

STANDALONE FINANCIALS

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**INDEPENDENT AUDITOR'S
REPORT
TO THE MEMBERS OF GODREJ
CONSUMER PRODUCTS LIMITED**

**Report on the Audit of 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 31 March 2018, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "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 stated 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 state of affairs, profit (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

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

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

future events or conditions may cause an entity to cease to continue as a going concern.

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 state of affairs of the Company as at 31 March 2018, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Other matters

The comparative financial information of the Company for the year ended 31 March 2017 prepared in accordance with Ind AS included in these standalone Ind AS financial statements have been audited by the predecessor auditor who had audited the financial statements for the relevant period. The report of the predecessor auditor on the comparative financial information dated 9 May 2017 expressed an unmodified opinion. Our opinion is not modified in respect of this matter.

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 in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the

matters specified in paragraphs 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, Statement of Changes in Equity and the Cash Flow Statement 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.
- e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the 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 long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018.

For **B S R & Co LLP**
Chartered Accountants
Firm's Registration No.101248W/
W-100022
Vijay Mathur
Partner
M. No.: 046476

Mumbai: May 08, 2018

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were physically verified by the management during the year and the discrepancies reported on such verification were not material and have been properly dealt with in the books of account. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets.
- (c) According to the information and explanations given to us, the title deeds of immovable properties, as disclosed in Note 3 to the standalone Ind AS financial statements are held in the name of the Company.
- (ii) The inventory, except goods-in-transit, has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. In respect of inventory lying with third parties, these have been substantially confirmed by them. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- (iv) The Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of investments made or guarantees provided to the parties covered under Section 186. The Company has not granted any loans or provided any security to the parties covered under Section 186 of the Act.
- (v) The Company has not accepted deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 of the Act and the rules framed thereunder apply. Accordingly, paragraph (v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under sub section (1) of Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess, professional tax and other material statutory dues, as applicable, with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess, professional tax and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax and goods and service tax which have not been deposited with the appropriate authorities on account of any dispute other than those mentioned in the Appendix I to this report.
- (viii) The Company does not have any loans or borrowings from any bank or Government, nor has it issued any debentures. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions.
- (ix) The Company has not raised any money by way of initial public offer, further public offer

- (including debt instruments) and term loans during the year. Accordingly, the provisions of paragraph 3(ix) of the Order are not applicable to the Company.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records, 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 Section 177 and 188 of the Act where applicable. The details of such related party transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For **BSR & Co LLP**

Chartered Accountants

Firm's Registration No. 101248W/

W-100022

Vijay Mathur

Partner

M. No.: 046476

Mumbai: May 08, 2018

Annexure A to the Independent Auditor's Report - 31 March 2018 (Referred to in our report of even date)

Appendix I

Name of the Statute	Nature of dues	Amount in crores* (₹)	Period to which amount relates	Forum where dispute is pending
Central Sales tax Act and Local Sales tax Act	Sales tax (including interest and penalty, if applicable)	23.88	2002 to 2014	Supreme Court
		9.78	1999 to 2010	High court
		0.59	2007 to 2017	Joint commissioner
		1.40	2009-10 2012-13	Joint commissioner (Appeal)
		5.30	2006 to 2014	Appellate authority
		2.42	2010 to 2016	Assessing Officer
		0.17	2005-06	Appellate Assistant
			2006-07	Commissioner
		2.09	2005 to 2007	Assistant Commissioner
			2015-16	
		1.26	2004-05	Appellate and Revisional Board
			2006-07	
The Central Excise Act	Excise duty (including interest and penalty, if applicable)	1.15	2009-10 and 2014-15	Deputy Commissioner
		0.21	1998-99	Deputy Commissioner (Appeals)
		2.33	2000 to 2015	Tribunal
		38.29	2007-08 to 2010-11	Commissioner of Central Excise
		6.62	2004 to 2015	Commissioner (Appeals)
		69.35	2006 to 2015	Customs, Excise and Service Tax Appellate Tribunal of various states
Income tax Act, 1961	Income tax (including interest and penalty, if applicable)	8.31	1993-1996	Supreme Court
		8.63	2005 to 2010	High court
		5.68	2005 to 2006	Income tax Appellate Tribunal

*Net of amounts paid in protest.

Annexure B to the Independent Auditor's Report- 31 March 2018 on Standalone Ind AS Financial Statements

(Referred to in our report of even date)

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

We have audited the internal financial controls over financial reporting of Godrej Consumer Products Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone Ind AS 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 controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). 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 ("the Act").

Auditor's 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 and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 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 controls 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 standalone Ind AS 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 control system over financial reporting.

Reporting

A company's internal financial controls 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 controls 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 controls 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 control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal controls over financial

reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by ICAI.

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

Vijay Mathur
Partner

M. No.: 046476

Mumbai: May 08, 2018

BALANCE SHEET AS AT MARCH 31, 2018

₹ Crore

	Note No.	As at March 31, 2018	As at March 31, 2017
I. ASSETS			
1. Non-current assets			
(a) Property, Plant and Equipment	3	489.68	457.43
(b) Capital work-in-progress		50.58	37.03
(c) Goodwill	4	2.48	2.48
(d) Other Intangible assets	4	821.90	823.59
(e) Intangible assets under development		1.80	2.32
(f) Financial Assets			
(i) Investments in subsidiaries and associates	5	2,949.61	2,785.54
(ii) Other Investments	6	105.20	216.51
(iii) Loans	7	16.32	15.33
(iv) Others	8	4.27	12.08
(g) Other non-current assets	9	46.01	35.92
(h) Non-current Tax Assets (Net)	10	19.66	20.67
Total Non-Current Assets		4,507.51	4,408.90
2. Current assets			
(a) Inventories	11	576.25	561.92
(b) Financial Assets			
(i) Investments	12	847.65	652.86
(ii) Trade receivables	13	248.58	209.33
(iii) Cash and cash equivalents	14 A	86.11	88.00
(iv) Bank balances other than (iii) above	14 B	12.00	10.45
(v) Loans	15	0.25	0.11
(vi) Others	16	193.24	176.35
(c) Other current assets	17	152.49	47.70
		2,116.57	1,746.72
(d) Non-current Assets held for sale	18	-	6.49
Total Current Assets		2,116.57	1,753.21
TOTAL ASSETS		6,624.08	6,162.11
II. EQUITY AND LIABILITIES			
1. EQUITY			
(a) Equity Share capital	19	68.13	34.06
(b) Other Equity	20	4,573.46	4,339.55
Total Equity		4,641.59	4,373.61
2. LIABILITIES			
Non-current liabilities			
(a) Provisions	21	51.66	40.95
(b) Deferred tax liabilities (Net)	22	228.46	224.24
(c) Other non-current liabilities	23	17.75	27.32
Total Non-Current Liabilities		297.87	292.51
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	24	-	148.97
(ii) Trade payables	25	1,452.92	1,120.36
(iii) Other financial liabilities	26	39.00	34.18
(b) Other current liabilities	27	154.81	155.55
(c) Provisions	28	36.93	35.72
(d) Current tax Liabilities (Net)		0.96	1.21
Total Current Liabilities		1,684.62	1,495.99
TOTAL EQUITY AND LIABILITIES		6,624.08	6,162.11

The accompanying notes 1 to 52 are an integral part of the Standalone Financial Statements.

As per our report attached

For B S R & Co. LLP

Chartered Accountants

Firm Regn No. 101248W/W-100022

Vijay Mathur

Partner

M. No. 046476

V Srinivasan

Chief Financial Officer

& Company Secretary

For and on behalf of the Board

Nisaba Godrej

Executive Chairperson

DIN: 00591503

Vivek Gambhir

Managing Director & CEO

DIN: 6527810

Mumbai: May 8, 2018

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

₹ Crore

	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
Revenue			
I Revenue from Operations	29	5,354.74	5,088.99
II Other Income	30	73.89	63.60
III Total Income (I + II)		5,428.63	5152.59
IV Expenses			
Cost of Materials Consumed	31	1,884.95	1,834.77
Purchases of Stock-in-Trade		247.42	216.26
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	32	46.24	(3.79)
Excise Duty		93.72	340.89
Employee Benefits Expense	33	355.51	299.01
Finance Costs	34	51.89	36.06
Depreciation and Amortization Expense	35	63.30	56.68
Other Expenses	36	1,396.59	1,265.54
Total Expenses		4,139.62	4,045.42
V Profit Before Exceptional Items and Tax (III-IV)		1,289.01	1107.17
VI Exceptional Items		-	-
VII Profit Before Tax (V+VI)		1,289.01	1107.17
VIII Tax Expense			
(1) Current Tax		283.28	235.40
(2) Deferred Tax		5.86	24.05
Total Tax Expense		289.14	259.45
IX Profit for the Year (VII-VIII)		999.87	847.72
X Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans		(4.60)	(11.78)
(ii) Income tax relating to item that will not be reclassified to profit or loss		2.63	6.59
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)		997.90	841.78
XI Earnings per Equity Share (Face Value ₹ 1)			
(1) Basic (₹)	37	14.68	12.45
(2) Diluted (₹)		14.67	12.44

The accompanying notes 1 to 52 are an integral part of the Standalone Financial Statements.

