20 million (31-Mar-16 USD NIL, 1-April-15 USD NIL) given by the Company to Sumitomo Mitsui Banking Corporation (Singapore) towards IRS taken by Godrej Consumer Products Holdings Mauritius Ltd.	**7.78**	-	-
xiii)	Guarantee amounting to USD 27.50 million (31-Mar-16 USD NIL, 1-April-15 USD NIL) given by the Company to The Hongkong and Shanghai Banking Corporation Limited, Mauritius, against loan provided to Godrej East Africa Holdings Ltd.	**178.34**	-	-
xiv)	Guarantee amounting to USD 10 million (31-Mar-16 USD NIL, 1-April-15 USD NIL) given by the Company to The Hongkong and Shanghai Banking Corporation Limited, Mauritius against SBDC facility provided to Godrej Consumer Products Mauritius Ltd.	**64.85**	-	-
xv)	Guarantee amounting to USD 1.20 million (31-Mar-16 USD NIL, 1-April-15 USD NIL) given by the Company to DBS Bank Ltd (Singapore) towards IRS taken by Godrej Consumer Products Mauritius Ltd.	**7.78**	-	-
xvi)	Guarantee amounting to USD 1.60 million (31-Mar-16 USD NIL, 1-April-15 USD NIL) given by the Company to JP Morgan Chase towards IRS taken by Godrej East Africa Holdings Ltd.	**10.38**	-	-
c)	**OTHER GUARANTEES**			
i)	Guarantees issued by banks [secured by bank deposits under lien with the bank ₹ 2.99 crore (31-Mar-16 ₹ 1.98 crore, 1-April-15 ₹ 2.10 crore)].	**11.81**	8.81	7.35
ii)	Guarantee given by the Company to Yes Bank for credit facilities extended to M/s. Broadcast Audience Research Council.	**0.80**	0.80	0.80
d)	**CLAIMS AGAINST THE COMPANY NOT ACKNOWLEDGED AS DEBT:**			
i)	Claims by various parties on account of unauthorized, illegal and fraudulent acts by an employee.	**32.22**	32.22	32.22
ii)	Others	**0.23**	0.28	0.28

NOTE 41 : RELATED PARTY DISCLOSURES

A) Related Parties and their Relationship

a) Holding Company:

Godrej & Boyce Mfg. Co. Limited *(upto March 29, 2017)*

b) Subsidiaries:

Name of the Subsidiary	Country	% Holding as at March 31, 2017	% Holding as at March 31, 2016	% Holding as at April 1, 2015
Godrej Netherland B.V.	Netherlands	**100%**	100%	100%
Godrej (UK) Ltd	UK	**100%**	100%	100%
Godrej Consumer Products (UK) Limited	UK	**100%**	100%	100%
Godrej Consumer Investments (Chile) Spa	Chile	**100%**	100%	100%
Godrej Holdings (Chile) Limitada	Chile	**100%**	100%	100%
Cosmetica National	Chile	**100%**	100%	60%
Plasticos National	Chile	**100%**	100%	60%
Godrej South Africa Proprietary Limited	South Africa	**100%**	100%	100%
Godrej Consumer Products Mauritius Limited	Mauritius	**100%**	100%	100%
Godrej Consumer Products Holding (Mauritius) Limited	Mauritius	**100%**	100%	100%

Name of the Subsidiary	Country	% Holding as at March 31, 2017	% Holding as at March 31, 2016	% Holding as at April 1, 2015
Indovest Capital	Labuan	**100%**	100%	100%
Godrej Global Mideast FZE	Sharjah	**100%**	100%	100%
Godrej Indonesia IP Holdings Ltd	Mauritius	**100%**	100%	100%
Godrej Mid East Holding Limited	Dubai	**100%**	100%	-
Godrej Consumer Products Dutch Cooperatief UA	Netherlands	**100%**	100%	100%
Godrej Consumer Products (Netherlands) B.V.	Netherlands	**100%**	100%	100%
Godrej Consumer Holdings (Netherlands) B.V.	Netherlands	**100%**	100%	100%
PT Indomas Susemi Jaya	Indonesia	**100%**	100%	100%
PT Intrasari Raya	Indonesia	**100%**	100%	100%
PT Megasari Makmur	Indonesia	**100%**	100%	100%
PT Ekamas Sarijaya	Indonesia	**100%**	100%	100%
PT Sarico Indah	Indonesia	**100%**	100%	100%
Godrej Argentina Dutch Cooperatief U.A.	Netherlands	**-**	-	100%
Godrej Netherlands Argentina Holding B.V.	Netherlands	**-**	-	100%
Godrej Netherlands Argentina B.V.	Netherlands	**-**	-	100%
Laboratoria Cuenca	Argentina	**100%**	100%	100%
Consell	Argentina	**100%**	100%	100%
Deciral S.A.	Uruguay	**100%**	100%	100%
Issue Brazil	Brazil	**100%**	100%	100%
Panamar Producciones SA	Argentina	**100%**	100%	100%
Argencos SA	Argentina	**100%**	100%	100%
Godrej Consumer Products US Holding Limited	Mauritius	**100%**	100%	-
Godrej SON Holdings Inc.	USA	**100%**	100%	-
Strength of Nature LLC	USA	**100%**	-	-
Strength of Nature South Africa Proprietary Limited	South Africa	**100%**	-	-
Old Pro International, Inc.	USA	**100%**	-	-
Godrej Household Products Bangladesh Pvt. Ltd.	Bangladesh	**100%**	100%	100%
Godrej Household Products Lanka Pvt. Ltd.	Sri Lanka	**100%**	100%	100%
Godrej Consumer Products Bangladesh Limited	Bangladesh	**100%**	100%	100%
Godrej Mauritius Africa Holdings Limited	Mauritius	**100%**	100%	100%
Darling Trading Company Mauritius Limited	Mauritius	**90%**	90%	90%
Godrej Consumer Products International FZCO	Dubai	**90%**	-	-
Godrej Africa Holdings Limited	Mauritius	**100%**	100%	100%
Frika Weave (Pty) Ltd	South Africa	**100%**	100%	100%
Kinky Group (Proprietary) Limited	South Africa	**100%**	100%	100%
Lorna Nigeria Limited	Nigeria	**100%**	100%	100%
Weave Ghana	Ghana	**100%**	100%	100%
Weave Trading Mauritius Pvt. Ltd.	Mauritius	**51%**	51%	51%
Hair Trading (Offshore) S.A.L.	Lebanon	**51%**	51%	51%
Godrej International Trading Company	Sharjah	**51%**	-	-
Godrej West Africa Holdings Limited	Mauritius	**90%**	90%	90%
Subinite (Pty) Ltd	South Africa	**90%**	90%	90%
Weave IP Holdings Mauritius Pvt. Ltd.	Mauritius	**90%**	90%	90%
Weave Mozambique Limitada	Mozambique	**90%**	90%	90%
Godrej Nigeria Limited	Nigeria	**100%**	100%	100%
Godrej Hair Care Nigeria Limited	Nigeria	**100%**	100%	-
Godrej Household Insecticide Nigeria Ltd	Nigeria	**100%**	100%	-
Godrej Hair Weave Nigeria Ltd	Nigeria	**100%**	100%	-
Godrej East Africa Holdings Limited	Mauritius	**100%**	100%	100%
DGH Phase Two Mauritius	Mauritius	**90%**	90%	51%
Style Industries Pvt Ltd	Kenya	**90%**	90%	51%
Charm Industries Limited	Kenya	100%	51%	-
Canon Chemicals Limited	Kenya	75%	-	-