As per our report attached

For B S R & Co. LLP

Chartered Accountants

Firm Regn No. 101248W/W-100022

Vijay Mathur

Partner

M. No. 046476

V Srinivasan

Chief Financial Officer

& Company Secretary

For and on behalf of the Board

Nisaba Godrej

Executive Chairperson

DIN: 00591503

Vivek Gambhir

Managing Director & CEO

DIN: 6527810

Mumbai: May 8, 2018

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2018

₹ Crore

	Year ended March 31, 2018	Year ended March 31, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Exceptional Items and Tax	1,289.01	1,107.17
Adjustment for:		
Depreciation and amortisation	63.30	56.68
Unrealised Foreign Exchange (Gain) / Loss	1.65	0.57
Bad Debts Written off	0.30	0.29
Provision / (Write-back) for Doubtful Debts / Advances	0.31	2.43
Provision for Non-Moving Inventory	12.45	(3.11)
Write back of Old Balances	(0.78)	(0.89)
Expenses on Employee Stock Grant Scheme (ESGS)	8.72	7.59
Finance Costs	51.89	36.06
(Profit) / Loss on Fixed Assets Sold / Discarded (Net)	4.14	(0.13)
(Profit) / Loss on Sale of Investments (Net)	(18.54)	(6.23)
Reversal of provision for diminution in the value of investments	-	(2.84)
Fair value Gain/ (Loss) on financial assets measured at FVTPL	8.14	(11.60)
Recovery of loan from GCPL ESOP Trust which was earlier written off	-	(0.61)
Corporate Guarantee Commission	(16.73)	(17.20)
Interest Income	(41.77)	(20.90)
	73.08	40.11
Operating Cash Flows Before Working Capital Changes	1,362.09	1,147.28
Adjustments for:		
Increase in inventories	(26.78)	(2.93)
(Increase)/Decrease trade receivables	(40.10)	65.25
Increase in loans	(1.13)	(1.03)
Increase in other financial assets	(9.08)	(17.55)
Increase in other non-financial assets	(106.14)	(39.58)
Increase in trade payable and other financial liabilities	331.14	276.61
Increase/ (Decrease) non-financial liabilities and provisions	6.97	(15.52)
	154.88	265.25
Cash Generated from Operating Activities	1,516.97	1,412.53
Adjustment for:		
Income taxes paid (Net)	(281.53)	(235.35)
Net Cash Flow from Operating Activities (A)	1,235.44	1,177.18
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment and Intangible assets (Net)	(119.23)	(104.56)
Sale of Property, Plant & Equipment and Intangibles	6.19	1.51
Investments in Mutual Funds (Net)	328.33	(343.03)
Investments in Deposits with NBFCs (Net)	(90.14)	(149.00)
Investments in Non-Convertible Debentures with NBFCs (Net)	(212.20)	(206.44)
Investments in Commercial Papers	(97.04)	-
Investments in Fixed Deposits having maturities greater than 3 months (Net)	(1.45)	98.69
Investments in Subsidiaries	(156.52)	(359.04)
Sale of Subsidiary	-	32.29
Recovery of Loan from GCPL ESOP Trust which was earlier written off	-	0.61
Interest Received	39.64	20.54
Net Cash Flow used in Investing Activities (B)	(302.42)	(1,008.43)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2018

₹ Crore

	Year ended March 31, 2018	Year ended March 31, 2017
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Allotment of Equity Shares under ESGS	0.01	0.01
Expenses on issue of bonus shares	(0.71)	-
(Repayment)/ Proceeds from Packing Credit	-	(2.75)
Proceeds/ (Repayments) from Commercial Paper	(148.97)	148.97
Finance Cost	(47.30)	(31.76)
Dividend Paid	(613.12)	(195.78)
Dividend Distribution Tax Paid	(124.82)	(39.87)
Net Cash Flow used in Financing Activities (C)	(934.91)	(121.18)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(1.89)	47.57
CASH AND CASH EQUIVALENTS:		
As at the beginning of the year (Refer Note 14 A)	88.00	40.57
Cash and Bank Balances	86.11	88.14
Unrealised Foreign Exchange Restatement in Cash and Cash Equivalents *	-	(0.14)
As at the end of the year (Refer Note 14 A)	86.11	88.00
* amounts less than ₹ 0.01 crore		

NOTES:

- 1) The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in IND AS 7, 'Statement of Cash Flows,
- 2) The merger of Godrej Consumer Products Mauritius Ltd. (GCPML) and Godrej Consumer Products US Holdings Ltd. (GCP USHL) with the Company is a non-cash transaction (Refer Note 41).
- 3) The accompanying notes 1 to 52 are an integral part of the standalone financial statements.

As per our report attached

For B S R & Co. LLP

Chartered Accountants

Firm Regn No. 101248W/W-100022

Vijay Mathur

Partner

M. No. 046476

V Srinivasan

 Chief Financial Officer
& Company Secretary

For and on behalf of the Board

Nisaba Godrej

Executive Chairperson

DIN: 00591503

Vivek Gambhir

Managing Director & CEO

DIN: 6527810

Mumbai: May 8, 2018

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

(a) Equity share capital		₹ Crore
	Note No.	
As at April 1, 2017		34.06
Changes in equity share capital during the year	19	34.07
As at March 31, 2018		68.13

(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 March 31, 2017	1,452.31	154.05	11.44	2,722.50	(0.75)	4,339.55	
Profit for the year	-	-	-	999.87	-	999.87	
Remeasurements of defined benefit plans (net of tax)	-	-	-	(1.97)	-	(1.97)	
Total comprehensive income for the year	-	-	-	997.90	-	997.90	
Dividends	-	-	-	(613.12)	-	(613.12)	
Dividend Distribution Tax (DDT)	-	-	-	(124.82)	-	(124.82)	
Premium Received on Allotment of Shares / Exercise of Share options	6.97	-	(6.97)	-	-	-	
Deferred employee compensation expense	-	-	8.72	-	-	8.72	
Issue of Bonus Shares	(34.06)	-	-	-	-	(34.06)	
Expenses on Issue of Bonus Shares	(0.71)	-	-	-	-	(0.71)	
Balance at March 31, 2018	1,424.51	154.05	13.19	2,982.46	(0.75)	4,573.46	
Balance at March 31, 2016	1,446.27	154.05	9.89	2,115.62	-	3,725.83	
Profit for the year	-	-	-	847.72	-	847.72	
Remeasurements of defined benefit plans (net of tax)	-	-	-	(5.19)	-	(5.19)	
Other comprehensive income for the year	-	-	-	-	(0.75)	(0.75)	
Total comprehensive income for the year	-	-	-	842.53	(0.75)	841.78	
Dividend	-	-	-	(195.78)	-	(195.78)	
Dividend Distribution Tax (DDT)	-	-	-	(39.87)	-	(39.87)	
Premium Received on Allotment of Shares / Exercise of Share options	6.04	-	(6.04)	-	-	-	
Deferred employee compensation expense	-	-	7.59	-	-	7.59	
Balance at March 31, 2017	1,452.31	154.05	11.44	2,722.50	(0.75)	4,339.55	

The accompanying notes 1 to 52 are an integral part of the Standalone Financial Statements.

As per our report attached
For B S R & Co. LLP
 Chartered Accountants
 Firm Regn No. 101248W/W-100022

Vijay Mathur
 Partner
 M. No. 046476

V Srinivasan
 Chief Financial Officer
 & Company Secretary

For and on behalf of the Board

Nisaba Godrej
 Executive Chairperson
 DIN: 00591503

Vivek Gambhir
 Managing Director & CEO
 DIN: 6527810

Mumbai: May 8, 2018

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

1. CORPORATE INFORMATION

Godrej Consumer Products Limited (the Company) was incorporated on November 29, 2000, to take over 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 Standalone 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.

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 equivalents, 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.

The financial statements of the Company for the year ended March 31, 2018 were approved for issue in accordance with the resolution of the Board of Directors on May 8, 2018.

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 -2.5.f),
- Defined benefit plans – plan assets/(liability) and share-based payments measured at fair value (Note 44 & 45)
- Assets held for sale – measured at lower of carrying value or fair value less cost to sell

2.2 Key judgements, 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. Fair value of financial instruments; (Note 2.3)
- vii. Impairment of financial and Non-Financial assets; (Note 2.5.(d) and (f))
- viii. Recognition of deferred tax assets – availability of future taxable profits against which deferred tax assets; (e.g. MAT) can be used (Note 22)

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. Further information about the assumptions made in measuring fair value is included in the Note 2.5.(f).

2.4 Standards issued but not yet effective

IND AS 115: Revenue from Contracts with Customers

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendment) Rules, 2017, notifying Ind AS 115, 'Revenue from Contracts with Customers'. The Standard is applicable to the Company with effect from 1st April, 2018. This standard establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and will supercede the current revenue recognition standards Ind AS 18 Revenue and Ind AS 11 Construction Contracts when it becomes effective. The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation

is transferred to the customer. The Company has completed its preliminary evaluation of the possible impact of Ind AS 115 based on which no significant impact is expected, other than additional disclosures as required by the new standard.

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 recognised 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 derecognised when replaced. All other repairs 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 for 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) Goodwill and other 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 amortisation and 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 recognised in the statement of profit or loss when the asset is derecognised.

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 Statement of 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' if it is highly probable that they will be recovered primarily through sales rather than through continuing use. 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. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in profit and loss. 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:

- Financial assets at amortised cost,
- Financial assets at fair value through other comprehensive income (FVTOCI)
- Financial assets 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.

Financial assets at amortised cost

A financial asset 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 48 (B).

Financial assets at fair value through profit and loss (FVTPL)

Any financial asset, 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 financial asset, 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'). Financial assets included within the FVTPL category are measured at fair value with all changes recognised 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 recognised 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 recognised 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 recognised 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 assesses 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 or at amortised cost. A financial liability is classified at FVTPL if it is classified as held for trading 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 and net gains and losses including any interest expenses are recognised in profit or loss.

In the case of loans and borrowings and payables, these are measured at amortised cost and recorded, net of directly attributable and incremental transaction cost. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised 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.

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.

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 to subsidiaries in relation to loans or other payables are provided for, at 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 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 between the hedged item or transaction and the nature of the risk being hedged, hedge rationale 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 it 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 the 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 recoverable tax 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 (to the extent applicable). 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 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 recognised 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 recognised 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 recognised 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 and the fair value of the employee share options is based on the Black Scholes model. 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 at each reporting period 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 leaves 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 based on actuarial valuation.

Re-measurements are recognised in profit or loss in

the period in which they arise including actuarial gains and losses.

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 under operating leases are recognised as an expense 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. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

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 recognised 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.

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 Other comprehensive income. In which case, the tax is also recognised 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.