Name of the Subsidiary	Country	% Holding as at March 31, 2017	% Holding as at March 31, 2016	% Holding as at April 1, 2015
Godrej Tanzania Holdings Limited	Mauritius	100%	100%	100%
DGH Tanzania Limited	Mauritius	100%	100%	100%
Sigma Hair Industries Ltd.	Tanzania	100%	100%	100%
Belaza Mozambique LDA	Mozambique	100%	100%	-
DGH Angola (erstwhile Godrej Megasari Holdings Ltd)	Mauritius	-	51%	-
Godrej Megasari Holdings Ltd	Mauritius	-	-	100%
Hair Credentials Zambia Limited	Zambia	100%	51%	-
DGH Uganda	Mauritius	51%	-	-
Style Industries Uganda Limited	Uganda	51%	-	-
Weave Senegal	Senegal	100%	-	-

Notes:

Pursuant to a Deed of Merger ("the Scheme"), sanctioned by a Dutch court, vide its order effective March 31, 2016, Godrej Argentina Dutch Cooperatief UA has merged into Godrej Consumer Products Dutch Cooperatief UA, Godrej Netherlands Argentina BV has merged into Godrej Consumer Holding (Netherlands) BV and Godrej Netherlands Argentina Holding BV merged into Godrej Consumer Products (Netherlands) BV with effect from April 1, 2015. As per the Scheme, all investments made by Godrej Netherlands Argentina BV and Godrej Netherlands Argentina Holding BV in Laboratoria Cuenca S.A, Issue Brazil, Consell S.A, Argencos S.A and Panamar Producciones S.A have been respectively transferred to Godrej Consumer Holding (Netherlands) BV and Godrej Consumer Products (Netherlands) BV.

c) Fellow Subsidiaries with whom transactions have taken place during the year:

i) Godrej Industries Limited
ii) Godrej Agrovet Limited
iii) Godrej Tyson Foods Limited
iv) Godrej Properties Limited
v) Natures Basket Limited
vi) Godrej Vikhroli Properties LLP
vii) Godrej Infotech Limited
viii) Godrej Projects Development Private Limited
ix) Godrej Anandan
x) Godrej One Premises Management Private Limited
xi) Godrej Seeds & Genetics Limited
xii) Godrej Seaview Properties Private Limited

d) Joint Venture:

Name of the Joint Venture	Country	% Holding as at March 31, 2017	% Holding as at March 31, 2016	% Holding as at April 1, 2015
Godrej Easy IP Holdings (FZC) (Dubai)	Dubai	50%	50%	50%

e) Associate Company:

Name of the Associate Company	Country	% Holding as at March 31, 2017	% Holding as at March 31, 2016	% Holding as at April 1, 2015
Bhabhani Blunt Hairdressing Pvt Limited	India	30%	30%	30%

f) Investing Entity in which the reporting entity is an Associate *(w.e.f. March 30, 2017)*

i) Godrej Industries Limited
ii) Godrej Seeds & Genetics Limited

g) Companies under common Control with whom transactions have taken place during the year *(w.e.f March 30, 2017)*

i) Godrej & Boyce Mfg. Co. Limited
ii) Godrej Agrovet Limited
iii) Godrej Tyson Foods Limited
iv) Godrej Properties Limited
v) Natures Basket Limited
vi) Godrej Vikhroli Properties LLP
vii) Godrej Infotech Limited
viii) Godrej Projects Development Private Limited
ix) Godrej Anandan
x) Godrej One Premises Management Private Limited
xi) Godrej Seaview Properties Private Limited

h) Key Management Personnel and Relatives

i)	Mr. Adi Godrej	Chairman
ii)	Ms. Nisaba Godrej	Executive Director / Daughter of Mr. Adi Godrej
iii)	Mr. Vivek Gambhir	Managing Director & CEO
iv)	Mr. V. Srinivasan	Chief Financial Officer and Company Secretary
v)	Ms. Parmeshwar Godrej	Wife of Mr. Adi Godrej *(Deceased on October 10, 2016)*
vi)	Mr. Pirojsha Godrej	Son of Mr. Adi Godrej
vii)	Mr. Nadir Godrej	Non-Executive Director/ Brother of Mr. Adi Godrej
viii)	Ms. Tanya Dubash	Non-Executive Director/ Daughter of Mr. Adi Godrej
ix)	Mr. Jamshyd Godrej	Non-Executive Director
x)	Mr. D Shivakumar	Independent Director
xi)	Mr. Aman Mehta	Independent Director
xii)	Mr. Omkar Goswami	Independent Director
xiii)	Ms. Ireena Vittal	Independent Director
xiv)	Mr. Bharat Doshi	Independent Director
xv)	Mr. Narendra Ambvani	Independent Director
xvi)	Mr. Burjis Godrej	Son of Mr. Nadir Godrej
xvii)	Ms. Rati Godrej	Wife of Mr. Nadir Godrej
xviii)	Mr. Sohrab Godrej	Son of Mr. Nadir Godrej
xix)	Mr. Hormazd Godrej	Son of Mr. Nadir Godrej
xx)	Mr.Navroze Godrej	Son of Mr. Jamshyd Godrej
xxi)	Mr. Arvind Dubash	Husband of Ms. Tanya Dubash

i) Trust where the reporting entity excercises significant influence

i) Godrej Consumer Products Limited Employees' Stock Option Trust

j) Post employment Benefit Trust where the reporting entity exercises significant influence

i) Godrej Consumer Products Employees' Provident Fund

B) The Related Party Transactions are as under :