Unrecognised 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.
- 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 recognised as an asset only when and to the extent there is a convincing evidence that the Company will pay normal tax during specified period.

n) 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 recognised 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.

o) 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.

p) 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 in the nature of final dividend is authorized when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

q) 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.

r) Segment Reporting

As per Ind AS-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 given on lease			Total
	Freehold Land	Leasehold Land	Buildings	Leasehold Improvements	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computers	Building	
Year ended March 31, 2018											
Gross Carrying Amount											
Opening Gross Carrying Amount	0.51	14.41	124.81	26.40	231.86	10.38	10.33	10.03	22.84	90.26	541.83
Additions	-	-	15.48	4.13	57.76	2.45	8.05	2.52	5.28	-	95.67
Disposals / Adjustments	-	-	-	-	(0.17)	-	(7.13)	-	(0.08)	-	(7.38)
Closing Gross Carrying Amount	0.51	14.41	140.29	30.53	289.45	12.83	11.25	12.55	28.04	90.26	630.12
Accumulated Depreciation											
Opening Accumulated Depreciation	-	1.49	5.99	5.19	53.34	1.99	3.26	2.20	8.12	2.82	84.40
Depreciation charge during the year	-	1.14	2.58	3.58	33.04	1.13	2.09	1.60	6.03	2.86	54.05
Disposals / Adjustments	-	-	-	-	3.20	-	(1.13)	-	(0.08)	-	1.99
Closing Accumulated Depreciation	-	2.63	8.57	8.77	89.58	3.12	4.22	3.80	14.07	5.68	140.44
Net Carrying Amount	0.51	11.78	131.72	21.76	199.87	9.71	7.03	8.75	13.97	84.58	489.68
Year ended March 31, 2017											
Opening Gross Carrying Amount	0.51	14.21	122.11	24.43	203.43	9.34	10.15	7.30	15.07	90.26	496.81
Additions	-	0.20	3.08	2.00	28.93	1.17	3.20	2.75	7.78	-	49.11
Assets classified as held for sale	-	-	-	-	-	-	(1.78)	-	-	-	(1.78)
Disposals	-	-	(0.38)	(0.03)	(0.50)	(0.13)	(1.24)	(0.02)	(0.01)	-	(2.31)
Closing Gross Carrying Amount	0.51	14.41	124.81	26.40	231.86	10.38	10.33	10.03	22.84	90.26	541.83
Accumulated Depreciation											
Opening Accumulated Depreciation	-	0.41	2.66	2.10	24.71	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	-	-	-	-	-	-	(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	5.99	5.19	53.34	1.99	3.26	2.20	8.12	2.82	84.40
Net Carrying Amount	0.51	12.92	118.82	21.21	178.52	8.39	7.07	7.83	14.72	87.44	457.43

NOTE 4 : INTANGIBLE ASSETS

₹ Crore

Particulars	Goodwill	Other Intangible assets			Total Other Intangible assets
		Trademarks and Brands*	Computer Software	Technical Knowhow	
Year ended March 31, 2018					
Gross Carrying Amount					
Opening Gross Carrying Amount	2.48	791.56	44.52	1.85	837.93
Additions	-	-	7.56	-	7.56
Disposals	-	-	-	-	-
Closing Gross Carrying Amount	2.48	791.56	52.08	1.85	845.49
Accumulated Amortisation					
Opening Accumulated Amortisation	-	0.14	13.65	0.55	14.34
Amortisation recognised for the year	-	0.07	8.92	0.26	9.25
Disposals	-	-	-	-	-
Closing Accumulated Amortisation	-	0.21	22.57	0.81	23.59
Closing Net Carrying Amount	2.48	791.35	29.51	1.04	821.90
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 Amortisation	-	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

NOTE :

* Includes trademarks / brands amounting to ₹ 791.25 crore (31-Mar-17 ₹ 791.25 crore) that have an indefinite life and are tested for impairment at every year end. Based on analysis of all relevant factors (brand establishment, stability, types of obsolescence etc.), there is no foreseeable limit to the period over which the assets are expected to generate net cash inflows for the Company.

NOTE 5 : INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

₹ Crore

	Face Value	Numbers		Amounts	
		As at	As at	As at	As at
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Unquoted, fully paid up:					
Carried at cost					
(a) Investments in Equity Instruments					
(i) Subsidiary Companies					
Godrej Netherlands B.V.	EUR 100	200	200	140.93	107.23
Godrej South Africa (Pty) Ltd.	ZAR 1	18,050,000	18,050,000	12.67	12.67
Godrej Consumer Products Holding (Mauritius) Ltd.	USD 1	185,944,409	179,944,409	982.02	943.14
Godrej Household Products Lanka (Pvt) Ltd.	LKR 10	21,501,045	21,501,045	37.33	37.33
Godrej Consumer Products (Bangladesh) Ltd.	BDT 100	4,999	4,999	0.04	0.04
Godrej Mauritius Africa Holdings Ltd.	USD 1	136,240,553	136,240,553	865.49	861.02
Godrej East Africa Holdings Ltd.	USD 1	35,450,001	28,950,001	250.80	208.96
Godrej Tanzania Holdings Ltd.	USD 1	17,850,001	11,350,001	121.29	76.10
Godrej SON Holdings INC.	USD 1	77,600,000	77,600,000	504.72	504.73
(ii) Associate Company					
Bhabhani Blunt Hairdressing Pvt. Ltd.	₹ 10	5,546	5,546	22.32	22.32
				2,937.61	2,773.54

₹ Crore

	Face Value	Numbers		Amounts	
		As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
(b) Investments in Compulsorily Convertible Debentures of Associate Company					
Bhabhani Blunt Hairdressing Pvt. Ltd.	₹ 10	3,060	3,060	12.00	12.00
				2,949.61	2,785.54
Less : Provision for Diminution in the Value of Investments				-	-
TOTAL				2,949.61	2,785.54
Aggregate Amount of Unquoted Investments				2,949.61	2,785.54
Aggregate Amount of Quoted Investments				-	-
Aggregate Market Value of Quoted Investments				-	-
Aggregate Provision for Impairment in the Value of Investments				-	-

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, 2018	As at March 31, 2017
Godrej Netherlands B.V.	4.52	4.52
Godrej Consumer Products Holding (Mauritius) Ltd.	11.83	11.83
Godrej Mauritius Africa Holdings Ltd.	29.01	24.54
Godrej East Africa Holdings Ltd.	19.62	19.62
Godrej Tanzania Holdings Ltd.	3.07	-
TOTAL	68.05	60.51

NOTE 6 : OTHER INVESTMENTS (NON-CURRENT)

₹ Crore

	As at March 31, 2018	As at March 31, 2017
Unquoted, fully paid up:		
At amortised cost		
Investments in Deposits with Non-Banking Financial Companies	20.54	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	84.66	153.66
TOTAL	105.20	216.51
Aggregate Amount of Unquoted Investments	20.54	62.85
Aggregate Amount of Quoted Investments	84.66	153.66
Aggregate Market Value of Quoted Investments	84.79	153.89
Aggregate Provision for Impairment in the Value of Investments	-	-

* amounts less than ₹ 0.01 crore

NOTE 7 : LOANS (NON-CURRENT)

₹ Crore

	As at March 31, 2018	As at March 31, 2017
Unsecured, Considered Good, Unless Otherwise Stated		
Loans to Employees	0.03	0.04
Security Deposits	16.29	15.29
TOTAL	16.32	15.33

NOTE 8 : OTHER NON-CURRENT FINANCIAL ASSETS

₹ Crore

	As at March 31, 2018	As at March 31, 2017
Fixed Deposits with remaining maturity of more than 12 months (under lien against Bank Guarantees)	0.07	0.06
Financial Guarantee Fee Receivables	4.20	12.02
TOTAL	4.27	12.08

NOTE 9 : OTHER NON-CURRENT ASSETS

₹ Crore

	As at March 31, 2018	As at March 31, 2017
Capital Advances (<i>Refer Note below</i>)	27.39	18.89
Balances with Government Authorities	17.56	16.03
Other non-current assets (includes prepaid expenses, vendor advances)		
Considered Good	1.06	1.00
Considered Doubtful	-	1.22
Less: Provision for Doubtful Advances	-	(1.22)
	1.06	1.00
TOTAL	46.01	35.92

NOTE:

Capital Advances include ₹ 13.96 crore (31-Mar-17 ₹ 6.34 crore) paid to Related Parties.

NOTE 10 : NON-CURRENT TAX ASSETS (NET)

₹ Crore

	As at March 31, 2018	As at March 31, 2017
Advance Tax	19.66	20.67
[Net of Provision for taxation - ₹1422.53 crore (31-Mar-17 ₹ 1301.09)]		
TOTAL	19.66	20.67

(Refer Note 22 for tax reconciliations)

NOTE 11 : INVENTORIES

₹ Crore

	As at March 31, 2018	As at March 31, 2017
<i>(Valued at lower of cost and net realizable value)</i>		
Raw Materials (Including Packing Materials)	251.89	186.52
Goods-in Transit	2.05	7.80
	253.94	194.32
Work-in-Progress	36.86	30.81
Finished Goods	250.25	299.18
Stock-in-Trade	26.17	29.53
Stores and Spares	9.03	8.08
TOTAL	576.25	561.92

NOTE 12 : INVESTMENTS (CURRENT)

₹ Crore

	As at March 31, 2018	As at March 31, 2017
Unquoted, fully paid up:		
At Fair Value through Profit or Loss		
Investments in Mutual Funds	107.63	425.56
At amortised cost		
Investments in Deposits with Non-Banking Financial Companies	306.97	174.52
Investments in Commercial Papers	97.04	-
Quoted, fully paid up:		
At amortised cost		
Investments in Non-convertible Debentures with Non-Banking Financial Companies	336.01	52.78
TOTAL	847.65	652.86
Aggregate Amount of Unquoted Investments	511.64	600.08
Aggregate Amount of Quoted Investments	336.01	52.78
Aggregate Market Value of Quoted Investments	339.38	52.89
Aggregate Amount of Provision for Impairment in the Value of Investments	-	-

NOTE 13 : TRADE RECEIVABLES

₹ Crore

	As at March 31, 2018	As at March 31, 2017
Secured		
Considered Good	2.81	5.37
Unsecured		
Considered Good	245.77	203.96
Considered Doubtful	5.62	5.07
Less: Provision for Doubtful Debts	(5.62)	(5.07)
	245.77	203.96
TOTAL	248.58	209.33