₹ Crore

	Holding Company		Subsidiary Companies		Fellow Subsidiaries		Associate Company		Investing Entity in which the reporting entity is an associate		Companies Under Common Control		Key Management Personnel and Relatives		Controlled Trust		Post employment benefit trust		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Sale of Goods	0.53	0.60	36.11	45.40	11.87	13.37	0.54	0.63	0.16	-	-	-	-	-	-	-	-	-	49.21	60.00
Sale of Capital Asset	0.04	-	-	0.62	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.04	0.62
Purchase of Materials and Spares	0.03	0.70	3.30	2.21	33.71	35.07	-	-	0.22	-	-	-	-	-	-	-	-	-	37.26	37.98
Purchase of Fixed Asset including Assets under Construction	1.59	8.60	-	-	3.82	1.60	-	-	-	-	-	-	-	-	-	-	-	-	5.41	10.20
Advance Paid	0.37	0.50	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.37	0.50
Royalty and Technical Fees Received	-	-	54.60	53.70	-	-	-	-	-	-	-	-	-	-	-	-	-	-	54.60	53.70
Royalty and Technical Fees Paid	-	-	-	-	-	-	0.62	0.28	-	-	-	-	-	-	-	-	-	-	0.62	0.28
Business Development Expenses	-	-	1.81	6.23	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.81	6.23
Establishment & Other Expenses Paid (Including provision for doubtful debts if any)	0.23	0.51	4.73	0.46	39.97	19.71	0.24	0.20	5.14	-	0.02	-	-	-	-	-	-	-	50.33	20.88
Expenses Recovered	-	-	13.94	9.51	1.69	1.76	-	-	-	-	-	-	-	-	0.61	0.60	-	-	16.24	11.87
Investments Made	-	-	359.65	274.46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	359.65	274.46
Investments Sold / Redeemed	-	-	32.29	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	32.29	-
Fair Value of Financial Guarantees included in Investments	-	-	16.27	44.92	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16.27	44.92
Guarantees Given / (Cancelled)	-	-	1,657.14	2,151.60	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,657.14	2,151.60
Guarantees / Surety Bonds Obtained / (Cancelled)	-	-	-	-	-	(13.63)	-	-	-	-	-	-	-	-	-	-	-	-	-	(13.63)
Financial Guarantee Fee Receivable	-	-	16.08	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16.08	-
Guarantee Commission Income	-	-	20.99	18.60	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20.99	18.60
Income from Business Support Services	-	-	11.06	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11.06	-
Dividend Paid	68.14	65.41	-	-	46.54	44.22	-	-	-	-	-	-	5.65	5.38	-	-	-	-	120.33	115.01
Commission on Profits and Sitting Fees	-	-	-	-	-	-	-	-	-	-	-	-	1.83	1.75	-	-	-	-	1.83	1.75
Lease Rentals Received	-	-	-	-	9.20	8.04	-	-	-	-	-	-	-	-	-	-	-	-	9.20	8.04
Lease Rentals Paid	-	-	-	-	12.71	9.88	-	-	-	-	-	-	2.46	2.46	-	-	-	-	15.17	12.34
Contribution during the year (Including Employees' Share	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.11	-	13.73	11.90	13.85	11.90
Short Term Employment Benefits	-	-	-	-	-	-	-	-	-	-	-	-	34.44	46.06	-	-	-	-	34.44	46.06
Post Employment Benefits	-	-	-	-	-	-	-	-	-	-	-	-	1.82	1.36	-	-	-	-	1.82	1.36
Other Long Term Benefits	-	-	-	-	-	-	-	-	-	-	-	-	0.27	0.25	-	-	-	-	0.27	0.25
Share Based Payment	-	-	-	-	-	-	-	-	-	-	-	-	3.06	1.51	-	-	-	-	3.06	1.51

Outstanding Balances

₹ Crore

	Receivables			Payables			Guarantees Outstanding			Commitments		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Holding Company	-	0.66	3.04	-	-	2.99	-	-	-	-	1.86	4.13
Subsidiary Companies	58.62	62.82	36.83	0.45	0.05	2.86	4,116.85	2,904.50	882.39	-	-	-
Fellow Subsidiaries	-	1.58	3.97	-	2.62	1.14	-	(27.71)	(41.35)	-	15.42	0.62
Associate Company	0.08	0.07	0.07	-	-	0.03	-	-	-	0.01	0.01	-
Investing Entity in which the reporting entity is an associate	2.45	-	-	1.12	-	-	(26.88)	-	-	0.50	-	-
Common Control	0.32	-	-	-	-	-	(1.21)	-	-	12.08	-	-
Key Management Personnel and Relatives	-	-	-	22.81	27.35	15.57	-	-	-	-	-	-
Controlled Trust	-	-	-	-	-	-	-	-	-	-	-	-
Post employment benefit trust	-	-	-	1.14	1.00	0.84	-	-	-	-	-	-
Total	**61.47**	**65.13**	**43.91**	**25.52**	**31.02**	**23.43**	**4,088.76**	**2,876.79**	**841.04**	**12.59**	**17.29**	**4.75**

NOTE 42 : LEASES

The Company's significant leasing agreements are in respect of operating lease for Computers and Premises (office, godown, etc.) and the aggregate lease rentals payable are charged as rent. The Total lease payments accounted for the year ended March 31, 2017 is ₹ 14.22 crore *(previous year ₹ 15.41 crore).*

The future minimum lease payments outstanding under non-cancellable operating leases are as follows:

₹ Crore

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Not later than one year	**11.02**	13.63	10.57
Later than one year and not later than five years	**19.99**	29.48	37.46
Later than five years	**-**	-	1.14
TOTAL	**31.01**	43.11	49.17

The Company has entered into an agreement to give one of its office building on operating lease effective May 2015. Total lease rentals earned during the year ended March 31, 2017 amounting to ₹ 9.12 crore have been netted off against rent expense of ₹ 9.12 crore in Note 36 for similar premises in the same building.

The future minimum lease rental receivable under the non-cancellable operating lease is as follows:

₹ Crore

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Not later than one year	**9.12**	9.12	7.99
Later than one year and not later than five years	**19.39**	28.52	36.50
Later than five years	**-**	-	1.14
TOTAL	**28.51**	37.64	45.63

NOTE 43 : HEDGING CONTRACTS

The Company uses forward exchange contracts to hedge its foreign exchange exposure relating to the underlying transactions and firm commitment in accordance with its forex policy as determined by its Forex Committee. The Company does not use foreign exchange forward contracts for trading or speculation purposes.

Forward/ Spot Contracts outstanding are as follows:

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	In million		In million		In million	
Forward Contracts to Purchase (USD)	**US**	**$4.53**	US $	6.28	US $	4.01
[12 contracts (31-Mar-16: 19 contracts; 1-Apr-15: 4 contracts)]						
Spot Contract to Purchase (USD)	**$**	**-**	US $	0.25	$	-
[NIL contracts (31-Mar-16: 1 contract; 1-Apr-15: NIL contracts)]						
Forward Contracts to Sell (EUR)	**€**	**1.05**	€	4.76	€	2.00
[2 contracts (31-Mar-16: 11 contracts; 1-Apr-15: 3 contracts)]						

NOTE 44 : EMPLOYEE BENEFITS

a) DEFINED CONTRIBUTION PLAN

Provident Fund:

The contributions to the Provident Fund of certain employees (including some employees of the erstwhile Godrej Household Products Ltd) are made to a Government administered Provident Fund and there are no further obligations beyond making such contribution. The Superannuation Fund constitutes an insured benefit, which is classified as a defined contribution plan as the Company contributes to an Insurance Company and has no further obligation beyond making payment to the insurance company.

b) DEFINED BENEFIT PLAN

Gratuity:

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

The Gratuity scheme of the erstwhile Godrej Household Products Ltd., which was obtained pursuant to the Scheme of Amalgamation, is funded through Unit Linked Gratuity Plan with HDFC Standard Life Insurance Company Limited.

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

The Company has a gratuity trust. However, the Company funds its gratuity payouts from its cash flows. Accordingly, the Company creates adequate provision in its books every year based on actuarial valuation.

These benefit plans expose the Company to actuarial risks, such as longevity risk, interest rate risk and investment risk.