Refer Note 48 (B)

NOTE 14 A : CASH AND CASH EQUIVALENTS

₹ Crore

	As at March 31, 2018	As at March 31, 2017
Balances with Banks		
- In Current Accounts	71.91	57.81
- Deposits with less than 3 months original maturity	14.00	30.00
	85.91	87.81
Cash on Hand	0.20	0.19
TOTAL	86.11	88.00

NOTE 14 B : OTHER BANK BALANCES

₹ Crore

	As at March 31, 2018	As at March 31, 2017
Deposits with maturities more than 3 months but less than 12 months (Refer Note below)	2.92	2.93
In Unpaid Dividend Accounts	9.08	7.52
TOTAL	12.00	10.45

NOTE:

The fixed deposits include deposits under lien against bank guarantees ₹ 2.82 crore (31-Mar-17 ₹ 2.93 crore)

NOTE 15 : LOANS (CURRENT)

₹ Crore

	As at March 31, 2018	As at March 31, 2017
Unsecured, Considered Good, Unless Otherwise Stated		
Loans to Employees	0.07	0.07
Security Deposits	0.18	0.04
TOTAL	0.25	0.11

NOTE 16 : OTHER CURRENT FINANCIAL ASSETS

₹ Crore

	As at March 31, 2018	As at March 31, 2017
Financial guarantee fee receivable	7.89	3.71
Refunds/Incentives receivables from Govt. Authorities		
Considered Good	173.66	167.35
Considered Doubtful	14.62	13.62
Less: Provision for Doubtful Advances	(14.62)	(13.62)
	173.66	167.35
Others (includes receivables of insurance claims, exports incentives, Derivative instruments)	11.69	5.29
TOTAL	193.24	176.35

NOTE 17 : OTHER CURRENT ASSETS

₹ Crore

	As at March 31, 2018	As at March 31, 2017
Balances with Government Authorities	111.53	22.19
Right to receive inventory	2.34	3.80
Other Advances (includes prepaid expenses, vendor advances) (Refer Note below)		
Considered Good	38.62	21.71
Considered Doubtful	0.78	1.02
Less: Provision for Doubtful Advances	(0.78)	(1.02)
TOTAL	152.49	47.70

NOTE:

Includes NIL crore (31-Mar-17 ₹ 0.12 crore) paid to Related Parties.

NOTE 18 : NON-CURRENT ASSETS HELD FOR SALE

₹ Crore

	As at March 31, 2018	As at March 31, 2017
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 sale has been completed during the year.

NOTE 19 : EQUITY SHARE CAPITAL

₹ Crore

	As at March 31, 2018	As at March 31, 2017
Authorised		
690,000,000 Equity Shares (31-Mar-17: 410,000,000) of ₹ 1 each	69.00	41.00
10,000,000 Preference Shares (31-Mar-17: 10,000,000) of ₹ 1 each	1.00	1.00
Issued		
681,360,642 Equity Shares (31-Mar-17: 340,631,940) of ₹ 1 each	68.14	34.06
Subscribed and Fully Paid up		
681,329,518 Equity Shares (31-Mar-17: 340,600,816) of ₹ 1 each fully paid up	68.13	34.06
TOTAL	68.13	34.06

NOTES:

- a) During the year, the Company has issued 127,886 equity shares (31-Mar-2017 66,993) under the Employee Stock Grant Scheme.
- b) 31,124 Right Issue equity shares (31-Mar-2017 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, 2018		As at March 31, 2017	
	No. of Shares	₹ Crore	No. of Shares	₹ Crore
Shares outstanding at the beginning of the year	340,600,816	34.06	340,533,823	34.05
Add : Shares Issued during the year (Bonus Shares)	340,600,816	34.06		-
Add : Shares Issued on exercise of employee stock grant scheme	127,886	0.01	66,993	0.01
Shares outstanding at the end of the year	681,329,518	68.13	340,600,816	34.06

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, 2018 the amount of per share dividend recognised as distribution to equity shareholders was ₹ 15 (31-Mar-2017 ₹ 5.75).

- e) Pursuant to the approval of the shareholders on May 9, 2017, record date for ascertaining the eligibility of the shareholders for receiving the bonus shares was fixed on June 24, 2017. Accordingly, the Company has allotted 340,600,816 number of fully paid Bonus shares on June 27, 2017 in the ratio of one equity share of ₹1 each fully paid up for every one existing equity shares of ₹1 each fully paid up.
- f) 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, 2018		As at March 31, 2017	
	No. of Shares	% held	No. of Shares	% held
Godrej & Boyce Manufacturing Co Ltd*	50,007,630	7.34	25,003,815	7.34
Godrej Industries Limited	161,875,240	23.76	80,937,620	23.76
Godrej Seeds & Genetics Limited	187,000,000	27.45	93,500,000	27.45

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

g) Shares Reserved for issue under options

The Company has 224,011 (31-Mar-2017 year 128,895) equity shares reserved for issue under Employee Stock Grant Scheme as at March 31, 2018. (As detailed in Note 45)

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

Pursuant to the approval of Shareholders, company has allotted 340,600,816 (31-Mar-2017 year - Nil) number of fully paid Bonus shares on June 27, 2017 in the ratio of one equity share of ₹1 each fully paid up for every one existing equity shares of ₹1 each fully paid up.

The Company has not issued 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.

- i) There are no calls unpaid on equity shares, other than shares kept in abeyance as mentioned in Note (b) above.
- j) No equity shares have been forfeited.

k) 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, 2018	As at March 31, 2017
Securities Premium Account	1424.51	1452.31
General Reserve	154.05	154.05
Other Reserves		
Capital Investment Subsidy Reserve	0.15	0.15
Capital Redemption Reserve	1.46	1.46
Employee Stock Options Outstanding	11.58	9.83
	13.19	11.44
Retained Earnings	2982.46	2722.50
Other Comprehensive Income (Effective portion of cash flow hedges)	(0.75)	(0.75)
TOTAL	4573.46	4339.55

OTHER RESERVES MOVEMENT

₹ Crore

	As at March 31, 2018	As at March 31, 2017
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
Employee Stock Options Outstanding		
Gross Employee Compensation for Options granted	9.83	8.28
(-) Exercise of Share options	(6.97)	(6.04)
(+) Deferred Employee Compensation Expense (Refer Note 33)	8.72	7.59
Closing Balance	11.58	9.83
TOTAL	13.19	11.44

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, 2013.

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) Employee Stock Options Outstanding

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

Refer Note 45 for details on ESGS Plans.

6) 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, 2018	As at March 31, 2017
Provision for Employee Benefits		
Gratuity (Refer Note 44)	47.35	37.18
Compensated Absences	4.31	3.77
TOTAL	51.66	40.95

NOTE 22 : TAX RECONCILIATIONS

₹ Crore

	Year ended March 31, 2018	Year ended March 31, 2017
Tax expense recognised in the Statement of Profit and Loss		
Current Tax:		
Current tax on profits for the year	283.28	235.40
Deferred tax (Net)	5.86	24.05
Total income tax expense	289.14	259.45

₹ Crore

	Year ended March 31, 2018	Year ended March 31, 2017
Current tax and Deferred Tax related to items recognised in Other Comprehensive Income during the year:		
On remeasurements of defined benefit plans	(2.63)	(6.59)
On revaluation of cash flow hedges	-	(0.41)
TOTAL	(2.63)	(7.00)

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, 2018	Year ended March 31, 2017
Profit before income taxes	1,289.01	1,107.17
Indian statutory income tax rate	34.61%	34.61%
Expected income tax expense	446.10	383.28
Tax effect of adjustments to reconcile expected Income Tax Expense to reported Income Tax Expense:		
Deduction under Sec 80IC and 80IE	(223.05)	(213.22)
Incremental deduction allowed for research and development costs	(0.03)	(0.03)
Tax impact of income not subject to tax	1.35	(0.05)
Tax effects of amounts which are not deductible for taxable income	8.82	11.49
Additional tax paid on book profits	58.31	77.98
Others	(2.36)	-
Total income tax expense	289.14	259.45

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, 2018	As at March 31, 2017
Property, Plant and Equipment	(32.90)	(30.04)
Intangible assets	(239.59)	(225.10)
Others	(1.95)	(5.40)
Total deferred tax liabilities	(274.44)	(260.54)

Deferred Tax Assets:

₹ Crore

	As at March 31, 2018	As at March 31, 2017
Defined benefit obligations	2.52	2.28
Provisions	36.97	27.39
Others	6.49	6.63
Total deferred tax assets	45.98	36.30
Net Deferred tax (Liabilities) / Assets	(228.46)	(224.24)

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)
As at 31st March 2016	(24.27)	(208.85)	(1.26)	1.84	22.46	5.41	(204.67)
(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
At 1st April 2017	(30.04)	(225.10)	(5.40)	2.28	27.39	6.63	(224.24)
(Charged)/Credited :							
- to profit or loss	(2.86)	(14.49)	3.45	0.24	7.93	(0.14)	(5.86)
- to other comprehensive income	-	-	-	-	1.64	-	1.64
As at 31st March 2018	(32.90)	(239.59)	(1.95)	2.52	36.96	6.49	(228.46)

The company offsets deferred 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 and the period over which deferred income tax assets will be recovered.

As on March 31, 2018 the tax liability with respect to the dividends proposed is ₹ 98.03 crores (31-Mar-17 : ₹ 83.21 crores) During the year, the Company has not accounted for tax credits in respect of Minimum Alternative Tax (MAT credit) of ₹ 58.31 crores (31-Mar-17 : ₹ 71.75 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	Expiry Date	As at	Expiry Date
	March 31, 2018		March 31, 2017	
2007-08	12.02	March 31, 2023	12.02	March 31, 2018
2008-09	8.30	March 31, 2024	8.30	March 31, 2019
2009-10	29.72	March 31, 2025	29.72	March 31, 2020
2010-11	100.08	March 31, 2026	100.08	March 31, 2021
2011-12	40.09	March 31, 2027	40.09	March 31, 2022
2012-13	60.60	March 31, 2028	60.60	March 31, 2023
2013-14	84.35	March 31, 2029	84.35	March 31, 2024
2014-15	95.63	March 31, 2030	95.63	March 31, 2025
2015-16	83.65	March 31, 2031	83.65	March 31, 2026
2016-17	71.75	March 31, 2032	71.75	March 31, 2027
2017-18	58.31	March 31, 2033	-	

NOTE 23 : OTHER NON-CURRENT LIABILITIES

₹ Crore		
	As at	As at
	March 31, 2018	March 31, 2017
Unearned premium on guarantees given to subsidiaries	15.38	26.27
Others (includes deferred grants, sundry deposits)	2.37	1.05
TOTAL	17.75	27.32

NOTE 24 : BORROWINGS

₹ Crore		
	As at	As at
	March 31, 2018	March 31, 2017
Unsecured, Other Loans		
Commercial Papers (Refer Note (a) below)	-	148.97
TOTAL	-	148.97

NOTES:

- Commercial Papers in previous year carried an average interest rate of 6.49% and were repaid at maturity dates in May 2017.
- 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	As at
	March 31, 2018	March 31, 2017
Dues to Micro, Small and Medium Enterprises	-	-
Others*	1,452.92	1,120.36
TOTAL	1,452.92	1,120.36

* Trade Payables includes invoices discounted by Vendors with banks

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

NOTE 26 : OTHER CURRENT FINANCIAL LIABILITIES

₹ Crore

	As at March 31, 2018	As at March 31, 2017
Security Deposit Received	3.91	4.19
Unclaimed Dividends (<i>Refer Note (a) below</i>)	9.08	7.52
Capital creditors and other payables	26.01	22.47
TOTAL	39.00	34.18

NOTE:

- a) 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, 2018	As at March 31, 2017
Statutory Dues (VAT, Excise, Service Tax, Octroi, TDS etc)	7.54	38.89
Advance received from Customers	23.83	7.45
Employee Benefits Payable	101.31	85.94
Unearned premium on guarantees given to subsidiaries	17.35	19.15
Others (includes PF, deferred revenue)	4.78	4.12
TOTAL	154.81	155.55

NOTE 28 : PROVISIONS (CURRENT)

₹ Crore

	As at March 31, 2018	As at March 31, 2017
Provision for Employee Benefits		
Gratuity (<i>Refer Note 44</i>)	7.82	6.98
Compensated Absences	2.90	2.81
Other provisions		
Provision for Sales Returns	13.50	14.03
Provision towards Litigations	12.71	11.90
TOTAL	36.93	35.72

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, 2017	14.03	11.90
Additional provisions recognised	-	0.81
Amount Utilised /Unused amounts reversed	(0.53)	-
As at March 31, 2018	13.50	12.71

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 the 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, 2018	Year ended March 31, 2017
Sale of Products (including excise duty)	5256.36	5013.69
Other Operating Revenues		
a) Royalty & Technical Fees	17.63	54.60
b) Miscellaneous Income	80.75	20.70
TOTAL	5354.74	5088.99

NOTE :

Sales from July 1, 2017 is net of Goods and Service Tax (GST). However, sales till period ended June 30, 2017 and for the previous year ended on March 31, 2017 is gross of Excise Duty.

NOTE 30 : OTHER INCOME

₹ Crore

	Year ended March 31, 2018	Year ended March 31, 2017
Interest Income on:		
Non-convertible debentures and fixed deposits with Non-Banking Financial Companies at amortised cost	39.06	18.74
Deposits with banks	1.52	1.99
On Income-tax Refund	0.84	-
On Others	1.19	0.17
Net Gain on Sale of Investments (Mutual Funds)	18.54	6.23
Fair Value Gain/(Loss) on financial assets measured at fair value through profit or loss	(8.14)	11.60
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	20.24	20.99
Miscellaneous Non-operating Income (<i>Refer Note below</i>)	0.64	0.91
TOTAL	73.89	63.60

NOTE :

Miscellaneous non-operating income includes Nil crore (*Previous Year ₹ 0.61 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, 2018	Year ended March 31, 2017
Raw material and packing material		
Opening Inventory	194.32	193.11
Add : Purchases (Net)	1944.57	1835.98
	2138.89	2029.09
Less: Closing Inventory	(253.94)	(194.32)
Cost of Materials Consumed	1884.95	1834.77

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

₹ Crore

	Year ended March 31, 2018	Year ended March 31, 2017
Opening 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
Less: Closing Inventory		
Finished Goods	250.25	299.18
Stock-in-Trade	26.17	29.53
Work-in-Progress	36.86	30.81
	313.28	359.52
(Increase)/Decrease in Inventories	46.24	(3.79)

NOTE 33 : EMPLOYEE BENEFITS EXPENSE

₹ Crore

	Year ended March 31, 2018	Year ended March 31, 2017
Salaries and Wages	322.45	270.87
Contribution to Provident and Other Funds	18.20	14.94
Share based payments to Employees (Employee Stock Grant Scheme) (Refer Note 45)	8.72	7.59
Staff Welfare Expenses	6.14	5.61
TOTAL	355.51	299.01

NOTE 34 : FINANCE COSTS

₹ Crore

	Year ended March 31, 2018	Year ended March 31, 2017
Interest Expense		
Unwinding of interest on liabilities	1.70	2.79
Others	15.51	5.20
Bill discounting Charges	34.68	28.07
TOTAL	51.89	36.06

NOTE 35 : DEPRECIATION AND AMORTISATION EXPENSES

₹ Crore

	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation on property, plant and equipment	54.05	48.29
Amortisation on intangible assets	9.25	8.39
TOTAL	63.30	56.68

NOTE 36 : OTHER EXPENSES

₹ Crore

	Year ended March 31, 2018	Year ended March 31, 2017
Consumption of Stores and Spare Parts	15.18	12.50
Power and Fuel	80.12	68.89
Rent (Net) (Refer Note 42)	41.53	40.30
Repairs and Maintenance		
Plant and Equipment	4.47	4.20
Buildings	5.22	5.13
Others (Net)	25.21	23.15
	34.90	32.48
Insurance	4.31	4.39
Rates and Taxes	6.38	3.08
Processing and Other Manufacturing Charges	149.33	149.12
Travelling and Conveyance	36.61	31.85
Auditors' Remuneration (includes amount paid to previous auditors)		
As Statutory Auditor	1.48	1.44
For Taxation Matters	-	0.40
For Other Services	-	0.48
Reimbursement of Expenses	0.08	0.05
Service Tax	-	0.09
	1.56	2.46
Legal and Professional Charges	19.28	19.17
Donations	2.18	1.36
Sales Promotion	45.55	35.45
Advertising and Publicity	613.07	528.22
Selling and Distribution Expenses	71.36	78.20
Freight	188.92	178.38
Net Loss on Sale/ write off of Fixed Assets	4.14	-
Net Loss on Foreign Currency Transactions and Translations	1.08	0.95
Bad Debts Written Off	0.30	0.29
Provision for Doubtful Debts / Advances	0.31	2.43
Miscellaneous Expenses (Net) (Refer Note (a) below)	80.48	76.02
TOTAL	1396.59	1265.54

NOTE :

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

NOTE 37 : EARNINGS PER SHARE

₹ Crore

	Year Ended March 31, 2018	Year Ended March 31, 2017
Net Profit After Tax (₹ Crore)	999.87	847.72
Number of Shares outstanding at the beginning of the year (Refer Note below)	681,201,632	681,067,646
Add : Shares Issued during the year	127,886	133,986
Number of Shares outstanding at the end of the year	681,329,518	681,201,632
Weighted Average Number of Equity Shares		
For calculating Basic EPS	681,285,371	681,157,948
Effect of dilution:		
Shared based payments	154,769	171,848
For calculating Diluted EPS	681,440,140	681,329,796
Earnings Per Share Before and After Extraordinary Items (Face Value ₹ 1)		
Basic (₹)	14.68	12.45
Diluted (₹)	14.67	12.44

NOTE:

Number of shares for the year ended 31 March 2017 have been adjusted for the bonus shares issued during the current year.

NOTE 38 : COMMITMENTS

Estimated value of contracts remaining to be executed on capital account to the extent not provided for : ₹ 29.60 crore (31-Mar-17 ₹ 46.72 crore), net of advances there against of ₹ 27.39 crore (31-Mar-17 ₹ 15.80 crore).

NOTE 39 : DIVIDEND

During the year 2017-18, the Board has paid four interim dividends. The first dividend was declared on May 9, 2017 at the rate of ₹ 12 per equity share (1200% of the face value of ₹ 1 each) on the pre-bonus paid up capital of the Company. The Company made a bonus issue in the ratio of 1:1 on June 27, 2017. Subsequent to the bonus issue, the Board paid three more interim dividends aggregating to ₹ 3 per share (300% of the face value ₹ 1 each). The total dividend rate for all the four interim dividends during the year after adjusting for the pre-bonus interim dividend rate aggregates to ₹ 9 per equity share (900% of the face value ₹ 1 each) and amounts to ₹ 613.12 crore. The dividend distribution tax on the said dividends is ₹ 124.82 crore.

Subsequent to the close of the financial year, the Board has declared an interim dividend of ₹ 7.00 per equity share (700% of the face value ₹ 1 each) aggregating to ₹ 476.93 crore. The dividend distribution tax on the said dividend is ₹ 98.03 crore.