Provident Fund:

The Company 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.

c) Amounts Recognised as Expense:

i) Defined Contribution Plan

Employer's Contribution to Provident Fund including contribution to Family Pension Fund amounting to ₹ 9.93 crore *(previous year ₹ 8.80 crore)* has been included under Contribution to Provident and Other Funds.

ii) Defined Benefit Plan

Gratuity cost amounting to ₹ 4.52 crore (previous year ₹ 3.07 crore) has been included in Note 33 under Contribution to Provident and Other Funds.

d) **The amounts recognised in the Company's financial statements as at year end are as under:**

₹ Crore

		As at March 31, 2017	As at March 31, 2016
i)	**Change in Present Value of Obligation**		
	Present value of the obligation at the beginning of the year	**33.29**	28.75
	Current Service Cost	**2.40**	2.04
	Interest Cost	**2.66**	2.29
	Actuarial (Gain) / Loss on Obligation- Due to Change in Demographic Assumptions	**3.77**	-
	Actuarial (Gain) / Loss on Obligation- Due to Change in Financial Assumptions	**6.28**	(0.15)
	Actuarial (Gain) / Loss on Obligation- Due to Experience	**1.85**	2.42
	Benefits Paid	**(2.18)**	(2.06)
	Present value of the obligation at the end of the year	**48.07**	33.29
ii)	**Change in Plan Assets**		
	Fair value of Plan Assets at the beginning of the year	**5.53**	7.21
	Interest Income	**0.44**	0.57
	Return on plan assets excluding interest income	**0.12**	(0.19)
	Benefits Paid	**(2.18)**	(2.06)
	Fair value of Plan Assets at the end of the year	**3.91**	5.53
iii)	**Amounts Recognised in the Balance Sheet:**		
	Present value of Obligation at the end of the year (as at 1-April-15 ₹ 28.75 crore)	**48.07**	33.29
	Fair value of Plan Assets at the end of the year (as at 1-April-15 ₹ 7.21 crore)	**3.91**	5.53
	Funded status - Deficit	**44.16**	27.76
	Net Liability recognised in the Balance Sheet (as at 1-April-15 ₹ 21.54 crore)	**44.16**	27.76
iv)	**Amounts Recognised in the Statement of Profit and Loss:**		
	Current Service Cost	**2.40**	2.04
	Interest Cost on Obligation	**2.22**	1.72
	Net Cost Included in Personnel Expenses	**4.62**	3.76
v)	**Recognised in other comprehensive income for the year**		
	Actuarial (Gain) / Loss on Obligation	**11.90**	2.27
	Return on plan assets excluding interest income	**(0.12)**	0.19
	Recognised in other comprehensive income	**11.78**	2.46
vi)	**Weighted average duration of Present Benefit Obligation**	**6 years**	10 years
vii)	**Estimated contribution to be made in next financial year**	**6.98**	6.35
viii)	**Major categories of Plan Assets as a % of total Plan Assets**		
	Insurer Managed Funds (as at 1-April-15 100%)	**100%**	100%
ix)	**Actuarial Assumptions**		
	i) Discount Rate (as at 1-April-15 7.96% P.A)	**6.82% P.A.**	8.01% P.A.
	ii) Salary Escalation Rate (as at 1-April-15 5.5% P.A)	**7.00% P.A.**	5.50% P.A.
	iii) Mortality	**Indian Assured Lives Mortality (2006-08) Ultimate**	

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

		As at March 31, 2017	As at March 31, 2016
x)	**Maturity Analysis of Projected Benefit Obligation: From the Fund**		
	Projected Benefits Payable in Future Years From the Date of Reporting		
	Within the next 12 months	**10.34**	4.92
	2nd Following Year	**4.11**	1.14
	3rd Following Year	**4.00**	2.81
	4th Following Year	**4.21**	1.32
	5th Following Year	**3.82**	2.11
	Sum of Years 6 To 10	**19.14**	12.28

xi) Sensitivity analysis

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

	March 31, 2017		March 31, 2016	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(2.53)	2.85	(2.74)	3.20
Future salary growth (1% movement)	2.82	(2.55)	3.25	(2.83)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Other details

Methodology Adopted for ALM	Projected Unit Credit Method
Usefulness and Methodology adopted for Sensitivity analysis	Sensitivity analysis is an analysis which will give the movement in liability if the assumptions were not proved to be true on different count. This only signifies the change in the liability if the difference between assumed and the actual is not following the parameters of the sensitivity analysis.
Comment on Quality of Assets	Since investment is with insurance company, Assets are considered to be secured.

NOTE 45 : EMPLOYEE STOCK BENEFIT PLANS

I. EMPLOYEE STOCK OPTION PLAN OF ERSTWHILE GODREJ HOUSEHOLD PRODUCTS LTD

a. Under the Scheme of Amalgamation, the Company has obtained the 'Godrej Sara Lee Limited Employees Stock Option Plan' set up for eligible employees of the erstwhile Godrej Household Products Limited. The equity shares of Godrej Industries Limited (GIL) are the underlying equity shares for the stock option plan. The ESOP Scheme is administered by an independent ESOP Trust created with IL&FS Trust Company Limited. The independent ESOP Trust has purchased shares of GIL from the market against which the options have been granted. The purchases have been financed by loans from the erstwhile Godrej Household Products Limited, which together with interest amounted to ₹ 1.35 crore as at beginning of the year. The ESOP Trust has made a net repayment of the loan amounting to ₹ 0.61 crore during the year and the Company has made a further contribution of ₹ 0.11 crore during the year. The total amount of loans outstanding together with interest thereon as at March 31, 2017 amounts to ₹ 0.96 crore which had been fully adjusted against the reserves in accordance with the scheme of amalgamation duly approved by the Hon'ble High Court of Judicature at Bombay in FY 2010-11. The repayment of the loans granted to the ESOP Trust and interest thereon is dependent on the exercise of the options by the employees and the market price of the underlying shares of the unexercised options at the end of the exercise period.

b) The status of the above plan (since inception) is as under:	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Options Granted	-	21,29,000	21,29,000
Options Vested	-	-	-
Options Exercised	-	20,000	-
Options Lapsed / Forfeited, pending sale	-	15,000	-
Options Lapsed / Forfeited and sold	-	20,94,000	20,94,000
Total Number of Options Outstanding	-	-	**35,000**

II. EMPLOYEE STOCK GRANT SCHEME

a) The Company set up the Employees Stock Grant Scheme 2011 (ESGS) pursuant to the approval by the Shareholders on March 18, 2011.

b) The ESGS Scheme is effective from April 1, 2011, (the Effective Date) and shall continue to be in force until (i) its termination by the Board or (ii) the date on which all of the shares to be vested under Employee Stock Grant Scheme 2011 have been vested in the Eligible Employees and all restrictions on such Stock Grants awarded under the terms of ESGS Scheme, if any, have lapsed, whichever is earlier.

c) The Scheme applies to the Eligible Employees of the Company or its Subsidiaries. The entitlement of each employee will be decided by the Compensation Committee of the Company based on the employee's performance, level, grade, etc.

d) The total number of Stock Grants to be awarded under the ESGS Scheme are restricted to 2,500,000 (Twenty Five Lac) fully paid up equity shares of the Company. Not more than 500,000 (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.