NOTE 40 : CONTINGENT LIABILITIES

	₹ Crore	
	As at March 31, 2018	As at March 31, 2017
a) CLAIMS FOR EXCISE DUTIES, TAXES AND OTHER MATTERS		
i) Excise duty and service tax matters	65.14	64.20
ii) Sales tax and VAT matters	48.43	51.53
iii) Income-tax matters	14.33	12.61
iv) Other matters	3.00	3.00
b) GUARANTEES GIVEN ON BEHALF OF SUBSIDIARIES		
i) Guarantee amounting to USD 29 million (31-Mar-17 USD 43 million) given by the Company to DBS Bank Limited, Singapore against loan provided to Godrej Mauritius Africa Holdings Ltd.	186.40	278.21
ii) Guarantee amounting to GBP 18 million (31-Mar-17 GBP 30 million) given by the Company to Hongkong and Shanghai Banking Corporation Limited, Hongkong against loan provided to Godrej Netherlands BV.	163.79	242.71
iii) Guarantee amounting to USD 51 million (31-Mar-17 USD 67 million) given by the Company to Hongkong and Shanghai Banking Corporation Limited, Hongkong against loan provided to Godrej East Africa Holdings Limited.	329.52	436.31
iv) Guarantee amounting to USD 87 million (31-Mar-17 USD 145 million) to given by the Company to 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.	567.80	941.62
v) Guarantee amounting to USD 23 million (31-Mar-17 USD 34 million) given by the Company to Barclays Bank PLC, London towards loan against provided to Godrej Mauritius Africa Holdings Ltd.	149.12	222.57
vi) Guarantee amounting to USD 57 million (31-Mar-17 USD 57 million) given by the Company to Hongkong and Shanghai Banking Corporation Limited & Standard Chartered Bank Mauritius Limited against loan provided to Godrej East Africa Holdings Limited.	372.80	370.94
vii) Guarantee amounting to USD 88 million (31-Mar-17 USD 88 million) given by the Company to DBS Bank Ltd (Singapore) & Sumitomo Mitsui Banking Corporation (Singapore) against loan provided to Godrej Consumer Products Holdings Mauritius Ltd.	573.54	570.68
viii) Guarantee amounting to USD 121 million (31-Mar-17 USD 121 million) given by the Company to Bank of Tokyo Mitsubishi UFJ Ltd (London) against loan provided to Godrej SON Holdings, Inc.	788.62	784.69
ix) Guarantee amounting to USD 1 million (31-Mar-17 USD 1 million) given by the Company to Sumitomo Mitsui Banking Corporation (Singapore) towards IRS taken by Godrej Consumer Products Holdings Mauritius Ltd.	7.82	7.78
x) Guarantee amounting to USD 28 million (31-Mar-17 USD 28 million) given by the Company to Hongkong and Shanghai Banking Corporation Limited, Mauritius, against loan provided to Godrej East Africa Holdings Ltd.	179.23	178.34

₹ Crore

	As at March 31, 2018	As at March 31, 2017
xii) Guarantee amounting to USD 1 million (31-Mar-17 USD 1 million) given by the Company to DBS Bank Ltd (Singapore) towards IRS taken by Godrej Consumer Products Mauritius Ltd.	7.82	7.78
xiii) Guarantee amounting to USD 2 million (31-Mar-17 USD 2 million) given by the Company to JP Morgan Chase towards IRS taken by Godrej East Africa Holdings Ltd	10.43	10.38
xiv) Guarantee amounting to USD 1 million (31-Mar-17 Nil) given by the Company to Hongkong and Shanghai Banking Corporation Limited Mauritius towards SBLC line given to Godrej Tanzania Holdings Limited	65.18	-
xv) Guarantee amounting to USD 28 million (31-Mar-17 Nil) given by the Company to Standard Chartered Bank Mauritius towards SBLC line given to Godrej Tanzania Holdings Limited	179.23	-
xvi) Guarantee amounting to USD 44 million (31-Mar-17 Nil) given by the Company to CITI US towards loan provided to Godrej Mauritius Africa Holdings Ltd.	286.77	-
xvii) Guarantee amounting to USD 2 million (31-Mar-17 Nil) given by the Company to DBS Bank Limited towards IRS taken by Godrej Mauritius Africa Holdings Ltd.	13.04	-
TOTAL	3881.11	4116.85
c) OTHER GUARANTEES		
i) Guarantees issued by banks [secured by bank deposits under lien with the bank ₹ 2.99 crore	12.17	11.81
ii) Guarantee given by the Company to Yes Bank for credit facilities extended to M/s. Broadcast Audience Research Council	0.80	0.80
TOTAL	12.97	12.61
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
ii) Others	0.18	0.23

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, 2018	% Holding as at March 31, 2017
Godrej Netherland B.V.	Netherlands	100%	100%
Godrej (UK) Ltd	UK	100%	100%
Godrej Consumer Products (UK) Limited	UK	100%	100%
Godrej Consumer Investments (Chile) Spa	Chile	100%	100%
Godrej Holdings (Chile) Limitada	Chile	100%	100%
Cosmetica National	Chile	100%	100%
Godrej South Africa Proprietary Limited	South Africa	100%	100%
Godrej Consumer Products Holding (Mauritius) Limited	Mauritius	100%	100%
Indovest Capital	Labuan	100%	100%
Godrej Global Mideast FZE	Sharjah	100%	100%
Godrej Indonesia IP Holdings Ltd	Mauritius	100%	100%
Godrej Mid East Holding Limited	Dubai	100%	100%
Godrej Consumer Products Dutch Cooperatief UA	Netherlands	100%	100%
Godrej Consumer Products (Netherlands) B.V.	Netherlands	100%	100%
Godrej Consumer Holdings (Netherlands) B.V.	Netherlands	100%	100%
PT Indomas Susemi Jaya	Indonesia	100%	100%

Name of the Subsidiary	Country	% Holding as at March 31, 2018	% Holding as at March 31, 2017
PT Intrasari Raya	Indonesia	100%	100%
PT Megasari Makmur	Indonesia	100%	100%
PT Ekamas Sarijaya	Indonesia	100%	100%
PT Sarico Indah	Indonesia	100%	100%
Laboratoria Cuenca	Argentina	100%	100%
Consell	Argentina	100%	100%
Godrej Peru SAC	Peru	100%	100%
Deciral S.A.	Uruguay	100%	100%
Issue Brazil Limited	Brazil	100%	100%
Panamar Producciones SA	Argentina	100%	100%
Argencos SA	Argentina	100%	100%
Godrej SON Holdings Inc.	USA	100%	100%
Strength of Nature LLC	USA	100%	100%
Strength of Nature South Africa Proprietary Limited	South Africa	100%	100%
Old Pro International, Inc.	USA	100%	100%
Godrej Household Products Bangladesh Pvt. Ltd.	Bangladesh	100%	100%
Godrej Household Products Lanka Pvt. Ltd.	Sri Lanka	100%	100%
Godrej Consumer Products Bangladesh Limited	Bangladesh	100%	100%
Godrej Mauritius Africa Holdings Limited	Mauritius	100%	100%
Darling Trading Company Mauritius Limited	Mauritius	90%	90%
Godrej Consumer Products International FZCO	Dubai	90%	90%
Godrej Africa Holdings Limited	Mauritius	100%	100%
Frika Weave (Pty) Ltd	South Africa	100%	100%
Kinky Group (Proprietary) Limited	South Africa	100%	100%
Lorna Nigeria Limited	Nigeria	100%	100%
Weave Ghana	Ghana	100%	100%
Weave Trading Mauritius Pvt. Ltd.	Mauritius	51%	51%
Hair Trading (Offshore) S.A.L.	Lebanon	51%	51%
Godrej International Trading Company	Sharjah	51%	51%
Godrej West Africa Holdings Limited	Mauritius	90%	90%
Subinite (Pty) Ltd	South Africa	90%	90%
Weave IP Holdings Mauritius Pvt. Ltd.	Mauritius	90%	90%
Weave Mozambique Limitada	Mozambique	90%	90%
Godrej Nigeria Limited	Nigeria	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%
DGH Phase Two Mauritius	Mauritius	90%	90%
Style Industries Pvt Ltd	Kenya	90%	90%
Charm Industries Limited	Kenya	100%	100%
Canon Chemicals Limited	Kenya	75%	75%
Godrej Tanzania Holdings Limited	Mauritius	100%	100%
DGH Tanzania Limited	Mauritius	100%	100%
Sigma Hair Industries Ltd.	Tanzania	100%	100%
Belaza Mozambique LDA	Mozambique	100%	100%
Hair Credentials Zambia Limited	Zambia	100%	100%
DGH Uganda	Mauritius	51%	51%
Style Industries Uganda Limited	Uganda	51%	51%
Weave Senegal	Senegal	100%	100%

Notes:

Pursuant to a Scheme of amalgamation (the Scheme) sanctioned by the Hon'ble National Company Law Tribunal, Mumbai Bench on 8th March, 2018, Godrej Consumer Products Mauritius Ltd. (GCPML) and Godrej Consumer Products US Holdings Ltd, (GCP USHL) have merged with Godrej Consumer Products Ltd. The appointed date for the Scheme is October 1, 2016. The Scheme has become effective post filing of e-Form INC-28, on 26th March, 2018 with the Registrar of Companies / Ministry of Corporate Affairs.