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

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

g) The Exercise Price of the shares has been fixed at ₹ 1 per share. The fair value value is treated as Employee Compensation Expenses 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.

h) The details of the scheme are as below:

Scheme	Grant Date	No. of Options	Vesting Condition	Exercise Price (₹) per share	Weighted average Exercise Price (₹) per share	Exercise period
Employees Stock Grant Scheme 2011	From 2011 to 2016	5,23,595	Vested in the proportion of 1/3rd at the end of each year	1.00	1.00	within 1 month from the date of vesting

Movement in the number of share options during the year:

	As at March 31, 2017	As at March 31, 2016
Outstanding at the beginning of the year	**1,41,096**	**1,74,121**
Add: Granted during the year	**58,376**	71,230
Less: Exercised during the year	**66,993**	86,922
Less: Forfeited/ lapsed during the year	**3,584**	17,333
Outstanding at the end of the year	**1,28,895**	**1,41,096**

Weighted average remaining contractual life of options as at 31st March, 2017 was 1.56 years (31-Mar-16: 1.95 years and 01-Apr-15: 2.09 years).
Weighted average equity share price at the date of exercise of options during the year was ₹ 1,558.62 (previous year ₹ 1223.84).

The fair value of the employee share options has been measured using the Black-Scholes formula. The following assumptions were used for calculation of fair value of grants:

	As at March 31, 2017	As at March 31, 2016
Risk-free interest rate (%)	**7.04%**	**8.71%**
Expected life of options (years)	**2.00**	2.00
Expected volatility (%)	**32.21%**	33.20%
Dividend yield	**0.39%**	0.51%
The price of the underlying share in market at the time of option grant (₹)	**1481.60**	**1124.20**

III. Pursuant to SEBI notification dated January 17, 2013, no further securities of the Company will be purchased from the open market.

NOTE 46 : CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

Expenditure related to CSR as per section 135 of the Companies Act, 2013 read with Schedule VII thereof, against the mandatory spend of ₹ 16.38 crore (previous year ₹ 14.22 crore):

₹ Crore

	Year ended March 31, 2017	Year ended March 31, 2016
Revenue Expenditure on CSR activities	**16.52**	14.57
TOTAL	**16.52**	**14.57**

NOTE 47 : SPECIFIED BANK NOTES

During the year, the Company had Specified Bank Notes (SBNs) or Other Denomination Notes as defined in the MCA Notification No. GSR 308E dated 30th March 2017. The details of SBN and other notes held and transacted during the period from November 8, 2016 to December 30, 2016 as per the notification is given below:

Particulars	SBNs	Other denomination notes	Total
Closing Cash on Hand as on 08.11.2016	7,64,000	1,51,420	9,15,420
(+) Permitted Receipts	17,500	6,36,140	6,53,640
(-) Permitted Payments	-	3,76,875	3,76,875
(-) Amount Deposited in Banks	7,81,500	24,094	8,05,594
Closing Cash on Hand as on 30.12.2016	-	3,86,591	3,86,591

The term Specified Bank Notes shall have the same meaning provided in the notifications of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407 (E), dated 8th November, 2016.

NOTE 48 : FINANCIAL INSTRUMENTS

A. 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.

₹ Crore

As at March 31, 2017	Carrying amount / Fair Value				Fair value Hierarchy			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non Current								
Investments								
Non-convertible Debentures with Non-Banking Financial Companies	-	-	153.66	153.66	-	153.89	-	153.89
Deposits with Non-Banking Financial Companies	-	-	62.85	62.85	-	62.85	-	62.85
Loans	-	-	15.33	15.33	-	-	-	-
Other Non-Current Financial Assets	-	-	12.08	12.08	-	-	-	-
Current								
Investments								
Non-convertible Debentures with Non-Banking Financial Companies	-	-	52.78	52.78	-	52.89	-	52.89
Mutual Funds	425.56	-	-	425.56	-	425.56	-	425.56
Deposits with Non-Banking Financial Companies	-	-	174.52	174.52	-	174.52	-	174.52
Trade receivables	-	-	209.33	209.33	-	-	-	-
Cash and cash equivalents	-	-	86.54	86.54	-	-	-	-
Other Bank balances	-	-	10.46	10.46	-	-	-	-
Loans	-	-	0.11	0.11	-	-	-	-
Other Current Financial Assets	-	-	9.00	9.00	-	-	-	-
	425.56	**-**	**786.66**	**1,212.22**	**-**	**869.71**	**-**	**869.71**
Financial liabilities								
Current								
Borrowings (Commercial Paper)	-	-	148.97	148.97	-	148.97	-	148.97
Trade and other payables	-	-	1,120.36	1,120.36	-	-	-	-
Other Current Financial Liabilities (including Derivative Financial Instruments)	0.34	-	33.84	34.18	-	0.34	-	0.34
	0.34	**-**	**1,303.17**	**1,303.51**	**-**	**149.31**	**-**	**149.31**

₹ Crore

As at March 31, 2016	Carrying amount / Fair Value				Fair value Hierarchy			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non Current								-
Loans	-	-	14.30	14.30	-	-	-	-
Other Non-Current Financial Assets	-	-	0.06	0.06	-	-	-	-
Current								
Investments				-	-	-	-	-
Mutual Funds	61.86	-	-	61.86	-	61.86	-	61.86
Deposits with Non-Banking Financial Companies	-	-	81.45	81.45	-	81.45	-	81.45
Trade receivables	-	-	276.94	276.94	-	-	-	-
Cash and cash equivalents	-	-	40.57	40.57	-	-	-	-
Other Bank balances	-	-	115.71	115.71	-	-	-	-
Loans	-	-	0.11	0.11	-	-	-	-
Other Current Financial Assets	-	-	3.47	3.47	-	-	-	-
	61.86	**-**	**532.61**	**594.47**	**-**	**143.31**	**-**	**143.31**
Financial liabilities								
Current								
Borrowings (Export Packing Credit)	-	-	2.75	2.75	-	-	-	-
Trade and other payables	-	-	851.32	851.32	-	-	-	-
Other Current Financial Liabilities (including Derivative Financial Instruments)	0.52	-	21.36	21.88	-	0.52	-	0.52
	0.52	**-**	**875.43**	**875.95**	**-**	**0.52**	**-**	**0.52**

₹ Crore

As at March 31, 2015	Carrying amount / Fair Value				Fair value Hierarchy			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non Current								
Loans	-	-	14.80	14.80	-	-	-	-
Other Non-Current Financial Assets	-	-	0.06	0.06	-	-	-	-
Current								
Investments								
Mutual Funds	151.59	-	-	151.59	-	151.59	-	151.59
Trade receivables	-	-	142.94	142.94	-	-	-	-
Cash and cash equivalents	-	-	169.86	169.86	-	-	-	-
Other Bank balances	-	-	332.61	332.61	-	-	-	-
Loans			0.32	0.32				
Other Current Financial Assets (including Derivative Financial Instruments)	1.46	-	2.25	3.71	-	1.46	-	1.46
	153.05	**-**	**662.84**	**815.89**	**-**	**153.05**	**-**	**153.05**
Financial liabilities								
Current								
Borrowings (Cash Credit)	-	-	0.34	0.34	-	-	-	-
Trade and other payables	-	-	992.12	992.12	-	-	-	-
Other Current financial liabilities								
Current maturities of long term debt	-	-	260.20	260.20	-	260.20	-	260.20
Others	-	-	31.47	31.47	-	-	-	-
	-	**-**	**1,284.13**	**1,284.13**	**-**	**260.20**	**-**	**260.20**