Consequently, following 'pooling of interest' method as specified under IND AS 103 'Business combinations' for entities under common control, with effect from October 1, 2016, the entire business and whole of the undertaking of GCPML and GCP USHL including all their assets and liabilities are transferred and vested in the Company on a going concern basis so as to become the assets and liabilities of the Company as reflected below:

In respect of GCPML	₹ Crore
- Investment	588.87
- Cash & Cash Equivalents	1.45
- Retained Earnings	(23.97)
- Advances	0.50
In respect of GCP USHL	₹ Crore
- Investment	504.06
- Cash & Cash Equivalents	0.01
- Retained Earnings	(0.04)

Further as specified in IND AS 103, the previous year figures have been restated to the extent of above amounts as if the business combination had occurred in the previous period.

c) Fellow Subsidiaries with whom transactions have taken place during the year (upto March 29, 2017):

- 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, 2018	% Holding as at March 31, 2017
Godrej Easy IP Holdings (FZC) (Dubai)	Dubai	50%	50%

e) Associate Company:

Name of the Associate Company	Country	% Holding as at March 31, 2018	% Holding as at March 31, 2017
Bhabhani Blunt Hairdressing Pvt Limited	India	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 Emeritus
ii) Ms. Nisaba Godrej	Executive Chairperson / 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 (<i>Deceased on October 10, 2016</i>)
vi) Mr. Pirojsha Godrej	Non-Executive Director / 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 (<i>till November 1, 2017</i>)
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 Ambwani	Independent Director
xvi) Ms. Ndidi Nwuneli	Independent Director (<i>from April 1, 2017</i>)
xvii) Ms. Pippa Armerding	Independent Director (<i>from January 30, 2018</i>)
xviii) Mr. Burjis Godrej	Son of Mr. Nadir Godrej
xix) Ms. Rati Godrej	Wife of Mr. Nadir Godrej
xx) Mr. Sohrab Godrej	Son of Mr. Nadir Godrej
xxi) Mr. Hormazd Godrej	Son of Mr. Nadir Godrej
xxii) Mr. Navroze Godrej	Son of Mr. Jamshyd Godrej
xxiii) Mr. Arvind Dubash	Husband of Ms. Tanya Dubash

i) 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	40.21	36.11	-	11.87	0.57	0.54	18.86	0.16	1.71	-	-	-	-	61.35	49.21	-	-	-
Sale of Capital Asset	-	0.04	-	-	-	-	-	-	0.02	-	-	-	-	-	-	0.02	0.04	-	-	-
Purchase of Materials and Spares	-	0.03	4.26	3.30	-	33.71	-	-	40.16	0.22	0.13	-	-	-	-	44.55	37.26	-	-	-
Purchase of Fixed Asset including Assets under Construction	-	1.59	-	-	-	3.82	-	-	-	-	10.74	-	-	-	-	10.74	5.41	-	-	-
Advance Paid	-	0.37	-	-	-	-	-	-	1.51	-	0.25	-	-	-	-	1.76	0.37	-	-	-
Royalty and Technical Fees Received	-	-	13.24	54.60	-	-	-	-	-	-	-	-	-	-	-	13.24	54.60	-	-	-
Royalty and Technical Fees Paid	-	-	0.12	-	-	-	0.87	0.62	-	-	-	-	-	-	-	0.99	0.62	-	-	-
Business Development Expenses	-	-	-	1.81	-	-	-	-	-	-	-	-	-	-	-	-	1.81	-	-	-
Establishment & Other Expenses Paid (Including provision for doubtful debts if any)	-	0.23	0.35	4.73	-	39.97	1.19	0.24	33.50	5.14	6.92	0.02	-	-	-	41.96	50.33	-	-	-
Expenses Recovered	-	-	16.36	13.94	-	1.69	0.01	-	0.23	-	0.35	-	-	-	0.61	16.95	16.24	-	-	-
Investments Made	-	-	156.52	359.04	-	-	-	-	-	-	-	-	-	-	-	156.52	359.04	-	-	-
Investments Sold / Redeemed	-	-	-	32.29	-	-	-	-	-	-	-	-	-	-	-	-	32.29	-	-	-
Fair Value of Financial Guarantees included in Investments	-	-	7.54	16.27	-	-	-	-	-	-	-	-	-	-	-	7.54	16.27	-	-	-
Guarantees Given / (Cancelled)	-	-	544.21	1657.14	-	-	-	-	-	-	-	-	-	-	-	544.21	1657.14	-	-	-
Guarantees / Surety Bonds Obtained / (Cancelled)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financial Guarantee Fee Receivable	-	-	4.01	3.79	-	-	-	-	-	-	-	-	-	-	-	4.01	3.79	-	-	-
Guarantee Commission Income	-	-	20.24	20.99	-	-	-	-	-	-	-	-	-	-	-	20.24	20.99	-	-	-
Income from Business Support Services	-	-	15.96	11.06	-	-	-	-	-	-	-	-	-	-	-	15.96	11.06	-	-	-
Dividend Paid	-	68.14	-	-	-	46.54	-	-	313.99	-	45.01	-	-	-	-	376.69	120.33	-	-	-
Commission on Profits and Slicing Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.64	1.83	-	-	-
Lease Rentals Received	-	-	-	-	-	9.20	-	-	10.87	-	-	-	-	-	-	10.87	9.20	-	-	-
Lease Rentals Paid	-	-	-	-	-	12.71	-	-	15.49	-	-	-	-	-	-	15.75	15.17	-	-	-
Contribution during the year (Including Employees' Share)	-	-	-	-	-	-	-	-	-	-	-	-	-	0.11	15.34	13.73	13.84	-	-	-
Short Term Employment Benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	33.40	34.44	-	-	-
Post Employment Benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.42	1.82	1.82	-	-	-
Other Long Term Benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.27	-	0.27	-	-	-
Share Based Payment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.80	3.06	3.06	-	-	-
TOTAL	-	70.93	823.02	2215.07	-	159.51	2.64	1.40	434.63	5.52	65.11	0.02	58.21	49.53	-	0.72	15.34	13.73	1398.95	2516.43

₹ Crore

Outstanding Balances

	Receivables		Payables		Guarantees Outstanding		Commitments	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Subsidiary Companies	46.39	58.62	0.88	0.45	3,881.11	4,116.85	-	-
Associate Company	0.07	0.08	-	-	-	-	0.01	0.01
Enterprise Over Which KMP Exercise Significant Influence	-	-	-	-	-	-	-	-
Companies with Common Directors	-	-	-	-	-	-	-	-
Investing Entity in which the reporting entity is an associate	0.97	2.45	-	1.12	(26.88)	(26.88)	2.61	0.50
Common Control	0.34	0.32	0.02	-	(1.21)	(1.21)	0.99	12.08
Key Management Personnel and Relatives	-	-	16.22	22.81	-	-	-	-
Directors and their relatives	-	-	-	-	-	-	-	-
Controlled Trust	-	-	-	-	-	-	-	-
Post employment benefit trust	-	-	-	1.14	-	-	-	-
TOTAL	4777	6147	1712	25.52	3,853.02	4,088.76	3.61	12.59

NOTE : Refer note 5 for investments in subsidiaries and associates.

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, 2018 is ₹ 41.53 crore (*previous year ₹ 40.3 crore*).

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

	₹ Crore	
	As at	As at
	March 31, 2018	March 31, 2017
Not later than one year	12.63	11.02
Later than one year and not later than five years	36.27	19.89
Later than five years	10.59	-
TOTAL	59.49	30.91

NOTE: 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, 2018 amounting to ₹ 9.13 crore have been netted off against rent expense of ₹ 9.13 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	As at
	March 31, 2018	March 31, 2017
Not later than one year	9.13	9.12
Later than one year and not later than five years	10.20	19.39
Later than five years	-	-
TOTAL	19.33	28.51

NOTE 43 : HEDGING CONTRACTS

The Company uses forward exchange contracts to hedge its foreign exchange exposure relating to the underlying transactions and firm commitments 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		As at	
	March 31, 2018		March 31, 2017	
	In million		In million	
Forward Contracts to Purchase (USD) [31 contracts (31-Mar-17: 12 contracts)]	US \$	20.53	US \$	4.53
Forward Contracts to Sell (EUR) [2 contracts (31-Mar-17: 2 contracts)]	€	-	€	1.05

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.

The Company has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. These administered rates are determined annually predominantly considering the social rather than economic factors and the actual return earned by the Company has been higher in the past years. The actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the below provided assumptions there is no shortfall as at March 31, 2018.

	₹ Crore
	As at
	March 31, 2018
Plan assets at period end, at fair value	129.57
Provident Fund Corpus	128.51
Valuation assumptions under Deterministic Approach:	
Weighted Average Yield	8.75%
Weighted Average Yield to Maturity	8.95%
Guaranteed Rate of Interest	8.65%

c) Amounts Recognised as Expense:

i) Defined Contribution Plan

Employer's Contribution to Provident Fund including contribution to Family Pension Fund amounting to ₹ 11.03 crore (*previous year ₹ 9.93 crore*) has been included in Note 33 under Contribution to Provident and Other Funds.

ii) Defined Benefit Plan

Gratuity cost amounting to ₹ 6.41 crore (*previous year ₹ 4.62 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, 2018	As at March 31, 2017
i) Change in Present Value of Obligation		
Present value of the obligation at the beginning of the year	48.07	33.29
Current Service Cost	3.40	2.40
Interest Cost	3.28	2.66
Actuarial (Gain) / Loss on Obligation- Due to Change in Demographic Assumptions	(0.13)	3.77
Actuarial (Gain) / Loss on Obligation- Due to Change in Financial Assumptions	2.82	6.28
Actuarial (Gain) / Loss on Obligation- Due to Experience	1.79	1.85
Benefits Paid	(2.85)	(2.18)
Present value of the obligation at the end of the year	56.38	48.07
ii) Change in Plan Assets		
Fair value of Plan Assets at the beginning of the year	3.91	5.53
Interest Income	0.27	0.44
Return on plan assets excluding interest income	(0.13)	0.12
Benefits Paid	(2.85)	(2.18)
Fair value of Plan Assets at the end of the year	1.20	3.91
iii) Amounts Recognised in the Balance Sheet:		
Present value of Obligation at the end of the year	56.38	48.07
Fair value of Plan Assets at the end of the year	1.20	3.91
Funded status - Deficit	55.18	44.16
Net Liability recognised in the Balance Sheet	55.18	44.16
iv) Amounts Recognised in the Statement of Profit and Loss:		
Current Service Cost	3.40	2.40
Interest Cost/Income on Obligation/ Plan assets (Net)	3.01	2.22
Net Cost Included in Personnel Expenses	6.41	4.62
v) Recognised in other comprehensive income for the year		
Actuarial (Gain) / Loss on Obligation	4.47	11.90
Return on plan assets excluding interest income	0.13	(0.12)
Recognised in other comprehensive income	4.60	11.78
vi) Weighted average duration of Present Benefit Obligation	6 years	6 years
vii) Estimated contribution to be made in next financial year	7.82	6.98
viii) Major categories of Plan Assets as a % of total Plan Assets		
Insurer Managed Funds	100%	100%
ix) Actuarial Assumptions		
i) Discount Rate	7.80% P.A.	6.82% P.A.
ii) Salary Escalation Rate	9.00% P.A.	7.00% 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, 2018	As at March 31, 2017
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	12.41	10.34
2nd Following Year	4.99	4.11
3rd Following Year	5.41	4.00
4th Following Year	5.02	4.21
5th Following Year	4.85	3.82
Sum of Years 6 To 10	23.89	19.14

x) 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, 2018		March 31, 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(2.77)	3.11	(2.53)	2.85
Future salary growth (1% movement)	3.04	(2.77)	2.82	(2.55)

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 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 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 2017	635,424	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, 2018	As at March 31, 2017
Outstanding at the beginning of the year	128,895	141,096
Add: Bonus issue during the year	122,214	-
Add: Granted during the year	111,829	58,376
Less: Exercised during the year	127,886	66,993
Less: Forfeited/ lapsed during the year	11,041	3,584
Outstanding at the end of the year	224,011	128,895

Weighted average remaining contractual life of options as at 31st March, 2018 was 1.24 years (31-Mar-17: 1.56 years).

Weighted average equity share price at the date of exercise of options during the year was ₹ 1297.64 (previous year ₹ 1,558.62).

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, 2018	As at March 31, 2017
Risk-free interest rate (%)	6.46%	7.04%
Expected life of options (years)	2.00	2.00
Expected volatility (%)	32.21%	32.21%
Dividend yield	0.31%	0.39%
The price of the underlying share in market at the time of option grant (₹)*	1868.75	1481.60

* Price is before issue of Bonus shares

II. 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 ₹ 18.83 crore (previous year ₹ 16.38 crore):

	As at March 31, 2018	As at March 31, 2017
Revenue Expenditure in cash on CSR activities	18.88	16.52
TOTAL	18.88	16.52

₹ Crore

NOTE 47 : 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, 2018	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	-	-	84.66	84.66	-	84.79	-	84.79
Deposits with Non-Banking Financial Companies	-	-	20.54	20.54	-	20.54	-	20.54
Loans	-	-	16.32	16.32	-	-	-	-
Other Non-Current Financial Assets	-	-	4.27	4.27	-	-	-	-
Current								
Investments								
Non-convertible Debentures with Non-Banking Financial Companies	-	-	336.01	336.01	-	339.38	-	339.38
Mutual Funds	107.63	-	-	107.63	-	107.63	-	107.63
Commercial papers	-	-	97.04	97.04	-	97.04	-	97.04
Deposits with Non-Banking Financial Companies	-	-	306.97	306.97	-	306.97	-	-
Trade receivables	-	-	248.58	248.58	-	-	-	-
Cash and cash equivalents	-	-	86.11	86.11	-	-	-	-
Other Bank balances	-	-	12.00	12.00	-	-	-	-
Loans	-	-	0.25	0.25	-	-	-	-
Refunds/Incentives receivables from Govt. Authorities	-	-	173.66	173.66	-	-	-	-
Other Current Financial Assets	0.61	-	18.97	19.58	-	-	-	-
TOTAL	108.24	-	1,405.38	1,513.62	-	956.34	-	649.38
Financial liabilities								
Current								
Borrowings (Commercial Paper)	-	-	-	-	-	-	-	-
Trade and other payables	-	-	1,452.92	1,452.92	-	-	-	-
Other Current Financial Liabilities	-	-	39.00	39.00	-	-	-	-
TOTAL	-	-	1,491.92	1,491.92	-	-	-	-

There are no transfer between levels 1 and 2 during the year.

As at March 31, 2017	Carrying amount / Fair Value			Fair value Hierarchy			₹ Crore
	FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3	
Financial assets							
Non-Current							
Investments							-
Non-convertible Debentures with Non-Banking Financial Companies	-	-	153.66	-	153.89	-	153.89
Deposits with Non-Banking Financial Companies	-	-	62.85	-	62.85	-	62.85
Loans	-	-	15.33	-	-	-	-
Other Non-Current Financial Assets	-	-	12.08	-	-	-	-
Current							
Investments							
Non-convertible Debentures with Non-Banking Financial Companies	-	-	52.78	-	52.89	-	52.89
Mutual Funds	425.56	-	-	-	425.56	-	425.56
Deposits with Non-Banking Financial Companies	-	-	174.52	-	174.52	-	174.52
Trade receivables	-	-	209.33	-	-	-	-
Cash and cash equivalents	-	-	88.00	-	-	-	-
Other Bank balances	-	-	10.45	-	-	-	-
Loans	-	-	0.11	-	-	-	-
Refunds/Incentives receivables from Govt. Authorities	-	-	167.35	-	-	-	-
Other Current Financial Assets	-	-	9.00	-	-	-	-
TOTAL	425.56	-	955.46	-	869.71	-	869.71
Financial liabilities							
Current							
Borrowings (Commercial Paper)	-	-	148.97	-	148.97	-	148.97
Trade and other payables	-	-	1,120.36	-	-	-	-
Other Current Financial Liabilities	0.34	-	33.84	-	0.34	-	0.34
TOTAL	0.34	-	1,303.17	-	149.31	-	149.31

There are no transfer between levels 1 and 2 during the year.

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 NonConvertible Debenture/Commercial papers 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
Derivative Financial Instruments	MTM from Banks	NA	NA

NOTE 48 : 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, foreign currency receivables/payables, EEFC bank account balances, 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, deposits 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, 2018 is as below:

	₹ Crore					
	March 31, 2018					
	GBP	USD	EURO	ZAR	AED	Others
Financial assets						
Cash and cash equivalents	-	6.11	-	-	-	-
Trade and other receivables	1.19	47.05	36.10	-	2.32	-
Less: Forward contracts for trade receivables	-	-	-	-	-	-
Other Non-Current Financial Assets	-	4.20	-	-	-	-
Other Current Financial Assets	-	7.89	-	-	-	-
	1.19	65.25	36.10	-	2.32	-
Financial liabilities						
Trade and other payables	1.95	198.64	5.05	-	-	-
Less: Forward contracts for trade payables	-	(133.80)	-	-	-	-
Other Current Financial Liabilities	-	0.21	-	-	-	-
	1.95	65.05	5.05	-	-	-
Net exposure	(0.76)	0.20	31.05	-	2.32	-

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 is as below:

	₹ Crore					
	March 31, 2017					
	GBP	USD	EURO	ZAR	AED	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	-

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

INR	Year-end spot rate as at	
	March 31, 2018	March 31, 2017
GBP INR	91.76	80.90
USD INR	65.18	64.85
EUR INR	80.45	69.29
ZAR INR	5.53	4.85
AED INR	17.74	18.49

Sensitivity analysis

A reasonably possible 5% strengthening (weakening) of GBP/USD/EURO/AED against the Indian Rupee 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.

Effect in INR	Profit or loss	
	Strengthening	Weakening
March 31, 2018		
5% movement		
GBP	(0.04)	0.04
USD	0.01	(0.01)
EUR	1.55	(1.55)
AED	0.12	(0.12)
	1.64	(1.64)

₹ Crore

Effect in INR	Profit or loss	
	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)

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 investing 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, 2018, 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	As at
	March 31, 2018	March 31, 2017
Neither past due nor impaired	171.78	144.97
Past due 1-90 days	54.11	48.24
Past due 91-120 days	0.93	2.23
Past due 120 days	21.76	13.89
	248.58	209.33

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:

The movement in the allowance for impairment in respect of trade receivables is as follows:	₹ Crore	
	As at	As at
	March 31, 2018	March 31, 2017
Opening balance	5.07	3.00
Impairment loss recognised during the year	0.55	2.07
Closing balance	5.62	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, 2018	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	-	-	-	-	-	-
Trade payables	1,452.92	1,452.92	1,452.92	-	-	-
Other Financial Liabilities	39.00	39.00	39.00	-	-	-
Derivative financial liabilities						
Forward exchange contracts used for hedging						
- Outflow	134.37	134.37	134.37	-	-	-
- Inflow	-	-	-	-	-	-

₹ 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	148.97	148.97	-	-	-
Trade payables	1,120.36	1,120.36	1,120.36	-	-	-
Other Financial Liabilities	34.18	34.18	34.18	-	-	-
Derivative financial liabilities						
Forward exchange contracts used for hedging						
- Outflow	37.43	37.43	37.43	-	-	-
- Inflow	7.37	7.37	7.37	-	-	-

NOTE 49 : 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 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 vanilla foreign currency forward contract.	Foreign 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 table below provide details of the derivatives that have been designated as cash flow hedges for the year presented:

For the year ended March 31, 2018

Hedging Instrument	Notional principal amounts	Derivative Financial Instruments - Assets	Derivative Financial Instruments - Liabilities	Gain/ (Loss) dues	Change in fair value for the year recognised in Other Comprehensive Income (OCI)	Ineffectiveness recognised 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	-	-	-	-	-	-	NA	NA	NA

For the year ended March 31, 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 recognised in Other Comprehensive Income (OCI)	Ineffectiveness recognised 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 Other Comprehensive Income (OCI) items resulting from hedge accounting:

	Movement in Cash flow hedge	
	As at 31 March, 2018	As at 31 March, 2017
Opening balance	(0.75)	-
Gain / (Loss) on the Effective portion of changes in fair value:		
Currency risk	-	(1.16)
Net amount reclassified to profit or loss:	-	-
Currency risk	-	-
Tax on movements on reserves during the year	-	0.41
Closing balance	(0.75)	(0.75)

Disclosure of effects of hedge accounting on financial performance for the year ended March 31, 2018:

Type of hedge	Gain/(Loss) due to change in the value of the hedging instrument recognised in OCI	Hedge ineffectiveness recognised 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				
Currency risk	-	-	-	NA

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

Type of hedge	Gain/(Loss) due to change in the value of the hedging instrument recognised in OCI	Hedge ineffectiveness recognised 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				
Currency risk	(1.16)	-	-	NA

NOTE 50 : 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 51 : 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 52 : 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.

As per our report attached
For B S R & Co. LLP
 Chartered Accountants
 Firm Regn No. 101248W/W-100022

For and on behalf of the Board

Nisaba Godrej
 Executive Chairperson
 DIN: 00591503

Vijay Mathur
 Partner
 M. No. 046476

V Srinivasan
 Chief Financial Officer
 & Company Secretary

Vivek Gambhir
 Managing Director & CEO
 DIN: 6527810

Mumbai: May 8, 2018