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)

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

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

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Mutual Fund Investments	NAV quoted by the Mutual Fund	NA	NA
Investments in Non Convertible Debenture with Non-Banking Financial Companies	Broker Quote	NA	NA
Deposits with Non-Banking Financial Companies	Present Value of expected cashflows using an appropriate discounting rate	NA	NA
Commercial Paper issued by the Company	Present Value of expected cashflows using an appropriate discounting rate	NA	NA
Zero Coupon, Unsecured, Redeemable, Non Convertible Debenture issued by the Company	Present Value of expected cashflows using an appropriate discounting rate	NA	NA
Derivative Financial Instruments	MTM from Banks	NA	NA

NOTE 49 : FINANCIAL RISK MANAGEMENT

The activities of the Company exposes it to a number of financial risks namely market risk, credit risk and liquidity risk. The Company seeks to minimize the potential impact of unpredictability of the financial markets on its financial performance. The Company has constituted a Risk Management Committee and risk management policies which are approved by the Board to identify and analyze the risks faced by the Company and to set and monitor appropriate risk limits and controls for mitigation of the risks.

A. MANAGEMENT OF MARKET RISK:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks: interest rate risk, price risk and currency rate risk. Financial instruments affected by market risk includes borrowings, investments and derivative financial instruments. The Company has international trade operations and is exposed to a variety of market risks, including currency and interest rate risks.

(i) Management of interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any exposure to interest rate risks since its borrowings and investments are all in fixed rate instruments.

(ii) Management of price risk:

The Company invests its surplus funds in various debt instruments including liquid and short term schemes of debt mutual funds, deposits with banks and financial institutions and non-convertible debentures (NCD's). Investments in mutual funds and NCD's are susceptible to market price risk, arising from changes in interest rates or market yields which may impact the return and value of the investments. This risk is mitigated by the Company by investing the funds in various tenors depending on the liquidity needs of the Company.

(iii) Management of currency risk:

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has foreign currency trade payables and receivables and is therefore exposed to foreign exchange risk. The Company mitigates the foreign exchange risk by setting appropriate exposure limits, periodic monitoring of the exposures and hedging exposures using derivative financial instruments like foreign exchange forward contracts. The exchange rates have been volatile in the recent years and may continue to be volatile in the future. Hence the operating results and financials of the Company may be impacted due to volatility of the rupee against foreign currencies.

Exposure to currency risk (Exposure in different currencies converted to functional currency i.e. INR)

The currency profile of financial assets and financial liabilities as at March 31, 2017, March 31, 2016 and April 1, 2015 are as below:

₹ Crore

	March 31, 2017 GBP	March 31, 2017 USD	March 31, 2017 EURO	March 31, 2017 ZAR	March 31, 2017 AED	March 31, 2017 Others
Financial assets						
Cash and cash equivalents	-	27.96	0.27	-	-	-
Trade and other receivables	1.29	60.55	28.56	-	1.11	-
Less: Forward contracts for trade receivables	-	-	(7.28)	-	-	-
Other Non-Current Financial Assets	-	12.02	-	-	-	-
Other Current Financial Assets	-	3.94	-	-	-	-
	1.29	**104.47**	**21.55**	**-**	**1.11**	**-**
Financial liabilities						
Trade and other payables	0.44	109.63	5.93	-	-	-
Less: Forward contracts for trade payables	-	(29.35)	-	-	-	-
Other Current Financial Liabilities	-	0.12	-	-	-	-
	0.44	**80.40**	**5.93**	**-**	**-**	**-**
Net exposure	**0.85**	**24.07**	**15.62**	**-**	**1.11**	**-**

₹ Crore

	March 31, 2016 GBP	March 31, 2016 USD	March 31, 2016 EURO	March 31, 2016 ZAR	March 31, 2016 AED	March 31, 2016 Others
Financial assets						
Cash and cash equivalents	-	5.21	0.05	-	-	-
Trade and other receivables	0.27	76.44	34.27	-	-	-
Less: Forward contracts for trade receivables	-	-	(32.12)	-	-	-
	0.27	**81.65**	**2.21**	**-**	**-**	**-**
Financial liabilities						
Trade and other payables	-	97.70	5.89	-	-	-
Less: Forward contracts for trade payables	-	(16.78)	-	-	-	-
	-	**80.93**	**5.89**	**-**	**-**	**-**
Forecasted sales	-	-	3.77	-	-	-
Less: Forward contracts on forecasted sales	-	-	(3.77)	-	-	-
Net exposure	**0.27**	**0.72**	**(3.69)**	**-**	**-**	**-**

₹ Crore

	April 1, 2015 GBP	April 1, 2015 USD	April 1, 2015 EURO	April 1, 2015 ZAR	April 1, 2015 AED	April 1, 2015 Others
Financial assets						
Cash and cash equivalents	-	21.71	4.34	-	-	-
Trade and other receivables	0.05	45.77	16.89	-	-	-
Less: Forward contracts for trade receivables	-	-	(13.44)	-	-	-
	0.05	**67.48**	**7.79**	**-**	**-**	**-**
Trade and other payables	(0.02)	105.33	3.39	-	-	-
Less: Forward contracts for trade payables	-	(25.04)	-	-	-	-
Other Current Financial Liabilities		(0.50)	0.04	-	-	-
	(0.02)	**79.78**	**3.43**	**-**	**-**	**-**
Net exposure	**0.07**	**(12.30)**	**4.36**	**-**	**-**	**-**

The following significant exchange rates have been applied during the year.

INR	Year-end spot rate as at March 31, 2017	March 31, 2016	April 1, 2015
GBP INR	80.90	95.47	92.47
USD INR	64.85	66.26	62.50
EUR INR	69.29	75.40	67.19
ZAR INR	4.85	4.50	5.12
AED INR	18.49	18.04	17.02

Sensitivity analysis

A reasonably possible 5% strengthening (weakening) of the Indian Rupee against GBP/USD/EURO/AED at March 31 would have affected the measurement of financial instruments denominated in GBP/USD/EURO/AED and affected 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.

₹ Crore

	Profit or loss	
Effect in INR	**Strengthening**	**Weakening**
March 31, 2017		
5% movement		
GBP	0.04	(0.04)
USD	1.20	(1.20)
EUR	0.78	(0.78)
AED	0.06	(0.06)
	2.08	**(2.08)**

₹ Crore

	Profit or loss	
Effect in INR	**Strengthening**	**Weakening**
March 31, 2016		
5% movement	0.01	(0.01)
GBP	0.04	(0.04)
USD	(0.18)	0.18
EUR	**(0.13)**	**0.13**

B. MANAGEMENT OF CREDIT RISK:

Credit risk refers to the risk of default on its obligations by a counterparty to the Company resulting in a financial loss to the Company. The Company is exposed to credit risk from its operating activities (trade receivables) and from its financing activities including investments in mutual funds, deposits with banks and financial institutions and NCD's, foreign exchange transactions and financial instruments.

Credit risk from trade receivables is managed through the Company's policies, procedures and controls relating to customer credit risk management by establishing credit limits, credit approvals and monitoring creditworthiness of the customers to which the Company extends credit in the normal course of business. Outstanding customer receivables are regularly monitored. The Company has no concentration of credit risk as the customer base is widely distributed.

Credit risk from investments of surplus funds is managed by the Company's treasury in accordance with the Board approved policy and limits. Investments of surplus funds are made only with those counterparties who meet the minimum threshold requirements prescribed by the Board. The Company monitors the credit ratings and financial strength of its counter parties and adjusts its exposure accordingly.

At March 31, 2017, the ageing for the financial assets as mentioned in the note below & that were not impaired (not provided for) was as follows.

Trade receivables ₹ Crore

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Neither past due nor impaired	144.97	149.29	85.14
Past due 1–90 days	48.24	97.62	49.93
Past due 91–120 days	2.23	5.65	2.65
Past due 120 days	13.89	24.38	5.22
	209.33	**276.94**	**142.94**

Management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available.

	Trade receivables Impairments
Balance as at April 1, 2015	6.74
Impairment loss recognised	0.18
Amounts written off	**(3.92)**
Balance as at March 31, 2016	3.00
Impairment loss recognised	2.07
Balance as at March 31, 2017	**5.07**

C. MANAGEMENT OF LIQUIDITY RISK:

Liquidity risk is the risk that the Company may not be able to meet its present and future cash obligations without incurring unacceptable losses. The Company's objective is to maintain at all times, optimum levels of liquidity to meet its obligations. The Company closely monitors its liquidity position and has a robust cash management system. The Company maintains adequate sources of financing including debt and overdraft from domestic and international banks and financial markets at optimized cost.

Exposure to liquidity risk

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

₹ Crore

March 31, 2017	Carrying amount	Contractual cash flows				
		Total	Less than 1 Year	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Commercial papers	148.97	150.00	150.00	-	-	-
Trade and other payables	1,120.36	1,120.36	1,120.36	-	-	-
Other Financial Liabilities	33.84	33.84	33.84	-	-	-
Derivative financial liabilities						
Forward exchange contracts used for hedging						
- Outflow	37.43	37.43	37.43	-	-	-
- Inflow	37.10	37.10	37.10	-	-	-

₹ Crore

March 31, 2016	Carrying amount	Contractual cash flows				
		Total	Less than 1 Year	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Export packing credit	2.75	2.75	2.75	-	-	-
Trade and other payables	851.32	851.32	851.32	-	-	-
Other Financial Liabilities	21.36	21.36	21.36	-	-	-
Derivative financial liabilities						
Forward exchange contracts used for hedging						
- Outflow	53.07	53.07	53.07	-	-	-
- Inflow	52.55	52.55	52.55	-	-	-

₹ Crore

April 1, 2015	Carrying amount	Contractual cash flows				
		Total	Less than 1 Year	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Zero Coupon, Unsecured, Redeemable, Non Convertible Debenture	260.20	277.64	277.64	-	-	-
Working capital loans from banks	0.34	0.34	0.34	-	-	-
Trade and other payables	992.12	992.12	992.12	-	-	-
Other Financial Liabilities	31.47	31.47	31.47	-	-	-
Derivative financial liabilities						
Forward exchange contracts used for hedging						
- Outflow	41.40	41.40	41.40	-	-	-
- Inflow	42.86	42.86	42.86	-	-	-

NOTE 50 : HEDGE ACCOUNTING

The objective of hedge accounting is to represent, in the Company's financial statements, the effect of the Company's use of financial instruments to manage exposures arising from particular risks that could affect profit or loss. As part of its risk management strategy, the Company makes use of financial derivative instruments, including foreign exchange forward contracts, for hedging the risk embedded in some of its highly probable forecast investment.

For derivative contracts designated as hedge, the Company documents, at inception, the economic relationship between the hedging instrument and the hedged item, the hedge ratio, the risk management objective for undertaking the hedge and the methods used to assess the hedge effectiveness. The derivative contracts have been taken to hedge foreign currency risk on our highly probable forecast investment. The tenor of hedging instrument may be less than or equal to the tenor of underlying highly probable forecast investment.

Financial contracts designated as hedges are accounted for in accordance with the requirements of Ind AS 109 depending upon the type of hedge. The Company applies cash flow hedge accounting to hedge the variability in the future cash flows on the overseas remittance to its subsidiaries subject to foreign exchange risk.

The Company has a Board approved policy on assessment, measurement and monitoring of hedge effectiveness which provides a guideline for the evaluation of hedge effectiveness, treatment and monitoring of the hedge effective position from an accounting and risk monitoring perspective. Hedge effectiveness is ascertained at the time of inception of the hedge and periodically thereafter. The Company assesses hedge effectiveness on prospective basis. The prospective hedge effectiveness test is a forward looking evaluation of whether or not the changes in the fair value or cash flows of the hedging position are expected to be highly effective in offsetting the changes in the fair value or cash flows of the hedged position over the term of the relationship.

Hedge effectiveness is assessed through the application of critical terms match method & dollar off-set method. Any ineffectiveness in a hedging relationship is accounted for in the statement of profit and loss.

The table below enumerates the Company's hedging strategy, typical composition of the Company's hedge portfolio, the instruments used to hedge risk exposures and the type of hedging relationship:

Sr No	Type of risk/ hedge position	Hedged item	Description of hedging strategy	Hedging instrument	Description of hedging instrument	Type of hedging relationship
1	Currency risk hedge	Highly Probable Foreign currency (FCY) denominated investment in Overseas Subsidiary	FCY denominated highly probable forecast investment is converted into functional currency using a plain vanila foreign currency forward contract.	Foriegn Exchange forward contracts	Forward contracts are contractual agreements to buy or sell a specified financial instrument at a specific price and date in the future. These are customized contracts transacted in the over–the–counter market.	Cash flow hedge

The tables below provide details of the derivatives that have been designated as cash flow hedges for the year presented:

For the period ended 31 March 2017

Hedging Instrument	Notional principal amounts	Derivative Financial Instruments - Assets	Derivative Financial Instruments – Liabilities	Gain/ (Loss) due to change in fair value	Change in fair value for the year recognized in OCI	Ineffectiveness recognized in profit or loss	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from the hedge reserve to profit or loss	Line item in profit or loss affected by the reclassification
Foreign exchange forward contracts	-	-	-	(1.16)	(1.16)	-	NA	NA	NA

The following table provides a reconciliation by risk category of the components of equity and analysis of OCI items resulting from hedge accounting:

	Movement in Cash flow hedge reserve for the years ended	
	31 March 2017	31 March 2016
Opening balance	-	-
Effective portion of changes in fair value:	-	-
a) Interest rate risk	-	-
b) Currency risk	(1.16)	-
Net amount reclassified to profit or loss:	-	-
a) Interest rate risk	-	-
b) Currency risk	-	-
Tax on movements on reserves during the year	0.41	-
Closing balance	(0.75)	-

Disclosure of effects of hedge accounting on financial performance for the year ended March 31, 2017

Type of hedge	Change in the value of the hedging instrument recognised in OCI	Hedge ineffectieness recognisd in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash Flow Hedge				
Foreign exchange risk	(1.16)	-	-	NA
Interest rate risk	-	-	-	NA

NOTE 51 : FIRST TIME ADOPTION TO IND AS

As stated in Note 2, the Company's financial statements for the year ended March 31, 2017 are the first annual financial statements prepared in compliance with Ind AS. The adoption of Ind AS was carried out in accordance with Ind AS 101, using April 1, 2015 as the transition date. Ind AS 101 requires that all Ind AS standards that are effective for the first Ind AS financial statements for the year ended March 31, 2017, be applied consistently and retrospectively for all fiscal years presented.

All applicable Ind AS have been applied consistently and retrospectively wherever required. The resulting difference between the carrying amounts of the assets and liabilities in the financial statements under both Ind AS and Previous GAAP as of the transition date have been recognized directly in equity at the transition date.

In preparing these financial statements, the Company has availed itself of certain exemptions and exceptions in accordance with Ind AS 101 as explained below:

a) Optional Exemptions from retrospective application availed:

(i) Business combination exemption: The Company has applied the exemption as provided in Ind AS 101 on non-application of Ind AS 103, "Business Combinations" to business combinations consummated prior to the date of transition (April 1, 2015). Pursuant to this exemption, goodwill arising from business combination has been stated at the carrying amount under Previous GAAP IND AS 103 will be applied prospectively to business combinations occurring after its transition date.

(ii) Share-based payment exemption: The Company has elected not to apply Ind AS 102, "Share Based Payment", to grants that vested prior to the date of transition i.e. April 1, 2015

(iii) **Property, plant and equipment exemption**: The Company has elected to apply the exemption available under Ind AS 101 to continue the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind ASs, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (April 1, 2015).

(iv) **Investment in subsidiaries and associates:** The Company has elected to apply the exemption available under Ind AS 101 to continue the carrying value for its investments in subsidiaries and associates property as recognised in the financial statements as at the date of transition to Ind ASs, measured as per the previous GAAP as at the date of transition (April 1, 2015).

b) Mandatory exceptions from retrospective application

(i) **Estimates:** On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

(ii) **Classification and measurement of financial assets:** The Company has classified and measured the financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

(iii) **Derecognition of financial assets and financial liabilities:** The Company has opted to apply the exemption available under Ind AS 101 to apply the derecognition criteria of Ind AS 109 prospectively for the transactions occurring on or after the date of transition to Ind AS.

c) Transition to Ind AS Reconciliations:

The following reconciliations provide the explanations and quantifications of the differences arising from the transition from previous GAAP to Ind AS in accordance with Ind AS 101:

I. Reconciliation of Total Equity as at March 31, 2016 and April 1, 2015
II. Reconciliation of Total Comprehensive income for the year ended March 31, 2016
III. Adjustments to Statement of Cash Flows for the year ended March 31, 2016

i) **Reconciliation of Total Equity** ₹ Crore

Particulars	Footnote ref.	As at March 31, 2016	As at April 1, 2015
Total Equity as per Indian GAAP		**3,823.25**	**3,383.05**
Summary of Ind AS adjustments			
Reversal of Amortisation of brands under IGAAP	1	52.75	-
Deferred tax on Ind AS Adjustments	2	(204.54)	(181.35)
Interim dividend recognised on approval	3	112.71	102.44
Other Ind AS adjustments*		(0.28)	(21.99)
Total Ind AS adjustments		**(39.36)**	**(100.90)**
Total Equity as per Ind AS		**3,783.89**	**3,282.15**

* Other IND AS adjustments include notional income from corporate guarantees in favour of subsidiaries, fair valuation of financial instruments, discounting of trade payables on deferred settlement basis, accounting for sales return, etc.

ii) **Reconciliation of Comprehensive income for the year ended on 31 March 2016**

₹ Crore

Particulars	Footnote ref.	Year ended March 31, 2016
Profit After Tax as per Indian GAAP		**739.72**
Summary of Ind AS adjustments		
Fair value gains on financial instruments	4	(0.12)
Redemption Premium on Debentures	5	(17.68)
Notional Income from Corporate Guarantees in favour of subsidiaries	6	18.60
Deferred tax on Ind AS Adjustments	2	(23.20)
Other Ind AS adjustments**		5.35
Other Comprehensive Income (Net of Tax)	7	(1.61)
Total Ind AS adjustments		**(18.66)**
Total Comprehensive income as per Ind AS		**721.06**

** Other IND AS adjustments include provision for sales return, reversal of purchased goodwill amortised under Indian GAAP, etc

iii) Adjustment to the Statement of Cash Flows for the year ended 31st March, 2016

There were no material differences between the Statement of Cash Flows presented under Ind AS and previous GAAP

Note:

Previous GAAP figures have been reclassified/regrouped wherever necessary to conform with Financial Statments prepared under Ind AS

Notes to the reconciliation:

1 Reversal of amortisation of brands and goodwill under IGAAP:

Under Indian GAAP, brands and goodwill were amortized on a straight line basis considering a finite useful life, the amortisation of Goodknight and Hit brands was being debited to reserves under HIgh Court Order. However, under Ind AS, an intangible asset shall be regarded by the entity as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity. Hence, intangible assets are assessed as having indefinite useful life and are not amortised but are tested for impairment at least annually.

2 Deferred tax on Ind AS adjustments

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

3 Interim dividend recognised on approval

Under Indian GAAP, interim dividends are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

4 **Fair value gains on financial instruments**

Under Indian GAAP, the Company accounted for current investments at lower of cost or fair value. Under Ind AS, the Company has classified the mutual funds as subsequently measured at FVTPL. Such instruments are fair valued at each reporting date and the changes in fair value are recorded through profit and loss account. At the date of transition to Ind AS, difference between the instruments' fair value and Indian GAAP carrying amount has been recognised in retained earnings.

5 **Redemption premium on debentures**

Under Indian GAAP, redemption premium on debentures and bonds was debited to securities premium account i.e. through equity. However under Ind AS, debentures are a financial liability carried at amortised cost. Accordingly, the same are measured using effective interest rate method. Such finance cost related to a financial liability has to be recorded through profit and loss account instead of equity.

6 **Notional income from corporate guarantees in favour of subsidiaries**

The Company has given financial guarantees on behalf of subsidiaries which were disclosed as contingent liabilities under Indian GAAP. Under Ind AS, financial guarantee contracts are accounted as financial liabilities and measured initially at fair value. Subsequently, the guarantee income is recognised over the period of the guarantee on a straight line basis.

7 **Other comprehensive income**

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

NOTE 52 : DISCLOSURE U/S 186 (4) OF THE COMPANIES ACT, 2013

Details of Investments made are disclosed under Note 5 and details of corporate guarantees given to banks on behalf of other body corporates are disclosed under Note 40.

NOTE 53 : SUBSEQUENT EVENTS

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

NOTE 54 :

The financial statements were authorised for issue by the Board of Directors on May 9, 2017.

NOTE 55 : GENERAL

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crore as per the requirements of Schedule III, unless otherwise stated.